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FRANK BOND: GENTLEMAN SHEEPHERDER OF NORTHERN NEW MEXICO, 1883-1915

By FRANK H. GRUBBS

6. *Bond & Nohl Company*

THE Bond & Nohl Company was formally organized on Friday, April 6, 1906, with 50,000 shares of one dollar capital stock, issued 16,000 shares each to Frank Bond, George Bond, and Louis F. Nohl, and 2,000 shares to Jose Leandro Martinez.¹ Frank Bond was president of the new corporation, George W. Bond was vice-president, and Louis F. Nohl, salaried at \$140 per month,² was secretary, treasurer, and general manager. The home of the new company was Espanola, New Mexico, where as an extension of the partnership of G. W. Bond & Bro. it engaged for thirty-eight years in a more widely diversified field of business than any of the other Bond interests.

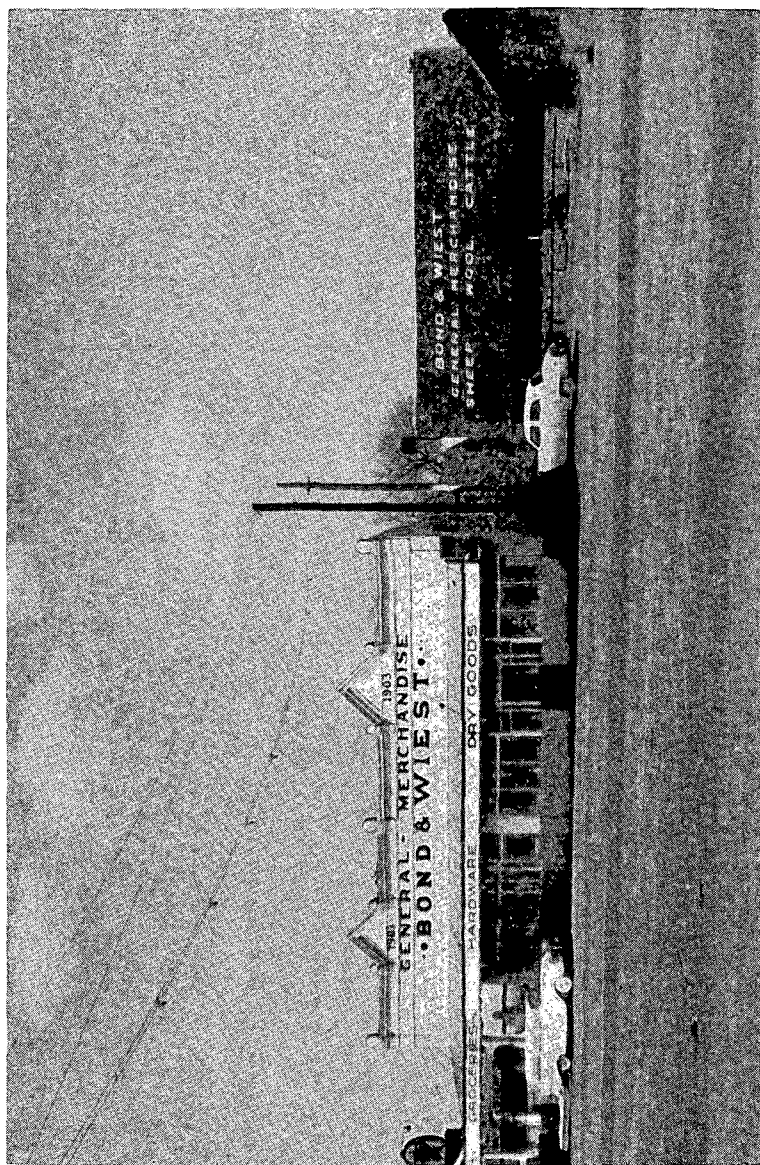
The corporate organization of the Bond & Nohl Company was created in 1906, but its practical beginning was in 1900 when Louis F. Nohl joined G. W. Bond & Bro. in a profit-sharing capacity. To carry the matter further, it may even be said that it was born of evolution rather than creation. Since Frank Bond continued to operate his own business from Espanola, actually headquartering with Bond & Nohl, it is probable that the townspeople were unaware of any change in organization other than the name on the front of the store.

Louis Nohl entered the new organization under a cloud of tragedy. Just a month after the new company was formed, his first wife died, leaving Nohl with their six children.³ At this time he had a net worth of \$4,886 which by July 31, 1909, the date of Nohl's second marriage, had grown to \$17,833.17

1. Stock Certificates (in the files of Frank Bond & Son, Inc., Albuquerque).

2. Record of Minutes (in the files of Frank Bond & Son, Inc., Albuquerque).

3. Miscellaneous papers re estate of Louis F. Nohl, Bond Papers, *loc. cit.*



BOND & WIEST, CUERVO

due entirely to his participation in profits of the Bond & Nohl Company.⁴ Nohl received his stock interest in the company in exchange for his personal note, and in 1909 G. W. Bond & Bro. held this note in the amount of \$12,078.25.⁵ Thus it was that Louis Nohl was received into the Bond management family on the same generous terms that so many others were fortunate enough to enjoy.

Leandro Martinez, the minority stockholder, was generally employed as an outside man, or general foreman, but the way in which he acquired his stock is unknown. However, when he left the firm in 1913, he surrendered his 2,000 shares of stock. These were returned to Bond & Nohl in January, 1914, and were carried thenceforth as treasury stock. There is no record of how much he received at the time he surrendered his interest, and after leaving Bond & Nohl he joined with Leo Hersch to provide backing to Morris and Clark in putting up store buildings in Espanola. Frank Bond rather expected Leandro to interfere some with the lamb business,⁶ but if he did there was never any further mention of the matter although he was later suspected of buying wool for Charles Ilfeld.⁷

At the end of 1906, the first year of business, the merchandise stock of Bond & Nohl was valued at almost \$63,000, but merchandise inventories throughout the period from 1907 through 1915 were generally maintained at a somewhat lower but relatively constant level of about \$55,000. An itemization of the more significant items in the 1906 inventory has been located, and these commodities are listed in Table 36 as representing typical investments and suggesting the large quantities of staple goods that were carried.

Inventory activity remained fairly steady from 1906 through 1915 as shown in Table 37. There being no way to

4. *Ibid.*

5. *Ibid.*

6. *Letter Book No. 53*, June 17, 1914, p. 43. The individuals from whom Bond customarily purchased sheep and wool were usually referred to as "customers," and attempts by outsiders to trade with those customers was considered to be interference. The modern term would be "competition," but this term today does not carry the overtones of knavery that seem to have been implicit in "interference." Bond used both terms, and his usage implies a distinction in this sense.

7. *Letter Book No. 57*, March 24, 1915, p. 450.

determine average inventory levels, the inventory turnover has been computed by relating year-end inventory levels to the cost of merchandise sold.

TABLE 36
MAJOR COMMODITY ITEMS IN
BOND & NOHL INVENTORY, 1906

Quantity	Item	Price	Amount
181,291 lbs	Pinons	\$.07	\$12,690.37
24,000 lbs	1st Grade Flour	1.75	420.00
115,500 lbs	2nd Grade Flour	1.60	1,732.50
84,449 lbs	Wheat	1.00	844.49
. . .	Black Leaf	. . .	1,267.31
. . .	Surplus Stock ^a	. . .	3,000.00

a. Shoes purchased on account of an advancing market.

TABLE 37
BOND & NOHL INVENTORY TURNOVER

Year	Turnover
1906	1.9
1907	3.1
1908	2.3
1909	^a
1910	2.4
1911	2.3
1912	2.6
1913	2.7
1914	2.3
1915	2.5

a. Sales data not available.

The Bond & Nohl sales and profit data shown in Table 38 indicate the size of the mercantile business for the years through 1915 and represent a wide variety of items as might be expected in a general mercantile establishment. There were staples,⁸ alfalfa, hay, caskets,⁹ pencil sharpeners in-

8. Typical prices were: flour, \$1.25 per sack; granulated sugar, \$1.00 for 14 lb. sack; coffee, \$.25 lb.; lard compound, \$1.35 for 10 lb. pail; coal oil, \$.35 gal.; laundry soap (brown or white), \$.05 bar. *Letter Book No. 53*, June 16, 1914, p. 25.

9. Itemized expenses for the burial of a deceased pensioner in 1914 included \$4.10 for the coffin and \$6.00 fee for the priest. (*Letter Book No. 53*, July 4, 1914, p. 261.) In 1881 the cost of burying an indigent in Santa Fe County was \$30. Sister Blandina Segale, *At the End of the Santa Fe Trail* (Columbus, Ohio: The Columbian Press, 1932), p. 180.

TABLE 38
BOND & NOHL SALES AND PROFIT ON MERCHANDISE
(dollars in thousands)

Year	Cash Sales	Credit Sales	Total Sales	Gross Profit on Merchandise
1906	\$46.5	\$100.7	\$147.2	\$27.3
1907	49.8	133.3	183.1	31.3
1908	43.1	100.6	143.7	21.3
1909	22.4
1910	57.2	103.2	160.4	25.4
1911	55.1	106.2	161.3	28.1
1912	51.6	120.3	171.9	27.3
1913	55.3	115.1	170.4	27.8
1914	40.5	106.2	146.7	33.6
1915	48.5	114.2	162.7	22.7

a. Gross profits on wool and on sheep trading are reported in Tables 39 and 40 respectively. Profits are summarized and net profits are shown in Table 42.

cluding coupons for sharpening the sharpener, clothing, meats, Indian pottery, chile, blankets, Bain wagons,¹⁰ guns, ammunition, fencing, buggies, Victor Talking machines, Victrola records,¹¹ refrigerators, patent medicines,¹² and pinons.¹³ Some commodities were handled in large lots, particularly such items as hay, beans, chile, and pinons.¹⁴

Every effort was made to fill orders for almost any item. Once a customer ordered a heater, and in asking the supplier to quote a price it was requested that he add 25 per cent to the price of the heater so that they could show the customer the quotation telegram.¹⁵ If the item could not be obtained or was not in stock, the order was turned over to the Espanola Mercantile Company,¹⁶ and the customer was so notified. Goods were never consigned, and although both cash and credit business was conducted, there was only one price. For

10. The profit on a wagon was about \$10. *Letter Book No. 58*, May 17, 1915.

11. One order for Victrola records to the Knight-Campbell Music Company in Denver included such favorites as "Ballin' the Jack," "Memphis Blues," "Rose of the Mountain Trail," "Peg O' My Heart," "Roamin' in the Gloamin'," "She is My Daisy," "Italian Street Song," and "Oh, It's Nice To Get Up In the Morning, But It's Nicer To Stay In Bed." *Letter Book No. 53*, July 1, 1915, p. 703.

12. Wine of Cardui and Black Draught. *Letter Book No. 59*, July 13, 1915, p. 133.

13. *Letter Books, passim*.

14. *Supra*, Table 36.

15. *Letter Book No. 50*, December 19, 1913, p. 526.

16. *Ibid.*, October 20, 1913, p. 134; *infra*, chap. xi.

a time a dual pricing structure was tried under which separate prices for cash and for credit were maintained, but finding it to be completely unworkable, it was abandoned.¹⁷

Dealing in a wide variety of merchandise had its headaches as well as its profits, particularly in connection with fairly large commodity transactions. Pinons in New Mexico are a highly seasonal and uncertain crop, harvested by hand in the vast stretches of pinon forests that cover much of the central and northern New Mexico mountains. Pinons are highly sensitive to the effects of wind and weather so that the crop is frequently almost nonexistent. There was usually a large demand for pinon nuts by the eastern specialty houses, and an investment in pinons could often be held for some time against an advance in the market for the nuts keep well without any special warehousing requirements.

Charles E. Doll, of Santa Fe, had such a pinon warehouse,¹⁸ and in 1913 Bond & Nohl entered into an agreement with him under which they were each to purchase pinon nuts, sell them, and share in the profits.¹⁹ This agreement covered all pinon nuts that Doll should buy, regardless of where he bought them. The agreement was a verbal one, and at the end of the season Frank Bond found that he had bought all the pinons and made all the profits while Doll ostensibly had bought no pinons and made no money for Bond. Satisfied that Doll was not living up to his agreement, Bond put a man out on the road to make further inquiries, and found that Doll had actually sold and shipped large quantities of pinons without sharing the profits with Bond. Pressed, Doll would not admit that he had made any sales and would not pay the Bond claim. In November of the following year Bond offered to settle the account if Doll would remit \$3,500 cash and threatened to bring suit if he didn't pay within a week. A. B. Renehan, of the Santa Fe law firm of Renehan and Wright, was representing Bond in the matter, and Doll immediately waited upon Renehan; presenting evidence of further shipments, he asked Renehan to represent him. Louis Nohl felt

17. *Letter Book No. 59*, August 28, 1915, p. 525.

18. Interview with J. E. Davenport.

19. *Letter Book No. 56*, December 7, 1914, p. 240.

that an old grievance between Doll and himself had influenced Doll to take the position he did, and Nohl had evidence that Doll had sold at least 110,000 pounds of pinons to Birdsong Brothers in New York. He promptly wrote them asking for details of the shipments, but they refused and then promptly filed a claim against Bond & Nohl. The claim received a cold reception at Espanola. At this point Bond went to work in earnest. He wrote letters to forty-seven fruit and nut dealers in New York, San Francisco, Chicago, Los Angeles, and St. Louis asking for information on pinon transactions with Doll. Most of the inquiries were fruitless, but one dealer in New York City reported that they had bought 240,000 pounds of pinons from Doll at prices ranging up to nine cents per hundred.

Although Doll had sold at least 350,000 pounds of pinons, he still didn't pay Bond his share of the profits, and by May, 1915, Bond was about willing to settle for \$1,000 out of sheer exasperation. Settlement was made shortly thereafter, but Bond paid the attorneys' fee of \$250.²⁰ Referring mildly to Doll's "cussedness," Bond commented: "We are glad to know that Charlie realizes that he has acted dishonorably in this matter and that he is truly repentant. I just wish to say to you, that we intend to overlook this unkindness on Charlie's part to a very large extent."²¹

It is apparent from an examination of the sales data in Table 37, *supra*, that a large part of the sales were on credit. Terms of sale on staple items were usually 2 per cent for cash in ten days, but on at least one occasion a customer deducted a cash discount on an invoice that was ten months old. He didn't get away with it.²²

All the stores in the Bond system sold a great deal of their

20. *Letter Book No. 56*, November 20, 1914, p. 104; *ibid.*, November 26, 1914, p. 149; *ibid.*, December 2, 1914, p. 184; *ibid.*, December 7, 1914, p. 240; *ibid.*, December 17, 1914, p. 309; *ibid.*, December 29, 1914, p. 392; *ibid.*, January 27, 1915, p. 610; *ibid.*, January 30, 1915, p. 644; *Letter Book No. 57*, March 9, 1915, p. 314; *ibid.*, March 10, 1915, pp. 344-348; *ibid.*, March 15, 1915, pp. 368ff.; *ibid.*, March 17, 1915, p. 388; *ibid.*, March 18, 1915, p. 424; *ibid.*, April 5, 1915, p. 520; *Letter Book No. 58*, May 19, 1915, p. 198; *ibid.*, June 1, 1915, p. 639; *ibid.*, June 1, 1915, p. 346.

21. *Letter Book No. 58*, June 1, 1915, p. 342.

22. *Letter Book No. 56*, February 2, 1915, p. 689; *Letter Book No. 50*, October 11, 1913, p. 36.

merchandise on credit, of course, and it was standard practice to value the receivable to reflect anticipated collectibles. From 1900 they were valued at ninety cents on the dollar, but in 1907 the valuation of accounts receivable was reduced to 85 per cent of book value. Thereafter, the offset against receivables varied percentagewise from year to year, being as high as 20 per cent and as low as 10 per cent.²³ These variations resulted from a careful and realistic analysis of the receivables for the purpose of determining exactly which ones would and which ones probably would not be collected.

A great deal can be learned about a man by observing the way in which he conducts one of the most sensitive aspects of his business—credit. Frank Bond recognized the importance of collecting those sums which were due him, yet he manifested a great deal of patience and understanding as he pursued his due. Respect for his own rights was interwoven with his respect for the dignity and honor of his customers and friends. He utilized both the Bradstreet Company and the R. G. Dun Company for special investigations and as his main source of credit reference.²⁴ Collections were normally handled directly, but instances did sometimes arise that made the services of attorneys, collection agents, or investigators desirable. Early in 1915, for instance, Frank Bond was informed that Alfredo Lucero, of Santa Cruz, had mortgaged his merchandise stock for which he had not yet paid Bond & Nohl. Bond demanded immediate settlement of the account, whereupon Lucero denied that the stock was mortgaged. The Bradstreet and Dun companies were asked to investigate the facts, absolving Lucero.²⁵

These concerns were also asked upon occasion to make collections,²⁶ although relatively complex collection problems were sometimes handled more directly. On one occasion R. M. Willis of Carson, New Mexico, had fallen behind in his ac-

23. *Records, loc. cit.*

24. Propositions received from other companies not known personally by Bond were given scant consideration if they were not listed with Dun or Bradstreet. *Letter Book No. 53*, June 1, 1915, p. 350.

25. *Letter Book No. 57*, February 25, 1915, p. 210; *ibid.*, February 27, 1915, pp. 234-235.

26. *Ibid.*, February 27, 1915, p. 234.

count, and Frank Bond undertook to help him find a buyer for some water-soaked and alkali-covered ranch property so that Willis could pay his account. Bond finally accepted with some reluctance the deed to the ranch and continued to search for a buyer.²⁷ The American Adjusting Company in San Francisco, California, was used occasionally for collecting notes and accounts as also were attorneys.²⁸ Judge Julius C. Gunter in Denver, Colorado, collected some of the largest notes that were handled, and Benjamin M. Read in Santa Fe did some collection work.

Judge Read handled one assignment concerning the collection of a number of small accounts receivable that Bond & Nohl acquired along with the stock of the Seligman Dry Goods Company from Adolf Seligman of Santa Fe. They were turned over to Read for collection on a percentage basis, and the petty ledger was forwarded to him. Some difficulty arose, however, when Seligman made some strenuous efforts to collect the accounts himself even though they were no longer his. Bond referred the matter to E. A. Johnson, an attorney with Renehan and Wright, but later Bond addressed himself directly to Seligman, stating that he was sorry to hear of his condition and saying that: "It has never been our policy to push any man to the wall. I would suggest that you do not worry about these little matters and I surely hope that your financial condition may improve."²⁹

Notwithstanding Bond's usual caution, a gypsy by the name of Alejandro Nicholas walked into the store one day and presented an endorsed check for \$8.92 in payment of some goods. The air in the store must have been somewhat strained when it became necessary for Bond to write the First National Bank in Santa Fe asking them to cancel Bond & Nohl's endorsement, collect from the gypsy, and return the check.³⁰

Frank Bond was always willing to cooperate as much as

27. *Letter Book No. 53*, May 1, 1915, p. 18; *ibid.*, May 7, 1915, p. 86; *ibid.*, May 19, 1915, p. 196; *ibid.*, June 11, 1915, p. 465.

28. *Letter Book No. 57*, April 12, 1915, p. 600; *ibid.*, April 29, 1915, p. 701.

29. *Letter Book No. 58*, May 15, 1915, p. 137; *ibid.*, May 21, 1915, p. 248; *ibid.*, June 7, 1915, p. 430; *ibid.*, June 14, 1915, p. 510.

30. *Ibid.*, June 14, 1915, p. 486.

possible with deserving people who sincerely worked to get themselves out of difficulty, and upon receipt of a ten-dollar payment from Jose Quintana, Bond wrote to him: "If you continue paying on your note right along we will help you out some on the interest."³¹

Possibly the most interesting, frustrating, and colorful collection problem that ever faced the respectable pillars of business in the offices of Bond & Nohl concerned two irascible spinsters who lived together on a ranch located about six miles south of Espanola—the Misses Bryan and True. Frank Bond was wary of these two testy ladies as early as 1907 when he warned C. L. Pollard: "There is no use having any Quixotic ideas in regard to this lady [Miss True]. She has taken advantage of your friendship."³² By late 1914 they had accumulated an overdue account with Bond & Nohl amounting to \$1,000 for which they gave their note.³³ The note finally became as badly in arrears as were the accounts in the first place, and the note was turned over to Renehan and Wright for collection. The attorneys prepared suit to be served on the two choleric delinquents by F. A. Geis, Bond's stenographer. Thereupon Miss True paid \$250, with the result that Judge Wright was asked to hold the suit in abeyance until the first of the year when the note would be paid. In January, when they had not paid the balance, Nohl asked that judgment be entered against them in accordance with their agreement when the suit was postponed. Shortly thereafter, then, a check was received; this was followed by another payment which, however, was in the form of a check payable only on condition that the suit not be prosecuted. By the end of January they were trying to collect the attorney's fee from Miss True. In February they complained that nothing had been done and asked A. B. Renehan to force another payment. By the end of March the perplexed Bond and Nohl were wondering what to do next. They wrote Miss True warning that she had until April 3 to pay the balance, and to the relief of all a few days later Judge Wright must have had a stern session

31. *Ibid.*, May 18, 1915, p. 160.

32. *Letter Book No. 6*, September 17, 1907.

33. Interview with J. E. Davenport.

with Miss True for he reported that he had adjusted the matter satisfactorily. This, however, was not to be. In May, Nohl complained to his attorneys that they hadn't yet received anything from Miss Clara D. True or Miss Bryan, and in June a judgment was finally taken against Miss True who promptly appealed to Frank Bond for just sixty days' more time in which to pay the balance which was now down to \$550. He agreed. In August, after the sixty days were past, Miss True tried another tack. She wrote directly to Frank Bond, lodging complaints against Louis Nohl. Bond replied:

I look for Mr. Nohl to be here Saturday of this week, and you can take up this matter with him, or if you prefer to leave a message with me I will surely see that it is promptly delivered to him. . . . I take no part whatever in the management of this business, except as regards the purchase of sheep and wool. I do not interfere with Mr. Nohl one particle, and we adopt the same policy with all our managers. We look to them solely for results.

It has always been the policy of Bond & Nohl Company and all the Bond stores to treat everybody honorably, courteously and considerately, and I should hate to think that you have been treated otherwise. You know that we would not intentionally do you an injustice and that we fully appreciate your good will and friendship.³⁴

In September, Bond tried to shake her off again by asking that further correspondence be addressed to the Bond & Nohl Company. The matter was finally cleared up sometime later that year when Miss True's foreman was driving a herd of her cattle northward through Espanola. John Davenport, determined to settle the matter, simply seized the cattle and closed the account.³⁵

Some minor activity in hides and pelts produced small profits, but they never exceeded \$1,000 a year. The same is true of a number of miscellaneous minor profit-producing transactions that occasionally occurred outside the merchandise business such as interest, collection of old accounts, dividends on stock owned, etc.

34. *Letter Book No. 59*, August 26, 1915, p. 506.

35. *Letter Book No. 58*, *passim*; *Letter Book No. 57*, *passim*; *Letter Book No. 58*, *passim*; *Letter Book No. 59*, *passim*; interview with J. E. Davenport.

The buying and selling of wool was generally handled by G. W. Bond & Bro. and later by Frank Bond. However, Bond & Nohl was a party to the Bond-Warshauer wool agreement,³⁶ and while outside wool activity was not extensive, some wool profits were earned as revealed in Table 39.

TABLE 39
BOND & NOHL WOOL PROFITS

Year	Amount
1909	\$7,003.69
1910	1,852.47
1911	2,915.92
1912	6,411.85
191300
1914	365.61
1915	4,251.31

Bond & Nohl was Frank Bond's sheep trading agency, but G. W. Bond & Bro. owned all the rented sheep except those owned by the other stores. Bond & Nohl seems to have had no sheep out on rent with *partidarios*. On the other hand, after Bond & Nohl was organized and took over the sheep trading and feeding operations, G. W. Bond & Bro. discontinued all sheep except on the rental side.

All sheep trading and winter feeding was carried on by Bond & Nohl in a three-way partnership with Fred Warshauer in Antonito, Colorado, and E. S. Leavenworth in Wood River, Nebraska. Under the terms of this arrangement, Leavenworth received half the profits, Warshauer one-fourth, and Bond & Nohl one-fourth.³⁷ Since Frank and George Bond each owned one-third of Bond & Nohl, they each then realized only one-twelfth of the profits on sheep. Fred Warshauer bought all his sheep for joint account with Bond & Nohl and divided his profits evenly with them, so the Bonds by virtue of their ownership each received one-sixth of the profits on Warshauer's trading.³⁸ Leavenworth operated the feeding ranch at Wood River, Nebraska, and the records leave no

36. *Supra*, chap. iii.

37. *Letter Book No. 6*, September 19, 1910.

38. *Ibid.*

indication that he engaged in any sheep trading, at least insofar as the Bonds were concerned.

It appears that the Bond-Warshauer-Leavenworth agreement did not come into existence until about 1908, for prior to that time feeding and trading accounts were maintained with Corlett, Everitt, Leavenworth alone, Antonio Lopez, L. C. Butscher, and Ed Sargent.³⁹ Fred Warshauer died in 1913, and Leavenworth's health broke down the following year, so the probable period of the agreement appears to have been from 1908 until about 1913; but Bond & Nohl continued after that time to split sheep profits with the Warshauer-McClure Sheep Company, dealing then with Will McClure.⁴⁰

The Bond & Nohl sheep profits are shown in Table 40 for the period through 1915. In order to approximate the total profits on sheep trading activities after giving effect to the joint agreements, the Bond & Nohl profits are extended by appropriate factors.

TABLE 40
NET PROFITS ON SHEEP TRADING
(even dollars)

Year	Bond & Nohl Profits	Factor	Total Profits
1906	\$ 8,149	2	\$16,298
1907	6,755	2	13,510
1908	2,552	4	10,208
1909	14,078	4	56,312
1910	6,893	4	27,572
1911	(2,714) ^a	4	(10,856) ^a
1912	11,138	4	44,552
1913	4,688	4	18,752
1914	3,922	2	7,844
1915	7,112	2	14,224

a. The 1911 loss is somewhat open to question because it results from the fact that the profits on the 1911 lambs sales were not realized until 1912 plus the inclusion as an expense something over \$5,000 in unidentified sheep feeding costs that possibly should have been charged to the feeding accounts rather than to the 1911 sheep schedule.

The handling of large numbers of sheep had its physical difficulties as well as the problems inherent in the crude mar-

39. *Records, loc. cit.*

40. *Letter Book No. 53*, July 23, 1914, p. 439.

ket analysis of the day and in the financing of sheep trading. Sheep were trailed from their origin to the shipping points where they were loaded into freight cars. Up to the turn of the century sheep trading had been done by the head, but the practice changed about that time to selling them by weight,⁴¹ so the sheep had to be weighed as well as counted prior to loading them aboard the cars. For these purposes, Bond & Nohl maintained a camp house, scale,⁴² and loading pens at Servilleta which was on the Denver and Rio Grande Railroad in Taos County thirty-eight miles due north of Espanola and twenty-two miles northwest of Taos.⁴³

Frank Bond frequently supervised the loading operations personally, arising about three o'clock in the morning to lead the crews himself. He is clearly remembered for the furious pace he kept, and it is recalled that he never slowed down all day long below a fast dogtrot.⁴⁴ Loading sheep demanded advance arrangements with the railroad to have cars available, and these arrangements provide us with the only indication of the number of sheep traded by Bond & Nohl. In October, 1913, the requirement was for thirty railroad cars per day at the Servilleta shipping point for three successive days. At about three hundred head per car, this one shipment numbered approximately 27,000 head of sheep—and 1913 was a hard year.⁴⁵

Handling sheep involved other difficulties too. Sheep not only have more different kinds of parasites than any other domestic animal, but also suffer more serious effects from them. They have stomach worms, nodular worms in the intestines, tapeworms, flukes, and the particularly repulsive head grubs that afflict feeder lambs.⁴⁶ New Mexico was particularly honored with a disease known as the *trembles* or

41. Wentworth, *op. cit.*, p. 362. Pricing and selling was by weight; contracting was done by the head but with restrictions as to maximum, minimum, and average weights.

42. Two Fairbanks-Morse scales of six tons capacity each. *Letter Book No. 56*, December 3, 1914, p. 203.

43. U. S., Department of the Interior, G. L. O., *Map of Territory of New Mexico*, 1903.

44. Interview with John F. McCarthy, Taos, New Mexico, January 10, 1958.

45. *Letter Book No. 50*, October 11, 1913, p. 40; *ibid.*, October 16, 1913, p. 81; *ibid.*, October 20, 1913, p. 105.

46. Wentworth, *op. cit.*, p. 463.

alkaline disease that was caused by eating goldenrod.⁴⁷ Sore lips, too, were a source of worry, and in 1914 more than 900 of Bond's sheep on feed in Nebraska were afflicted, with some losses.⁴⁸ In addition to these parasites, there was foot-rot which reached its climax in 1906 and scab, or mange, which is the widest spread, oldest, and most prevalent of all sheep diseases. This malady, that results not only in shedding of wool but also in death to the animal, was not effectively controlled until about the turn of the century when the use of nicotine or lime-sulphur dips was found to be effective.⁴⁹

The New Mexico Sheep Sanitary Board, organized in 1897, established and maintained scab control in New Mexico, and in 1899 Solomon F. Luna of Los Lunas, W. S. Prager of Roswell, and Harry F. Lee of San Mateo were elected president, vice-president, and secretary, respectively. At the same time, fifty inspectors were appointed with the duty of inspecting every flock in their county annually and with the power to quarantine infected sheep and inspect all incoming and outgoing sheep. G. W. Bond, then in Wagon Mound, and Frank Bond in Espanola, were among these inspectors,⁵⁰ and since this was mostly an actual working job, additional duties devolved upon the brothers, not only in the nature of a public service but also in the interest of protecting their own flocks.

In 1904 all the sheep in the Territory were ordered dipped, the U. S. Department of Agriculture threatened a general quarantine of New Mexico,⁵¹ and general dipping orders were then issued as necessary. Bond & Nohl did not support the cost of dipping the flocks of their customers, nor indeed did G. W. Bond & Bro. pay for dipping their sheep on rent. This was the individual flockmaster's responsibility.⁵² However, they did, upon request of the inspectors, order the necessary materials—sulphur from Gross-Kelly and lime from the state penitentiary at Santa Fe.⁵³ There were

47. *Ibid.*

48. *Letter Book No. 56*, December 31, 1914, p. 413.

49. Wentworth, *op. cit.*, pp. 448-457.

50. *Ibid.*, pp. 458-459.

51. *Letter Book No. 6*, August 23, 1904, p. 82.

52. *Letter Book No. 57*, March 30, 1915, p. 485.

53. *Ibid.*, March 23, 1915, p. 437.

other minor chores for Bond too. In order to reach the nearest dipping plant, the flocks sometimes had to cross National Forest Land, and so Bond usually arranged for the necessary crossing permits.⁵⁴ After 1909, however, Bond & Nohl owned and operated their own sheep dipping plant at Espanola.⁵⁵

Last, but not least of the sheepman's woes was the weather. The hard winter of 1914-1915 cost the growers about 30 per cent of the ewes in the Espanola area. Bond lost 1,777 sheep in Sandoval county and 1,500 more as far south as Bernalillo County. The vast Navajo country to the west was hard hit too. John Davenport estimated that losses in the area north of Cabezón might run upwards of 10,000, and Frank Bond had Walter Connell privately look into the possibility of buying up the sheep pelts that would result.⁵⁶

Normal sheep trading contemplated buying sheep and lambs in the spring and selling them in the fall at a profit, both purchase and sale being started in the spring and continuing in diminishing degree through the summer. Sheep received in the fall were immediately shipped out to the buyers, but it was also frequently profitable to hold lambs over, fatten them on feed during the winter months, and sell them early the following year. Indeed, winter feeding was a very important operation in the Bond scheme of things.

The earliest positive indication of sheep being fed during the winter was at the end of 1894 when the Wagon Mound store had sheep on feed at Ft. Collins, Colorado. However, G. W. Bond & Bro. had a very small sheep investment at the end of 1893 which, being at the end of December, must have represented sheep on feed although probably not in formal feed lots. As early as 1902 sheep were being fed with C. B. Reynolds in Nebraska, and during the winter of 1906-1907 Bond & Nohl fed sheep jointly with four others. The follow-

54. *Letter Book No. 59*, August 11, 1915, p. 379.

55. *Records*, loc. cit.

56. *Letter Book No. 57*, March 9, 1915, p. 311; *ibid.*, April 28, 1915, p. 700; *Letter Book No. 58*, May 18, 1915, p. 169; *Letter Book No. 59*, August 7, 1915, p. 340.

Sheep losses in New Mexico were reported to have been as high as 40 per cent during the winter of 1904-1905, and the editor of *The American Shepherd's Bulletin* was highly critical of sheep handling in the state. He commented:

"If . . . [the] sheep owners would try the experiment of providing adequate feed and shelter for their flocks, the result might be very interesting." *The American Shepherd's Bulletin*, X, No. 4 (April, 1905), 394 (18).

ing year they had their first joint feeding account with E. S. Leavenworth.

In 1909 the Bonds acquired a 270-acre ranch at Wood River, Nebraska, for winter sheep feeding,⁵⁷ but the investment was carried on Frank Bond's personal books and not by Bond & Nohl even though the latter was Frank Bond's feeding agency. During these years Bond & Nohl fed sheep at Wood River with four men—E. S. Leavenworth, W. C. Scott, H. M. Russell, and H. S. Eaton. Wood River, however, was being used extensively by New Mexico sheep men for winter feeding long before the Bonds bought their ranch there; 11,500 head were shipped out of Santa Fe in November, 1904, for the feed lots in Wood River,⁵⁸ but the extent to which Bond participated in Wood River feeding at that time is undisclosed.

In addition to the ranch property, other feed lots were rented from the Dawson County National Bank in Lexington, Nebraska, for the modest sum of fifty dollars a year.⁵⁹ These were the lots used by H. M. Russell where in 1914-1915 he fed 8,801 sheep and 19 goats.

The winter of 1914-1915 was typical of winter feeding even though it was by no means the biggest. Indeed, in August Frank Bond indicated that he would not feed many sheep that winter because he feared that prices would drop after the war. The United States had not yet been drawn into the war, and the general opinion in northern New Mexico was that the war would not last more than three months, or six months at the outside. But Bond did feel that if the war lasted until after the sheep market in the spring, feeding could be profitable. The belief that it would in fact last must have developed for he did finally feed about 28,000 head of sheep in Nebraska that winter.⁶⁰

Clay, Robinson and Company was a livestock commission

57. *Letter Book No. 6*, March 16, 1910.

58. "The largest shipment of sheep that ever left Santa Fe at one time was sent to Wood River, Neb., Nov. 7, [1904] over the Denver & Rio Grande. They were driven into the city and filled 36 cars, being 7,000 in number. About 4,500 more head were driven over the Santa Fe Central for the same destination the next day, coming from Estancia." *The American Shepherd's Bulletin*, IX, No. 12 (December, 1904), 1306 (98).

59. *Letter Book No. 59*, August 31, 1915, p. 545.

60. *Letter Book No. 55*, August 25, 1914, p. 7; *ibid.*, October 21, 1914, p. 625.

firm in Denver, operated by John Clay, Charles H. Robinson, and William H. Forrest, which began discounting livestock paper with the First National Bank of Chicago not long after the Bonds came to New Mexico and through which Frank Bond financed much of his winter feeding.⁶¹ In order to finance his feeding in the winter of 1914, Bond borrowed \$65,000 from that firm at 9 per cent interest⁶² and agreed to ship them all the sheep on feed the following spring. The notes securing feeding advances were signed by the feeder, but Bond endorsed them. They were paid in sheep, the note being credited with each shipment until they were paid. Subsequent credits were deposited directly to the Bond & Nohl account in the Pueblo Bank.⁶³

The feeding with H. M. Russell and W. C. Scott in 1914 was divided into thirds—equal interests being held by Bond & Nohl, the Warshauer-McClure Sheep Company, and the G. W. Bond & Bro. Mercantile Company in Encino. The Leavenworth feeding was shared in by Bond & Nohl for only one-sixth, an equal share being held by Warshauer-McClure, and a two-thirds interest by E. S. Leavenworth who had 11,000 sheep on feed.⁶⁴

Feeding large flocks of sheep during the winter was expensive,⁶⁵ and it required careful attention to matters of purchasing corn, prairie hay, or alfalfa to feed them. Indeed, buying feed could easily make the difference between profit and loss on the winter gamble.⁶⁶ For these purchases the

61. Wentworth, *op. cit.*, p. 439.

62. Bond protested that this rate was too high in view of the size of his feeding operation. He asked Clay, Robinson & Co. for 7 per cent money and the following year they did even better than that, offering feeding advances at 6 per cent. *Letter Book No. 57*, February 8, 1915, p. 13; *Letter Book No. 59*, p. 472.

63. *Letter Book No. 57*, February 17, 1915, p. 159.

64. *Letter Book No. 55*, October 21, 1914, p. 625; *Letter Book No. 56*, December 4, 1914, p. 214. Inviting C. J. Stauder in Fowler, Colorado, to feed with him, Bond outlined the arrangements at the working level:

"We have feeding accounts with several parties. They put in their time at \$50.00 per month and work the same as the hired men, and we furnish the sheep and the money to feed them with and give them 15 per cent of the profits, they stand no losses, in case there is a loss made." *Letter Book No. 55*, October 16, 1914, p. 509.

65. Bond estimated that it took about \$80,000 to pay for and feed 14,000 sheep. *Ibid.*, October 14, 1914, p. 486.

66. At one time Leavenworth suggested buying another 80 acres at Wood River which would be used to raise alfalfa, but nothing was ever done about it. *Letter Book No. 6*, March 16, 1910.

feeder wrote checks as necessary against an account replenished by Bond & Nohl, and these were charged to his feeding account.⁶⁷ In this way it was possible for Bond to know quite accurately what the feeder was or was not doing. An example of this type of management control is encountered in 1914 when Bond had sheep on feed with W. C. Scott. Observing the charges that were made to the feeding account, he noted that Scott was lagging in his feed purchases. Bond launched an incessant round of exhortations in an effort to get Scott to buy his feed. It proved such a source of aggravation that after Scott's account was closed in the spring Bond discontinued feeding with him for good even though the account netted over \$5,000 and Bond himself was quite satisfied with the showing.⁶⁸

This was also the last winter of feeding with Leavenworth. His health had been worsening for some time and Bond was so concerned about the matter that he paid Russell's expenses and had him go visit Leavenworth on a pretext to see just how serious it was.⁶⁹ Frank was now determined to sell the Wood River ranch, for which he asked \$36,450,⁷⁰ but it was still on the books at the close of 1915.

The year-end balances of sheep on feed are outlined in Table 41, and the peak years of feeding are revealed to be 1908 and 1911. In 1908 Bond and Warshauer fed over \$100,000 worth of sheep with Leavenworth and slightly more with L. C. Butscher. The feeding partners in 1911, when the investment reached a peak of \$282,615, are not disclosed, but undoubtedly the major parts were handled by Leavenworth, Russell, and Scott. Since the feeding accounts represent not only the cost of sheep but also the feeding expense incurred, no attempt is made to interpret these investment data in terms of heads of sheep on hand.

On the mercantile side of Bond & Nohl, salaries accounted for the largest expense of the business, averaging between \$10,000 and \$14,000 a year. Based on the general salaries in

67. *Letter Book No. 55*, October 12, 1914, p. 456.

68. *Letter Book No. 58*, June 1, 1915, p. 353; *ibid.*, June 11, 1915, p. 461; *ibid.*, May 19, 1915, p. 186; *ibid.*, June 1, 1915, p. 336.

69. *Letter Book No. 56*, January 21, 1915, p. 561.

70. *Letter Book No. 50*, October 6, 1913; *Letter Book No. 51*, March 11, 1914, p. 423.

TABLE 41
BOND & NOHL SHEEP FEEDING ACCOUNTS
(even dollars)

End of Year	Amount
1906	\$ 4,319
1907	19,381
1908	222,608
1909	97,515
1910	102,803
1911	282,615
1912	87,313
1913	31,596
1914	125,549
1915	100,335

effect, this probably represented about ten or twelve employees. Salary levels are illustrated by that paid to Walter Connell in 1914 who was employed as a manager in Albuquerque at \$75 per month, the estimate for his stenographic help being \$25 per month.⁷¹ In the same year, however, Bond indicated to J. H. McCarthy at Taos that \$100 per month was a fair salary for a bookkeeper.

Bond & Nohl kept a male stenographer in the office to take care of the voluminous correspondence necessary to the business as well as to serve Frank Bond. Clerks also were necessary in the store, and care was taken to see that one or two of them were natives.⁷² In addition to a manager, bookkeeper, stenographer, and clerks, it was necessary to employ general handymen, warehouse clerks, laborers, and an assistant manager of sorts to handle collections, act as general foreman and trusted lieutenant. This latter position was occupied for many years by Leandro Martinez who left in 1913,⁷³ but he was replaced by John E. Davenport, whose father, Clarence E. Davenport, had been associated with the Bonds in the Forbes Wool Company in Trinidad and later with the G. W. Bond & Bro. Mercantile Company in Encino. This position was generally known as "outside man" and included the area of responsibility associated with inspecting sheep, buying

71. *Letter Book No. 53*, July 17, 1914, p. 382.

72. *Letter Book No. 57*, March 10, 1915, p. 319.

73. *Letter Book No. 50*, December 19, 1913, p. 599.

from the growers, receiving sheep, contracting for wool, and similar functions.

Employees were treated fairly, but by no means lavishly. In 1909 the stenographer was paid \$75 a month with the promise of more if he would learn Spanish. Bookkeepers and stenographers were usually recruited from out of town, but the prospective employee paid his own moving expenses.⁷⁴ Hours were long for the store employees, the store usually being open six days a week and closing at ten o'clock in the evening.⁷⁵

The Bond secretaries undoubtedly earned their salaries in full for Frank Bond was a prolific correspondent and likewise expected others to be. He maintained a strict policy of answering letters promptly, and the following quotations make his position on the matter perfectly clear:

When I write you about any matter requiring an answer I expect you to sit down and answer that letter that same evening of the day you receive the letter, so that I will get an answer promptly. It takes no longer to answer it . . . than it does a week or ten days from then. . . . Every letter we get is answered in the very next mail and if we are going to continue to do business together, I surely want you to adopt this as one of your rules, as there is nothing more annoying to me than to have a man fail to answer my letters promptly, in fact rather than continually be annoyed this way, I would stop doing business with him.⁷⁶

and again:

If [business letters] are not answered immediately, it shows that the party receiving them is very sloppy in his methods of doing business. If a man is in business and is too sick to answer letters he should have one of his men answer them. If you had no intention of answering my letters, I surely intended to get in touch with somebody who would, even if I had to hire him. There is nothing this side of heaven or hell that annoys me more than to have a man fail to answer a letter in which I have asked him for a little information that would take him less than two minutes to write me. You say you have done the

74. *Letter Book No. 6*, August 31, 1909.

75. Interview with John F. McCarthy.

76. *Letter Book No. 56*, January 20, 1915, p. 540.

best you could under the circumstances. I want to say to you that if I should get a business letter from you, a letter asking for information, no matter how sick I was somebody would answer that letter in the next mail or that somebody would be very sorry he had not attended to it. . . . I certainly hope that you will sit down and answer my letters the day you get them provided they require an answer. . . . I presume you will regard this as a very mean letter, it is not however I assure you I merely wish to impress on you that you have annoyed me very much. Why add to my burdens? I have at times tried to lighten yours, and you know that mine is not a path of roses. I have a whole lot on my mind all the time. Understand that I am always your friend and always will be if you will allow me to be.⁷⁷

That Frank Bond practiced his own philosophy is clear. Whenever he was absent on a trip, which was frequently, Louis Nohl replied to all correspondence received. If it was a matter upon which Nohl was not in a position to act, the letter was answered anyway, advising the correspondent that Bond was out of town and that his letter would be handed to him upon his return. Office correspondence was in all cases promptly attended to, and Nohl even worked on Christmas Day, 1914, writing seven letters. Bond was equally energetic and once, after a six-week absence in California, he had caught up on all his mail the day after his return.⁷⁸

Selection of responsible personnel was made very carefully. In considering one candidate for employment, Frank Bond asked A. H. Long:

What do you know about [him]? How does he impress you? Is he honest? Does he speak Spanish? Would you want him for an outside man? Would you consider him so valuable that you would be willing to give him an interest in the business in order to get him? Does he drink? How old is he? Is he a worker? Has he got any money of his own? Is he moral? Is he married? Is he healthy? Of ordinary intelligence? Know something about stock? Experience in trading? Can we absolutely trust him? Is he interested in making good?⁷⁹

77. *Ibid.*, p. 542.

78. *Ibid.*, December 25, 1914, p. 369; *Letter Book No. 57*, April 6, 1915, p. 537; *Letter Book No. 58*, *passim*.

79. *Letter Book No. 58*, May 25, 1915, p. 287.

George Bond was a teetotaler himself and was opposed to drinking by others. Consequently, Frank Bond always checked out a prospect's drinking habits even though he didn't feel as strongly about the matter. Frank did, however, depend almost entirely on the results of his own inquiries as he felt that in general letters of recommendation were cheap with most men. On the other hand, his references were entirely honest and candid. If the individual deserved a good reference, he got one.⁸⁰ If not, the following example illustrates:

He may have reformed, but we would not do business with him again under any circumstances, nor would we care to wish him on our worst enemy. Unless he has reformed, his business is women, wine, and cards; on the side buys a few sheep and cattle with some unfortunate's money.⁸¹

Bond was ever interested in affording opportunities for deserving men to enter the organization, and although the managers' salaries were usually small in relation to those of the other employees, he felt that the salaries were not supposed to be of any great importance, expecting them to make their money out of the profits of the business.⁸² Quite beyond the obvious advantage of acquiring an interest in a business, the managers were permitted to maintain large personal accounts with the company completely interest-free.⁸³ Nohl's account, for instance, started at a modest \$1,800 and grew steadily so that by the end of 1915 it had swelled to more than \$30,000.⁸⁴

At the suggestion of George Bond in 1914, the matter of bonding the company employees was introduced for the first time, and a decision was made to bond the bookkeepers of all the stores for \$25,000 each.⁸⁵ This practice was adopted, but the bookkeeper in Taos objected to being bonded. The reaction was swift. Frank Bond wrote McCarthy:

80. *Letter Book No. 55*, October 17, 1914, p. 525.

81. *Letter Book No. 59*, July 30, 1915, p. 269.

82. *Letter Book No. 58*, June 14, 1915, p. 529.

83. *Letter Book No. 50*, October 16, 1913, p. 83.

84. *Records, loc. cit.*

85. *Letter Book No. 53*, August 21, 1914, p. 685.

If he doesn't want to give a bond just simply fire him and tell him that I said so, and I want you to do it right quick. An honest man should not hesitate to be under bond, seeing that we are paying for the bond, and the fact that he doesn't seem to want to give a bond, does not look good to me.⁸⁶

In addition to the expenses just discussed, there appeared other important expense items in 1911 and 1912 when \$15,000 and \$20,000 were charged off to cover losses of the Espanola Milling and Elevator Company.⁸⁷ These write-offs account for the sharp drop in net profits for those years which may be observed in Table 42, and a poor year for sheep and wool is largely responsible for the depressed profit in 1913.

As might be expected in a business of this type, receivables were high. In contrast to the stores where sheep and wool were combined with the mercantile business, Bond & Nohl held the heaviest investment in personal accounts, with bills receivable considerably lower. These are shown in Table 43. Personal accounts were conservatively valued for statement presentation at 85 or 90 per cent of good value, although after 1909 it was the general practice to deduct only those accounts actually expected to be uncollectible. While these were always considerably below 10 per cent, the actual loss experience was so small as to make even these valuations highly conservative.

TABLE 43
BOND & NOHL MAJOR RECEIVABLES
(dollars in thousands)

Year	Bills Receivable	Personal Accounts (Gross)
1906	\$ 3.3	\$40.4
1907	29.0	42.2
1908	15.4	51.0
1909	20.7	36.9
1910	19.1	45.4
1911	16.3	56.1
1912	13.4	62.1
1913	13.2	52.7
1914	31.9	52.1
1915	9.8	56.9

86. *Letter Book No. 55*, September 7, 1914, p. 142.

87. *Infra*, chap. xi.

TABLE 42
BOND & NOHL PROFIT SUMMARY
(dollars in thousands)

Year	Gross Profit on Sheep	Gross Profit on Wool	Gross Profit on Merchandise	Other Profits ^a	Total Gross Profit	Total Expense	Net Profit to Surplus
1906	\$ 8.1	\$0.0	\$27.3	\$1.2	\$36.6	\$18.1	\$18.5
1907	6.8	.0	31.3	3.3	41.4	25.3	16.1
1908	2.6	.0	21.3	3.2	27.1	14.4	12.7
1909	14.1	7.0	22.4	3.8	47.3	17.9	29.4
1910	6.9	1.9	25.4	4.9	39.1	18.7	20.4
1911	(2.7)	2.9	28.1	5.7	34.0	30.6	3.4
1912	11.1	6.4	27.3	3.6	48.4	40.2	8.2
1913	4.7	.0	27.8	3.5	36.0	27.4	8.6
1914	3.9	.4	33.6	9.9	47.8	34.8	13.0
1915	7.1	4.3	22.7	5.3	39.4	27.6	11.8

^a Includes hides and pelts, discounts earned, and collection of old accounts written off.

Through 1913 the Real Estate investment of Bond & Nohl was slightly over \$14,000. However, on May 25, 1914, the entire store and contents burned to the ground. Always great believers in insurance, Bond formerly had carried only 75 per cent coverage, but since the insurance company had allowed him to carry full insurance, this had been done.⁸⁸ As a result, the fire loss to the business was very small as illustrated by Table 44.

TABLE 44
BOND & NOHL FIRE, MAY 25, 1914

Item	Value at Time of Fire	Claim Paid ^a	Loss
Stock	\$40,000	\$38,000	\$2,000
Building	10,000	10,000	0
Furniture & Fixtures	4,500	3,500	1,000
Total	\$54,500	\$51,500	\$3,000

a. By the Liverpool & London & Globe Insurance Company.

Bond immediately made plans for reconstruction, anticipating a new building with steam heat, electric lights, water, and inside toilets. The new store was to be truly worthy of the competition springing up in Espanola, for there were at least six new ones in progress at that time. The new building contract was let to F. W. Schnauffer, and by the latter part of August construction was actually under way; the dry goods and shoe departments moved into the new building on November 1, 1914. This new edifice on the Espanola scene was of concrete and measured 125 feet wide by 95 feet long. There were three large rooms, one behind the other; the middle room was 35 feet deep and 125 feet wide and the other two were about 25 feet deep and of the same width. Although the building had a fifteen-foot ceiling, the front and rear rooms had fourteen-foot ceilings. In the store section there were three dark oak counters measuring 28 inches wide and 371½ feet long, covered with linoleum. Frank Bond ordered a knocked-down dressing room for the furnishings department, but he had some difficulty with it upon arrival due to the fact that it was designed for corner installation and there was no corner for it. There was an engine and boiler house complete

88. *Letter Book No. 53*, June 23, 1914, p. 99; *ibid.*, June 29, 1914, p. 170.

with a five kilowatt, 115-volt, direct current Fairbanks-Morse dynamo for operating the new electric lights, and a boiler to operate the steam radiators in the building. A coal house was provided to store the coal which was bought by the carload and used by the carload too for that matter. In the winter of 1914-1915 a forty-ton car of coal lasted less than two months.⁸⁹

A number of other assets appeared briefly on the books of Bond & Nohl from time to time, reflecting the varied activities of the home store. Frequently, of course, these represented personal investments of Frank Bond rather than of the mercantile store, it frequently being the vehicle for carrying out his own business transactions. In 1907, for instance, almost \$11,000 was shown as a receivable from Fred Warshauer. Commencing in 1908 and continuing through 1913 a small account was carried for the Espanola Bridge. No explanation of this \$1,000 item has been found. Similarly, somewhat less than \$1,000 was invested in 1907 in the camp house and scale at Servilleta and maintained continuously throughout the period. In addition, about \$3,500 was invested in a sheep dipping plant in Espanola in 1911, along with the necessary corrals. There was a small school warrant account, and a windmill.⁹⁰

Some of these extraneous items on the books are minor in amount and transitory in nature, and the usage of the accounts appears to have varied considerably from year to year.

All the sheep trading and feeding in addition to the mercantile business would, of course, have severely taxed the company had not George and Frank Bond provided considerable financial support. A considerable part of this financial strength was derived from the undivided profits. With a minor exception in 1914,⁹¹ the net profits were returned to surplus every year.⁹² Together with the sums contributed by

89. *Letter Book No. 53*, June 15, 1914; *Letter Book No. 55*, August 28, 1914, p. 53; *ibid.*, November 1, 1914, p. 643; *ibid.*, p. 680; *Letter Book No. 56*, November 14, 1914, p. 54; *ibid.*, December 2, 1914, p. 188; *ibid.*, February 6, 1915, p. 698; *Letter Book No. 58*, June 7, 1915, p. 454; *ibid.*, June 27, 1915, p. 680; *Letter Book No. 59*, September 1, 1915, p. 576; *ibid.*, September 4, 1915, p. 622.

90. *Records, loc. cit.*

91. There was a withdrawal of \$4,700 in 1914.

92. Cf., Tables 42 and 45.

the Bonds separately and apart from the capital stock they provide an explanation of how such heavy investments could be carried by a general mercantile store without seriously endangering its financial position. These totals are shown in Table 45.

Although Louis Nohl was manager of the Espanola store and was directly responsible for making it show a profit much in the same manner as were the other store managers, he was in close proximity to Frank Bond's strong influence and no doubt this business was operated more in consonance with the Bond philosophy than any other.

Several merchandising points followed by Bond & Nohl are therefore noteworthy, and it is of interest to discover that various means were utilized to deliver items to customers in the commerce of the day. There is no indication that any local delivery of items was carried on within the Espanola area, but some pains were taken to get commodities to out-of-town

TABLE 45
BOND & NOHL CAPITAL

(dollars in thousands)				
Year	Capital Stock	Undivided Profits	Due G. W. or Frank Bond	Total
1906	\$50.0	\$ 18.5	\$ 39.3	\$107.8
1907	50.0	34.6	65.0	149.6
1908	50.0	47.3	254.8	352.1
1909	50.0	76.7	150.4	277.1
1910	50.0	97.1	137.0	284.1
1911	50.0	100.5	318.7	469.2
1912	50.0	108.7	111.5	270.2
1913	50.0	117.3	31.0	198.3
1914	50.0	125.6	36.2	211.8
1915	50.0	137.4	26.0	213.4

customers. At least one case is on record where a lady in Buckman received her regular supply of butter by the simple expedient of having the train conductor deliver it to her. Following a more modern merchandising trend, an order was placed in May, 1915, on the Hinkle-Leadstone Company in Chicago for 500 premium catalogues and a supply of coupons

and certificates, both in English and in Spanish. The inscription on the back of the catalogue is the only instance of advertising by Bond & Nohl that has been observed.⁹³ The A. MacArthur Company in Wagon Mound is known to have advertised in the local newspaper, *El Combate*, but this was a Spanish language advertisement. Since Bond & Nohl ordered their catalogues furnished in both languages, the back was probably printed in Spanish on those copies also. The wording provides us with an excellent description of the Bond & Nohl business, but with no mention of sheep and wool. It is quoted below essentially in the form in which it was ordered:

BOND AND NOHL CO.

Dry Goods, Wedding Outfits, Hosiery, Shoes, Men's Furnishings
Agricultural Implements and Wagons
Buggies.

Also a Full Line of the Best Groceries and Flour

Our Specialties

Bain Wagons, McCormick & Deering Mowers and Rakes
Lion Special Hats, Red Goose School Shoes

Espanola, N. M.

With the usual note of caution, an inquiry was also dispatched to R. G. Dun and Company for information about the Hinkle-Leadstone Company in order to be sure the premium plan was legitimate. Whether or not the premium plan was ever put into effect and if so, with what effect, is not disclosed.

The Bond & Nohl store was not only an important subsistence center but also a clearing house for diverse, unrelated community functions. The Espanola post office was located at the store, and Frank Bond was the postmaster.⁹⁴ This fact alone would have made the Bond & Nohl premises a focus of community interest, but it is doubtful that Frank or George Bond permitted a great deal of social intercourse of the proverbial cracker-barrel variety in the store. How-

93. *Letter Book No. 55*, September 29, 1914, p. 323; *Letter Book No. 58*, May 28, 1915, p. 311.

94. Frank Bond was appointed postmaster at Espanola on August 18, 1887. Certificate of appointment, September 28, 1887, Bond Papers, *loc. cit.*

ever, a number of personal and civic functions were certainly performed for their customers and for the community. George Bond, Frank Bond, and A. MacArthur all spoke fluent French as well as Spanish, and they tried to find stenographers who understood both English and Spanish.⁹⁵ As a result they were called upon to act as interpreters and to write letters in English for those who spoke only Spanish.⁹⁶ For those who didn't know how to handle claims with insurance companies they drew drafts through their own accounts; they recruited shepherders, made claims for pensions, helped renters apply for grazing permits, and even found a house for a Taos professor to rent in Espanola.⁹⁷ There being no newspaper in Espanola, public notices were posted at the store, and on at least one occasion when a sheep feeder in Colorado needed some men for a month's employment, Bond recruited them through such notices, arranged for their transportation, collected the fare from the feeder, and charged nothing for the service.⁹⁸ Another time he even arranged to advance twenty-five dollars a month to a Wyoming man's estranged wife who lived in Espanola.⁹⁹

In June, 1914, two thugs attacked Earl Cochran, a night watchman at the store, beat him over the head with a six-shooter, and left him for dead. They were caught near Dixon, New Mexico, and returned to the state penitentiary at Santa Fe. Bond retained the Santa Fe law firm of Renehan and Wright to prosecute the outlaws; and although he felt it was important to see that justice was done, Bond's inherent aversion to legal unpleasantness prompted him to arrange for his deposition to be submitted to the court rather than answer a subpoena to testify in person.¹⁰⁰ At about the same time Bond made a complaint about a gambling table that was

95. Interview with Stuart MacArthur, *loc. cit.*; *Letter Book No. 57*, March 31, 1915, p. 492. No doubt other managers also spoke Spanish.

96. *Letter Book No. 59*, July 20, 1915, p. 183.

97. *Letter Book No. 57*, April 12, 1915, p. 594; *Letter Book No. 58*, May 11, 1915, p. 113; *ibid.*, May 19, 1915, p. 181; *ibid.*, June 2, 1915, p. 376; *Letter Book No. 59*, August 8, 1915, p. 312.

98. *Letter Book No. 58*, April 30, 1915, p. 11; *ibid.*, May 6, 1915, p. 61; *ibid.*, May 20, 1915, p. 205.

99. *Letter Book No. 59*, August 23, 1915, p. 464.

100. *Letter Book No. 53*, June 22, 1914, p. 97; *ibid.*, June 24, 1914, p. 111; *ibid.*, July 1, 1914, p. 208; *Letter Book No. 58*, June 2, 1915, p. 363.

being operated in a local saloon, taking care not to become implicated himself.¹⁰¹

Bond & Nohl's activities, then, covered the broad front of merchandising, commodity speculation, hides, pelts, wool, sheep, feeder lambs, feed lot operation, and community service. Frank Bond's propinquity, of course, permitted him to influence the company's activities in many ways and also to utilize it for the administration of his projects or for a medium of financial support. When this was done, however, it redounded to Frank Bond's financial detriment because any profits realized from activities carried by Bond & Nohl were shared with the other stockholders whereas those which were on his personal books were not. There is no evidence whatsoever that he at any time tried to avoid this consequence.

In many ways Bond & Nohl was a continuation of the original G. W. Bond & Bro. partnership, Louis Nohl assuming much of the routine management responsibility and thus freeing Bond to devote more of his time to sheep renting as well as to the financial and organizational problems associated with his expanding sphere of interest which, in addition to sheep and wool, had begun to include investments, land management, and even lumbering.

7. *An Adventure in Lumbering*

Born in 1864, C. L. Pollard came to Antonito, Colorado, in 1887 at the age of twenty-three as a telegraph operator for the Denver and Rio Grande Railroad, later moving successively to Del Norte, Cumbres, Embudo, and Chama. In 1902 he settled in Espanola, New Mexico, and with two other partners founded the firm of Biggs, Pollard, and Graves.¹ The partnership was short-lived, and the following year, 1903, the firm became the C. L. Pollard Company, general store and dealers in lumber, building material, and fruit boxes.²

The exact date that Frank Bond became associated with Pollard cannot be established, but it undoubtedly occurred in

101. *Letter Book No. 57*, February 25, 1915, p. 212.

1. Interview with Rowland C. Pollard, Albuquerque, 1956.

2. Interview with W. P. Cook, Espanola, June 1, 1957.

January or February of 1903, coincidental with the dropping out of Biggs and Graves. In addition to dealing in merchandise and lumber, Pollard was active in the wool business, and it was through these wool dealings that the Bond-Pollard association began—a stormy relationship that eventually took Frank Bond into lumbering operations and court litigation that lasted until July 27, 1925.³ Bond described Pollard as “a very peculiar man, rather an unknown quantity, not well balanced, extremely bull-headed. He would prefer to have his own way and lose money rather than let the other fellow have his way, and by so doing make some money.”⁴

Frank Bond joined Pollard under unusual circumstances. He usually went into business with men who had earned his respect through a demonstration of the way in which they could handle business; in this case the opposite circumstance prevailed. Pollard had been actually doing his wool business at a loss, and being an aggressive individual willing to operate without a profit, he was able to force the Bonds into sacrificing their profits.⁵ Bond probably recognized a worthy opponent when he saw one and reasoned that it would be better to have him on the same side of the fence. However, the entire relationship with Pollard was maintained with the highest degree of secrecy. Bond's interest was not disclosed to Dun or Bradstreet, care was taken that other wool men did not know that Bond was working with Pollard,⁶ and when it became necessary to have a new stock certificate book printed he even went so far as to have the printing handled through the First National Bank in Santa Fe so that the Bond connection might not be revealed.⁷

The capital stock of the company was \$38,000, but only 32,000 shares were issued, and there is evidence to indicate that the original holdings were 4,000 shares for C. L. Pollard and 28,000 shares for G. W. Bond & Bro., Espanola. It also appears that Pollard's interest was obtained by giving a note

3. Capital Stock Tax Reports, Bond Papers, *loc. cit.*

4. *Letter Book No. 6*, May 5, 1905.

5. *Ibid.*

6. “This is confidential, as if our wool men knew that we were buying Pollard's wool, it would hurt us both with the trade.” *Ibid.*, June 7, 1903.

7. *Ibid.*, February 20, 1909.

for \$5,000 to the First National Bank in Santa Fe which was endorsed by Bond.⁸

The year 1903 was a busy one, events affecting and affected by Pollard occurring rapidly. On February 7, 1903, Frank Bond and his wife, May Anna, bought the Santo Tomas Apostol del Rio de las Trampas Grant. This property, commonly referred to as the Trampas Grant, had been granted by Spain to Juan D. Arguello and confirmed by Congress on June 21, 1860.⁹ The grant comprised 27,481 acres as officially surveyed by the Surveyor General of the United States,¹⁰ and was patented January 26, 1903. The grant included about seven small villages and it was partly in Taos County and partly in Rio Arriba County, located about twelve miles east of the Denver and Rio Grande Railroad siding at Lajoya, southeast of Embudo Station, and north of Santa Fe.¹¹ Contiguous grant lands were the Santa Barbara on the east and the Las Truchas on the south.¹²

The actual investment by Frank Bond in this property was \$17,857.83, and later additions to the investment resulted in accumulated costs as shown in Table 46.

TABLE 46
TRAMPAS GRANT INVESTMENT

Year	Amount
1903	\$17,857.83
1904	24,803.06
1905	24,098.88
1906	24,207.66
1907	14,811.14
1912	106.99 ^a
1913	20,000.00

^a Expense

The ink was hardly dry on his purchase when Bond was offered a profit of \$10,000 if he would sell the grant. He refused, but commented: "I never had anything I wouldn't sell,

8. *Ibid.*, February 27, 1903.

9. *Records, loc. cit.*

10. Charles F. Coan, however, reports the acreage of this grant as 29,030 acres—14,965 acres in Rio Arriba County and 14,065 in Taos County. Coan, *op. cit.*, pp. 474-475.

11. *Records, loc. cit.*

12. U. S., Department of the Interior, G.L.O., *Map of Territory of New Mexico*, 1903.

so they may induce me to part with it.”¹³ There is little doubt but that he lived to regret keeping the grant.

During this same month of what must have been a frantic February, Bond also expressed an interest in buying the Santa Barbara Grant which lay just to the east of the Trampas. Nothing ever came of this thought, but two months later he was still thinking about it.¹⁴

In March, Frank Bond put the Trampas Grant on the market, however. While he opined that it was worth more than \$1.50 per acre, he felt that the best trade could be made by selling it to the United States for scrip, which was selling for \$5.50 in Colorado.¹⁵ He approached the U. S. Land Commissioner in Santa Fe and also wrote to the Land Office in Washington on the matter, but nothing developed.¹⁶

Before the spring was out, there had been formed a new and short-lived firm which was organized for a lumbering operation and called the Bond and Jones Company. Whether the Bond and Jones Company ever shipped any lumber is doubtful, and by August Bond was sorry he had tried it.¹⁷ It was never heard from again.

During this time the C. L. Pollard Company invested \$5,000 in the Truchas Lumber Company which operated a lumber mill about 5 miles north of Truchas,¹⁸ and the company began to show signs of being in trouble. There was a merchandise investment of less than \$15,000 and \$10,000 of it had not been paid for, with \$3,300 of the debt being to G. W. Bond & Bro., Espanola. There was a bank overdraft of \$218.67, and in addition to the \$5,000 capital investment in the Truchas Lumber Company there were receivables on the Pollard books from Truchas amounting to almost \$14,000. Bond promptly arranged with R. J. Palen for the Santa Fe

13. *Letter Book No. 6*, February 20, 1903.

14. *Ibid.*, February 23, 1903; *ibid.*, April 17, 1903.

15. *Ibid.*, March 25, 1903.

16. *Ibid.*, March 5, 1903; *ibid.*, April 17, 1903.

17. *Ibid.*, June 8, 1903; *ibid.*, n.d., p. 51.

18. Interview with R. C. Pollard.

The town of Truchas was about sixteen miles east of Espanola on the Sendra del Rosario Grant. The mill itself, however, seems to have actually been on the Las Truchas Grant just to the north. U.S., Department of the Interior, G.L.O., *Map of Territory of New Mexico*, 1903.

bank to advance Pollard \$5,000 in order to pay some of the accounts payable,¹⁹ suggesting that the other creditors be paid first and then G. W. Bond & Bro. when they were in better shape. Bond advised that they try to operate on as nearly a cash basis as possible, discounting every invoice, and asked Pollard to stay up at the mill. He pointed out that the Truchas Lumber Company receivables had to be reduced or he would be forced to move in and take it over himself, even at the risk of exposing their interest to public view.²⁰ Shortly thereafter, Brady, who with B. F. Bookhamer was a partner in the mill, decided to sell his interest in the Truchas Lumber Company for \$3,500, and Pollard bought it by prevailing on Frank Bond to endorse his personal note for \$2,000 in order to do it.²¹

Financial priming of the lumber business now began in earnest. In December the \$5,000 Pollard note became due and could not be paid; in addition the Truchas Lumber Company needed \$5,000, so Bond underwrote the necessary \$10,000 with the bank in Santa Fe.²² In February, 1904, Pollard had again overdrawn his account, and Bond asked the bank to keep him advised of Pollard's activities, at the same time arranging for the overdraft to be covered with a note. Less than two weeks later, Bond again had to get the Truchas company out of trouble by guaranteeing a \$14,000 advance by the bank. In early March \$2,500 more went the same way and in addition Bond had to endorse a \$1,000 note of the Truchas Lumber Company held by B. F. Bookhamer, the other remaining investor in the company after Brady left. In less than a week Pollard had again overdrawn his accounts, and Bond had to endorse a \$6,500 note for the Truchas Lumber Company and a \$2,500 note for the C. L. Pollard Company to cover the overdrafts. This drew unmistakable fire from Bond, but a week later he had to give the bank \$6,700 more so that Pollard could pay his bills.²³

19. *Letter Book No. 6*, October 5, 1903.

20. *Ibid.*, n.d., p. 51; *ibid.*, October 19, 1903.

21. *Ibid.*, November 3, 1903; *ibid.*, November 4, 1903.

22. *Ibid.*, December 9, 1903.

23. *Ibid.*, February 2, 1904; *ibid.*, February 13, 1904; *ibid.*, March 8, 1904; *ibid.*, March 9, 1904; *ibid.*, March 12, 1904; *ibid.*, March 15, 1904.

In June \$10,000 in notes of the Pollard Company and the Truchas Company came due, couldn't be paid, and Bond was forced to get them extended; in August he had to extend notes in the amount of \$23,000 which Pollard couldn't meet.²⁴

By this time the Bond investment in the Truchas Lumber Company had climbed to \$60,000, and Frank Bond was more than just a little annoyed, for Pollard had gone in with two men named Brooks and Thompson in a venture to make railroad ties—probably without Bond's concurrence for he did not approve of Thompson at all.²⁵

With tongue in cheek, Bond requested Pollard to make up a statement and to make it appear as bad as possible so that it wouldn't be as bad as it looked,²⁶ and then in an effort to prevent further losses due to the loose credit policy, Bond had Pollard send a letter to each of his customers asking them to pay their accounts.

Despite the difficulty involved in keeping the Pollard and Truchas businesses on a sound financial footing, the profit showing for 1904 was fairly satisfactory,²⁷ and in May of the following year an agreement was signed which provided that so long as the Bonds controlled the C. L. Pollard Company and so long as C. L. Pollard was general manager and continued to hold 4,000 shares of stock, these 4,000 shares would be entitled to receive one-third of the net profits although they only represented one-eighth of the outstanding shares.²⁸ Although profit-sharing was a common practice in the Bond system, this was a peculiar arrangement. The impatient tenor of Frank Bond's correspondence with Pollard bearing overtones of discord, only serves to deepen the mystery of this generous contract.

In view of a new law requiring that the names of the officers and directors be filed with the Secretary of State after each annual meeting, and on account of their desire to maintain the esoteric nature of their association with Pollard, a

24. *Ibid.*, June 8, 1904; *ibid.*, August 15, 1904; *ibid.*, August 16, 1904; *ibid.*, August 17, 1904.

25. *Ibid.*, August 15, 1904; *ibid.*, August 16, 1904.

26. *Ibid.*, August 15, 1904.

27. However, actual figures are not available.

28. *Letter Book No. 6*, May 5, 1905.

problem arose because three officers were necessary and two of the three stockholders were Bonds. Obviously a report under these circumstances would divulge the combination. So perhaps because of this or perhaps through the normal progress of the business, F. R. Frankenburger, who had been in charge of the lumber mill commissary,²⁹ was brought into the company holding 2,000 shares of stock. He undoubtedly already knew of the Bond's interest in the business. One additional stockholder was necessary; and since R. J. Palen of the First National Bank in Santa Fe had for a long time been a confidant of Frank Bond and knew all about the arrangement, he was issued one share of stock and made vice-president. C. L. Pollard was president, and Frankenburger was secretary-treasurer.³⁰ In this way the Bond stockholdings were completely concealed.

The absence of correspondence with the Pollard and Truchas companies from May, 1905, to September, 1907, is probably more indicative of records having been lost than it is of the sudden cessation of problems. That credit policies were still worrisome is indicated by Frank Bond's caution to Pollard at that time to beware of Miss Clara True who owed \$1,500 to Pollard and his advice to secure it with a mortgage on the Daganett Ranch. However, Bond at the same time indicated that the mill was no longer operating at a loss.³¹

On June 20, 1907, the Trampas Grant was sold to the Las Trampas Lumber Company, a corporation organized on June 11, 1907, for the purpose of buying the grant.³² The selling price is unknown, as are the original stockholders of the company, but a mill was set up at Trampas, New Mexico, for the production of railroad ties, poles, piling, and lumber.³³ Certain covenants of reservation in the title, however, led to litigation which some years later brought the Trampas Grant back to the Bond bailiwick.

With the Trampas Grant out of the way, the C. L. Pollard Company continued its lumber and merchandise business

29. Interview with J. E. Davenport.

30. *Letter Book No. 6*, May 5, 1905.

31. *Ibid.*, September 17, 1907.

32. Tax Return, Bond Papers, *loc. cit.*

33. *Records, loc. cit.*

unencumbered, but by March of the following year, 1908, difficulties with C. L. Pollard reached their peak, resulting in one of Frank Bond's explosions which, though rare, were usually as violent as they were justified. Pollard had become indebted to the company fairly heavily on his drawing account. He also owned the Herrera Building which, as a result of a conversation with Frank Bond, he applied on his note. Bond had suggested that he might do this. However, Pollard must have sold it to the company for an exorbitant price for Bond accused him of either not knowing right from wrong or of intentionally trying to take an undue advantage. He pointed out that Pollard had bought the building originally with company money without consulting the Bonds, and having done this in a period of deficit had therefore effectively used capital funds to buy it for himself. In suggesting that Pollard apply the building on his account or on his note, nothing was said about the price, but Frank Bond supposed that "a man of your intelligence and fair-mindedness would certainly do the right thing which was to turn it over at cost less whatever rent has been collected on it."³⁴ He said that they certainly did not want the building but did want the cash back that Pollard took out of the business to buy it with and that he would accept the building on no other terms. Otherwise, Pollard could keep the building and pay his debts plus interest on the money. "Furthermore," he wrote, "as you are having to play at high-handed finance we must ask you to at once protect us on the note you owe us for \$7,000."³⁵ He asked Pollard to hypothecate enough of his insurance policies to do this and then demanded that he confine his living expenses to his salary and discontinue drawing money out, asserting that if the Bonds did that the company would be bankrupt. Bond directed Pollard to discontinue all logging for good and to confine himself exclusively to the mercantile business. He concluded his screed by saying: "We will have no friction in business, things must run smoothly, and our policy must be the one which will govern the business from now on."³⁶

34. *Letter Book No. 6*, March 1, 1908.

35. *Ibid.*

36. *Ibid.*

Proving that he meant business, Frank Bond notified R. J. Palen to give Pollard no more credit, and shortly afterwards he refused to guarantee a \$5,000 note.³⁷ Amidst this, Bond in writing to E. H. Leavenworth in Wood River, Nebraska, said that the G. W. Bond & Bro. Company had suffered a severe loss, a loss too big to advertise, and that he had had a severe jolt to his faith in human nature, adding that although he thought people were honest, he was sometimes wrong.³⁸

Two months later Bond endorsed a \$5,000 note for Pollard.

In January, 1909, Frank Bond found that the credit policies still left something to be desired, and he found it necessary to make an independent inquiry into a matter concerning a customer who had received \$1,200 worth of lumber on credit.³⁹ On March 1, without Bond's concurrence, a large shipment of lumber was sent to McPhee and McGinnity, Denver lumber dealers. This sale was made on credit, the account not to be paid until July 1 at which time they could either take another sixty days or take a 2 per cent discount. This arrangement prevented the payment of notes due to the Santa Fe bank, and in addition Pollard owed the Bonds more than \$5,000.⁴⁰

Frank Bond was now finally at the end of his patience.

Therefore, on March 1, 1909, Pollard received \$1,000 for his share in the business and forthwith left the company.⁴¹ Milo Hill was brought into the company as secretary and treasurer, and Frankenburger was made president and general manager. In addition, Louis F. Nohl was given \$2,000 worth of stock so he could work with Frankenburger. It heretofore had not been possible for Nohl to have anything to do with the company because Nohl and Pollard were so unfriendly they couldn't even talk business with each other.⁴²

Sometime between March 1, 1909, and the end of 1910 the C. L. Pollard Company was re-christened. It was from then

37. *Ibid.*, March 2, 1908; *ibid.*, March 21, 1908.

38. *Ibid.*, March 2, 1908.

39. *Ibid.*, January 13, 1909.

40. *Ibid.*, March 25, 1909; *ibid.*, March 1, 1909; *ibid.*, January 13, 1909.

41. *Ibid.*, March 24, 1909.

42. *Ibid.*, January 15, 1909; *ibid.*, February 23, 1909.

on called the Espanola Mercantile Company, but any connection between it and the Bonds or Bond & Nohl was still a guarded secret.⁴³ In fact, in Frank Bond's accounts it was always referred to as "Investment No. 5" without any further identification. Similarly, the statements of the Espanola Mercantile Company which were submitted to Bond were typed on blank sheets of paper with any identification of the company being carefully omitted. This presumably prevented all the office help and others who might see the statements from knowing that a connection existed between Bond & Nohl and the Espanola Mercantile Company, ostensibly competitors.⁴⁴ However, whenever Bond & Nohl received an order they couldn't fill, it was turned over to the Espanola Mercantile Company, so there must have been some communication between the two stores.⁴⁵

The company, with Pollard out, engaged in no further lumbering work, and at the end of 1915 it was still operating under the control of Frank Bond. The ultimate disposition of its investment in the Truchas Lumber Company is unknown, but the accounts at the end of October 1912, give no indication of such an investment so the interest in this company was probably disposed of during the reorganization. Bond was undoubtedly weary of lumber and probably let it go without any sense of loss whatsoever.

Sales of the C. L. Pollard Company and the Espanola Mercantile Company distinctly reflect the change in organization. From Table 47 it can be seen that the credit policy was immediately tightened so that credit sales dropped sharply after 1909 and thenceforth always remained less than the cash sales for the same period.

The Espanola Mercantile Company occupied a one-story, metal-roofed, iron-clad frame and adobe building in Espanola, probably of very ordinary aspect. This was not, however, the only business property owned by the firm. The company also owned a one-story adobe building measuring thirty-two feet

43. *Ibid.*, September 5, 1910.

44. The statements are completely unidentified, but proof that they are actually Espanola Mercantile Co. statements has been established by tracing certain account balances to identifiable amounts from other sources.

45. *Letter Book No. 50*, October 20, 1913, p. 134.

TABLE 47

ESPANOLA MERCANTILE (C. L. POLLARD) COMPANY SALES

(dollars in thousands)

Year	Cash Sales	Credit Sales	Total
1904	\$29.6	\$34.3	\$63.9
1905	40.2	55.4	95.6
1906	35.9	49.9	85.8
1907	36.5	49.1	85.6
1908	30.1	33.1	63.2
1909	33.3	30.1	63.4
1910	36.7	21.1	57.8
1911	33.6	28.4	62.0
1912	31.8	31.4	63.2
1913	34.5	24.6	59.1
1914	33.1	27.6	60.7
1915	37.0	23.3	60.3

wide and eighty-two feet long, located about 100 feet west of the railroad tracks. This building was, curiously enough, occupied by a saloon—probably the last thing the Espanola citizenry would have connected with Frank Bond.⁴⁶

At the end of 1912 the profit and loss account balance was \$14,146 and by the end of 1915 it stood at \$23,566, representing an average yearly profit of about \$3,140 per year, and there may have been some distributions of profit during that time.⁴⁷

Frank Bond probably drew a sigh of relief and imagined that he was out of the logging and timber business. His first love was sheep, wool, and merchandise; certainly he would never have done more than have a few logs chopped for his fireplace. But it was not to be. The interregnum lasted only four years, and then Frank Bond found himself back at the head of a sizable timber project that lasted for twelve more years.

When the Trampas Grant was sold to the Las Trampas Lumber Company in 1907, Bond had reserved 2,000 acres in addition to 650 acres that were already allotted to certain settlements on the grant.⁴⁸ A decision of the Supreme Court

46. *Letter Book No. 56*, January 4, 1915, p. 433.

47. *Records, loc. cit.*

48. *Letter Book No. 6*, June 26, 1912.

raised questions concerning the title which Bond had passed to the Las Trampas Lumber Company, and a number of the settlers on the grant filed claims for parts of the grant in excess of the 650 acres allotted to them. In turn, the Las Trampas Lumber Company instituted a suit against the former owner, Frank Bond. Bond, of course, had a pronounced distaste for any kind of litigation,⁴⁹ and on May 1, 1913, an agreement was reached with the Las Trampas Lumber Company.⁵⁰ By the terms of this agreement, Bond was to buy 750 shares, or one-half of the issued capital stock of the Las Trampas Lumber Company for \$57,648.75, representing a par value of \$75,000.00. Bond was further bound to try and sell the Trampas Grant and the timber; in its turn the company was to release Bond from the covenants of seizure, warranty, quiet and peaceable possession, and all other covenants in the warranty deed, and also to dismiss the suit against him.⁵¹ This was accomplished, and Frank Bond found himself again in the timber business as president of the Las Trampas Lumber Company, Albuquerque.

Bond promptly went to work in an effort to dispose of the grant and made available to prospective purchasers the results of lumber surveys which had been made on the property. The Las Trampas Lumber Company had employed a timber estimator and cruiser named W. A. Ross to survey the tract, and again in 1912, before the litigation began, they had employed the firm of Brayton and Lawbaugh of Chicago, Illinois, to make a cruise and estimate the tract and show the amount of timber on each forty-acres subdivision of the property. The work was done, and exhaustive and detailed maps were prepared covering the whole property and the timber on each forty acres. The maps and plats in addition to showing the amount of timber also showed the character of the logging ground, the contour of the land, the canyons, streams, and elevations at different points. The work was

49. Bond wrote: "I don't like law-suits, much prefer a settlement." *Ibid.*

50. The stockholders of the company were James B. Herndon, president, O. N. Marron, C. L. Hill, J. J. Hill, G. L. Hill, Ike Graham, and Warren Graham. Agreement dated May 1, 1913. Bond Papers, *loc. cit.*

51. *Ibid.*

exhaustively and thoroughly done. Accompanying the plats and maps was a report of their conclusions.

The sale price of the grant set by Frank Bond was \$160,000, to be paid \$60,000 in cash and the balance in three equal annual payments with interest at 6 per cent. The party making the sale would receive 5 per cent, or \$8,000 commission.⁵²

The law firm of Marron and Wood, Albuquerque, and E. R. Wright, Santa Fe, represented the lumber company in the proceedings to quiet the title to the grant, and the people who lived in the several towns and villages on the grant were represented by A. B. Renehan and by Charles C. Catron. The gist of the matter was that although 650 acres had been set aside as excluded from the grant, the residents of Ojo Sacro, Cañada de los Alamos, Diamante, Trampas, Valle, Llano Chamisal (sometimes called Ojito), and the possessions along the Santa Barbara River raised questions of claim to additional portions of the grant on which these villages lay. An agreement was reached whereby there would be segregated from the grant a tract around each town and settlement large enough to include all of the lands actually occupied. In turn, the residents agreed to sign quitclaim deeds.⁵³

An additional agreement was reached with these residents that they would have the right to graze their domestic animals on the grant outside of the segregations, could take down timber for fuel and could take unmerchantable standing timber for fence posts and vigas. The Trampas Lumber Company was also bound to yield right of way for existing irrigation ditches and to protect the ditches in the course of their operations.⁵⁴

The lumber company agreed to pay C. C. Catron \$5,500 to secure quitclaim deeds from the inhabitants of the grant covering the grant property lying outside the segregated areas in accordance with the previous stipulation.⁵⁵ Frank

52. *Letter Book No. 50*, November 21, 1913, p. 336.

53. *Las Trampas Lumber Co. v. Juan B. Ortega, et al.*, Stipulation, Bond Papers, *loc. cit.*

54. Unrecorded agreement between Las Trampas Lumber Company and Squatters, June 5, 1913. Bond Papers, *loc. cit.*

55. Agreement between Las Trampas Lumber Co. and C. C. Catron, June 2, 1913. Bond Papers, *loc. cit.*

Bond was somewhat impatient to have the entire matter finally settled,⁵⁶ but the case was not a simple one. There were 288 defendants named in the action plus many unknown heirs of deceased claimants.

The final decree was entered on April 16, 1914, in which the Las Trampas Lumber Company was adjudged owner in fee simple of the Trampas Grant except for the village reservations,⁵⁷ thus leaving Frank Bond about where he started in 1903.

Bond's first prospect was T. A. Schomburg, then with the Continental Tie and Lumber Company in Denver, who offered \$1.50 per 1,000 feet for stumpage on the grant. Although Frank Bond had only been over the grant one time, he didn't believe there was as much timber on it as the Chicago surveyors estimated, and he much preferred to sell the grant outright.⁵⁸ However, he went to Denver and discussed the matter with Schomburg who then appointed F. R. Frankenburg as his representative to go over the grant with W. A. Ross who had made the original timber survey.⁵⁹

The next nibble by a prospective purchaser came from a man named Blount in Walsenburg, Colorado, in August, 1914. Like the Schomburg inquiry, nothing ever materialized.⁶⁰ In October another prospect appeared, but was quoted a price of \$175,000 by someone in Albuquerque and evidenced no further interest. Frank Bond was not at all pleased that someone had quoted a price \$15,000 higher than had been quoted to other people, and he expressed his displeasure bluntly.⁶¹

Several minor problems arose near the end of 1914. The law firm of Renehan and Wright which had been active in the title litigation submitted their statement to the Trampas Lumber Company and a disagreement over it arose between Renehan and the Las Trampas Lumber Company stockholders. Bond felt it was absolutely essential that pleasant

56. *Letter Book No. 50*, November 10, 1913, p. 253.

57. *Las Trampas Lumber Co. v. Juan B. Ortega, et al.*, No. 840. Bond Papers, *loc. cit.*

58. *Letter Book No. 51*, February 23, 1914, p. 256; *ibid.*, p. 263.

59. *Ibid.*, April 1, 1914, p. 583; *Letter Book No. 55*, October 12, 1914, p. 444; *ibid.*, p. 445; *ibid.*, October 14, 1914, p. 485.

60. *Letter Book No. 53*, August 11, 1914, p. 594.

61. *Letter Book No. 55*, October 14, 1914, p. 485.

relations be maintained, and since he owned a one-half interest in the company he paid half the bill without question and secured a release for his interest. The other stockholders were not informed of Bond's action, and he left them to fight it out among themselves.⁶² Other minor annoyances included an over-valuation on the Rio Arriba tax assessment and the imminent necessity of appealing it to the Board of Equalization. Bond pointed out that the property was overvalued in view of the fact that they couldn't even get an offer for it.

The next prospective buyer appeared in the form of a Mr. Hartley in Kansas City in March, 1915.⁶³ Another inquiry came in August from Walter G. Turley in Santa Fe who had a colonization project in mind. Bond didn't think the property was suitable for colonization, and nothing ever developed from either of these two inquiries.⁶⁴ Before the year was out Bond was willing to lower the asking price from \$160,000 to \$135,000,⁶⁵ but the property was simply not attracting any buyers.

Lumbering was no more successful at Trampas than it had been at Truchas, and by 1919 the sawmill operation was a failure, the blacksmith shop, mill, and roads were all abandoned, a deficit of over \$25,000 had accumulated, and the stockholders would have been happy to sell the whole grant for \$60,000.⁶⁶

8. *Forbes Wool Company*

The exact background and organizational beginnings of the Forbes Wool Company are not only obscured by the mists of time but also shrouded in a cloak of secrecy that surrounded its ownership. As with several other enterprises, clear black and white evidence concerning many points is not available, but a great deal can be deduced from the records remaining.

The Forbes Wool Company was located in Trinidad, Colorado, and for many years was engaged in buying wool

62. *Letter Book No. 59*, July 21, 1914, p. 426.

63. *Letter Book No. 57*, March 25, 1915, p. 460.

64. *Letter Book No. 59*, August 2, 1915, p. 302.

65. *Ibid.*, July 28, 1915, p. 248.

66. *Capital Stock Tax Reports*, Bond Papers, *loc. cit.*

from the western growers, scouring it, and selling it in the eastern markets.¹ The Bond records leave no trace of the motivation for their acquisition of an interest in this scouring mill, but Fred Warshauer was handling large quantities of wool in Antonito,² and he was undoubtedly instrumental in bringing George and Frank Bond into the company.

The first record we have of the Forbes Wool Company tells of a trip that George Bond made to Trinidad early in May of 1903 while he was still living in Wagon Mound. He visited J. C. Huddelson at the First National Bank of Trinidad and borrowed \$10,000 on an 8 per cent note due in three months. With this money in his pocket, he called on E. J. Huling who was at the time manager of the Forbes Wool Company and paid him the \$10,000 for stock in behalf of himself and Frank Bond. Illustrating the informality of the transaction, Huling did not happen to have the Forbes stock certificate books at Trinidad, so Bond simply accepted a receipt for the money. He turned this receipt over to Huddelson at the bank with the request that when Huling delivered the stock to the bank the receipt should be returned to Huling.³

Only nine months before the Bonds bought the plant, the "Young Observer" reported that the Forbes Wool Company had a "finely equipped scouring mill,"⁴ but the tenor of Bond's correspondence on the subject does not lend credence to this observation. Indeed, the Bonds felt that it was absolutely necessary to make extensive improvements on the mill, and they estimated that these improvements would result in a saving of over 4 per cent on the capital stock in the handling of wool in the new mill.⁵ Just what these improvements might have been is not now apparent.

The mill must nevertheless have been at least reasonably operable, for the "Young Observer" also reported that the Forbes mill enjoyed a very prosperous season just before the

1. Interview with J. E. Davenport.

2. Warshauer sold 1,500,000 pounds of wool late in 1899, requiring 100 railroad cars to move the single shipment. *The Shepherd's Bulletin of the National Wool Growers' Association*, III, No. 12 (December, 1898), 605.

3. *Records, loc. cit.*

4. "Young Observer in New Mexico," *The American Shepherd's Bulletin*, VII, No. 8 (August, 1902), 2599 (75).

5. *Records, loc. cit.*

Bonds acquired their interest.⁶ For the next several years, at least through 1905, the mill scoured about 4,000,000 pounds of wool each year,⁷ but whether the mill yielded a profit on the scouring in those years immediately following the change of ownership is uncertain. As a matter of fact, even the complete ownership of the company in 1903 is uncertain. In addition to the Bonds, the other stockholders were T. A. Schomburg and J. P. Van Heuten with interests of \$1,000 each and Fred Warshauer who had an investment of \$6,000. The total investment of Schomburg, Van Heuten, Warshauer, and the Bonds therefore totals only \$18,000—a highly unlikely total for the capital stock. Later indications are that the total capital was \$50,000,⁸ which would leave \$32,000 in stock unaccounted for.

Only Brown⁹ and Huling were to know anything about Warshauer's interest in the Forbes Wool Company, and Frank Bond told Fred Warshauer that Schomburg, Van Heuten, Lawrence, and Florsheim, who were referred to as "the other crowd,"¹⁰ should remain ignorant of Warshauer's connection with the scouring mill because he didn't think they could keep from talking. In order to keep Warshauer's connection with the Bonds in this venture a closely guarded secret, his stock was issued in the Bond name with the intention of transferring it later to Warshauer although some legal way was sought to obviate the necessity of doing even this.¹¹

The background of this esoteric arrangement seems to have been a bitter feeling between the Bonds and the Gross-Kelly Company. There is evidence of some irritation with H. W. Kelly as early as 1898 when George Bond at Wagon Mound received an order for hay from Gross-Kelly. He acknowledged the order and replied tartly:

Try to have the matter fixed so that the hay will be received at point of shipment as this continual claim for shortage is neither pleasant nor profitable. Our hay last year was all

6. "Young Observer in New Mexico," *loc. cit.*

7. *The American Shepherd's Bulletin*, X, No. 9 (September, 1905), 882 (34).

8. *Records*, *loc. cit.*

9. Presumably of Brown & Adams.

10. *Letter Book No. 6*, February 25, 1903.

11. *Ibid.*

weighed as it went into the cars and yet on one car the Co. made claim for over one ton short, and to have this thing happen over again we would prefer not to do any hay business.¹²

The roots of the quarrel with Kelly, however, went deeper. There seem to have been certain generally defined geographical areas which each of the major wool buyers reserved, or at least tried to reserve, for themselves, and any encroachment by other wool buyers into the territory was distinctly unwelcome. In addition, whereas the Bonds sold their wool through Boston wool merchants, usually Brown & Adams, Kelly was tied up with manufacturers and couldn't afford to give any of his wool to a commission house.¹³ With the commission house out of the picture, Kelly could of course sell his wool at higher prices and was in turn able to pay correspondingly higher prices to the growers. Thus both Bond and Brown & Adams were anxious to get Kelly to "come into line," market his wool through Brown & Adams, and quit buying wool at the higher prices that Bond couldn't pay.¹⁴

As mentioned earlier, the Forbes mill bought wool, scoured it, and then sold it to the Boston merchants; Brown was in Denver at about the time the Forbes transaction was being considered, he discussed the matter with George Bond, and he was thoroughly aware of the Bond-Warshauer interest. These facts all lead to the intriguing theory that perhaps Brown & Adams held or were planning to acquire some of the unaccounted-for stock in the Forbes mill. If this were true, the necessity for keeping Kelly in the dark would have assumed even greater importance since Brown & Adams would have then been realizing multiple profits on wool which was processed by the mill and then shipped to them in Boston. It

12. Letter of G. W. Bond to H. W. Kelly, September 10, 1898, in the Gross-Kelly Business Collection (University of New Mexico Library, Albuquerque). Cited hereafter as Gross-Kelly Papers.

13. *Letter Book No. 6*, June 25, 1904.

14. *Vide supra*, chap. iii, pp. 61-62.

Kelly's position of not selling his wool through Brown and Adams had long been a thorn in the Bonds' side; in 1898 George Bond had complained about pricing disparities and appealed to Kelly to assist in making an agreement that would have the effect of pegging wool prices in Springer, Watrous, and Wagon Mound at the same level as those being paid in Las Vegas. Letter of G. W. Bond to H. W. Kelly, June 24, 1898, Gross-Kelly Papers, *loc. cit.*

would seem that Bond would have wanted his connection cloaked also, but there may have been more compelling reasons why Warshauer's interest could not be disclosed and Bond's interest was open to view.

The entire question of territorial prerogative and marketing policy reached a climax at just about the same time that Bond and Warshauer were considering the purchase of the Forbes Wool Company. George Bond had a meeting in Denver with Brown early in 1903 at which the possibility of getting Kelly to "come into line"¹⁵ was discussed. A meeting had been arranged in Boston at which Robbins and Jacob Gross were to meet with Brown & Adams, presumably in an effort to convince the former that they should sell their wool through Brown & Adams. Brown indicated to George in Denver that if Kelly wanted to join their "crowd," perhaps the Bonds would be willing to concede some territory to Kelly as an inducement. According to Frank Bond, in relating the event to Fred Warshauer, "George stood flat-footed and said that we would concede nothing in the way of territory."¹⁶ Frank then added:

You [Warshauer] and we together are bigger wool buyers than Gross-Kelly & Co. and undoubtedly so far we have been much more successful as operators. Now we do not propose that Kelly shall "Hog" [This word is almost illegible.] us out of any of our territory or You and we both ought to insist that he keep out of the D. & R.G. section. We think . . . instead of giving up to Kelly, he ought to be willing to give up to us. . . . If it should come to a showdown we will simply tell B&A. that we will sell our wool to whomsoever we please, and we will discontinue to do business with them. . . . We do not propose to have to buy Mr. Kelly in order to make him a peaceful operator, and a pleasant competitor.

We desire to stay with Brown & Adams, but we do not wish to be sold out. We will do any thing that is fair, but nothing more. We trust that nothing will come up of an unpleasant nature, and we hope that B&A. will be with us rather than with Kelly. They however, are very anxious to get Kelly in line, and handle his account, so I think that we may be pre-

15. I.e., market through Brown & Adams.

16. *Letter Book No. 6*, February 25, 1903.

pared to be asked to do something for Mr. Kelly. Kelly is not modest when it comes to asking something from the other fellow.¹⁷

Only a few days later Frank further pointed out to Warshauer that Brown & Adams had nothing to lose if the Bonds would make concessions to Kelly and everything to gain. He wrote:

We are not blind to the fact that we can pull a much larger crowd with us than Kelly ever can. If we should go out . . . we are pretty well satisfied that [Solomon] Floersheim and [Albert] Lawrence would go with us. Floersheim does not love us but he fears George. We would put up a combination with them and other parties who are friendly with us, that would make both Kelly and B&A. still think there were others who could and would buy wool.¹⁸

These ruffled feelings were not soothed in the least when Kelly presumably circulated rumors in Las Vegas that the Bonds had bought 5,000,000 pounds of wool. Frank Bond then wrote: "He undoubtedly tells them all that we have the heavy undesirable lots which he would not buy. We are the 'Suckers' and he is the genius."¹⁹

As a result, all efforts to convince Kelly that he should market his wools through Brown & Adams must have failed, or at least had only temporary effect, because from the middle of 1907 through 1915 almost all the Gross-Kelly wool was shipped to the Boston wool brokers, Salter Brothers and Company.²⁰

17. *Ibid.*

18. *Letter Book No. 6*, February 28, 1903.

From the tenor of his remarks it would appear that Frank Bond was blissfully unaware that Kelly was a stockholder in the Floersheim Mercantile Company along with Albert Lawrence, Arthur M. Blackwell, Jacob Gross, and Solomon Floersheim (Minute Book, January 21, 1901, p. 26, in the Floersheim Business Collection [University of New Mexico Library, Albuquerque]; *ibid.*, January 20, 1903, p. 30). However, five years earlier, in 1898, when George appealed to Kelly for a pricing agreement, he referred to Kelly's "influence at Springer and Watrous" (Letter of G. W. Bond to H. W. Kelly, June 24, 1898, Gross-Kelly Papers, *loc. cit.*) This might seem to indicate that perhaps he did know something about the Kelly-Floersheim-Lawrence corporate relationship, but if he did it is almost inconceivable that he would have expected Floersheim and Lawrence to desert Kelly.

19. *Letter Book No. 6*, February 28, 1903.

20. Wool Record, July 30, 1907, to December, 1915, Gross-Kelly Papers, *loc. cit.* For discussion of Salter Brothers *vide supra*, chap. iii, p. 304.

However, wool, like politics, makes strange bedfellows, and it was no later than the summer of 1904 that Kelly, Warshauer, and Bond entered into a three-way combination to divide the 1904 fall wools and the 1905 Espanola spring wools, Kelly even pushing to bring Floersheim into the combination.²¹ The honeymoon was short-lived, however, and by July, 1905, Frank Bond had wearied of Kelly's carping. When Kelly objected to the purchase of the 45,000 pound Otero clip in Albuquerque for twenty-four cents, Bond guaranteed Kelly against any loss and told him that he didn't wish to hear anything more on the subject,²² commenting that he preferred to "assume all chances of loss with our friend Warshauer rather than hear from Mr. Kelly."²³

After this time no further dealings with Gross-Kelly are recorded insofar as the wool business is concerned, and it was not until 1915, almost ten years later, that Frank Bond wrote to H. W. Kelly as follows:

I know that the kindest feeling prevails between your people and our people and I don't doubt but what we might be able to be of some assistance to one another in various ways if we tried really hard to do so; although I am positive we are not harmful to one another at the present time.²⁴

Clarence E. Davenport apparently succeeded Huling as manager, and he operated the mill for a number of years until about 1910 when he joined the Bonds and moved to Encino to work there.²⁵

The next mention of the Forbes Wool Company in the Bond records appears in a letter dated March 16, 1910, from G. W. Bond to the Bradstreet Company in Albuquerque in which he noted that he and Frank owned stock in the Forbes Wool Company, Trinidad, Colorado, as individuals. This accounts for the fact that no investment figures appear on the books of any of the Bond stores with respect to the Forbes company.

21. *Letter Book No. 6*, June 25, 1904.

22. *Ibid.*, July 7, 1905.

23. *Ibid.*

24. *Letter Book No. 56*, February 6, 1915, p. 703.

25. Interview with J. E. Davenport; *Letter Book No. 55*, September 8, 1914, p. 158.

At least as late as 1910 the Forbes Wool Company, under the managership of T. G. Chittenden who succeeded Davenport in that capacity, was showing a profit. In that year, the plant handled over 3,000,000 pounds of wool and netted a profit of \$9,046.42. But this followed a year that had closed with a cumulative loss to date of \$1,329.86.²⁶

Belying the decline that was to commence shortly, the financial condition of the Forbes Wool Company on March 28, 1911, appeared as shown in Table 48. An examination of the income and expenses for this year reveals that the profit was realized from sorting, scouring, and burring wool, with no indication that any profit whatsoever was gained from the buying and selling of wool.

TABLE 48
STATEMENT, FORBES WOOL COMPANY

March 28, 1911

<i>Resources</i>	
	Amount
Cash	\$ 4,005.66
Inventory ^a	469.09
Accounts Receivable	3,726.95 ^b
Fixed Plant	49,514.86
Wool Advances	19,592.88
Total	\$77,309.44
<i>Liabilities</i>	
Bills Payable	\$19,592.88
Capital Stock	50,000.00
Surplus	7,716.56
Total	\$77,309.44

^a Soap and sacks.

^b All good.

The following year, 1912, told a different story. In spite of Chittenden's hope that "should we get as much wool to scour this year as last, we should be able to make a somewhat better showing,"²⁷ the income from the scouring work fell from \$37,516.61 to \$1,828.55, and the year ended with a net loss of \$469.21.²⁸

26. *Records, loc. cit.*

27. *Ibid.*

28. *Records, loc. cit.*

The plight of the Forbes Wool Company worsened steadily. In 1914 Frank Bond charged off a loss of \$4,691.24 on the Forbes Wool Company on his personal books,²⁹ and by this time he was carrying his investment in the company at a mere \$750.³⁰

Operations during 1914 must have been the last straw for Frank Bond for by February, 1915, he was convinced that it was hopeless to attempt operating the plant, and he favored closing it down entirely and selling the building and machinery for what they could get.³¹ In April he wrote his brother:

It would suit me for them to scrap the whole thing and get what they can for it. If you feel the same about it, I wish you would write them. . . . If they continue another year, they will be calling on the stockholders to pay the expenses, and for what purpose? It would simply be throwing money into a hole.³²

The last mention of the Forbes Wool Company before the close of 1915 was one more try on the part of Frank Bond to recognize a losing proposition when he saw one. In June he summed up its inevitable demise in a letter to J. C. Hudelson who was then president of the Forbes Wool Company, saying:

There is very little scouring done in the west any more, as the general run of the wools can be sold to better advantage in the grease, and furthermore it is very doubtful that it will ever become a popular way of handling our wools again to any extent.³³

9. Bond, McCarthy Company

In 1863 a young Prussian teenager named Alexander Gusdorf came west to Santa Fe. Starting work for A. Stabb in Santa Fe, he soon struck out on his own and opened his own general merchandise store at Penasco. Alex soon moved to Ranchos de Taos and opened up a flour mill, then ultimately

29. *Ibid.*

30. *Ibid.*

31. *Letter Book No. 57*, February 6, 1915, p. 4.

32. *Ibid.*, April 17, 1915, p. 612.

33. *Letter Book No. 58*, June 4, 1915, p. 399.

Taos itself saw a general store bearing the name of Gusdorf.¹ During this time his younger immigrant half brother, Gerson Gusdorf, was stranded in New York City by the death of his uncle with whom he had been living, and at the age of fourteen Gerson, like Alex before him, traveled westward, joining the family at Ranchos de Taos.²

Meanwhile, an undertaker named T. G. McCarthy received into his home in Pueblo, Colorado, a brother by the name of Justin H. McCarthy who had trekked westward in 1898. Before long, young Justin learned that an opening as a bookkeeper existed in a general store in Espanola which was operated by George W. Bond and Frank Bond. He successfully applied for the position and thus began a business association that lasted until 1932.³

The Gusdorf store at Taos prospered, but Alexander Gusdorf's sixteen-year-old son, Melvin, died near the turn of the century, and the grieving parents rapidly lost the drive and will so necessary to the successful operation of a business during those times.⁴ Undoubtedly it was through their mutual friend, Staab, that young Gerson Gusdorf came to know the Bond brothers, so when Alexander Gusdorf began to think of selling out, the team of Bond, Gerson Gusdorf, and Justin H. McCarthy began to emerge.

The basic transactions took place on September 12, 1904, which put the three new partners into business. McCarthy gave his note to the Bonds for \$1,436.66 and secured \$3,563.34 from the Pueblo National Bank. Whether this latter sum was a withdrawal of his own funds or received on a note to the bank is unknown. Gerson Gusdorf added \$3,700 to the \$5,000 put in by McCarthy, and George and Frank Bond supplied a \$10,000 note dated September 1 in favor of Alexander Gusdorf and \$4,800 in cash to make up the \$23,500 which the new owners paid to Alexander Gusdorf⁵ for a business with an inventory value of \$23,800 including less

1. Interview with Mrs. Elsie Gusdorf Weimer, Taos, New Mexico, January 10, 1958.

2. Interview with Mrs. Gerson Gusdorf, Taos, New Mexico, January 10, 1958.

3. Interview with John F. McCarthy.

4. Interview with Mrs. Elsie Gusdorf Weimer.

5. Cash Book and Journal, September, 1904 (in the files of John F. McCarthy, Taos, New Mexico). Material at Taos cited hereafter as McCarthy Papers.

than \$100 worth of scales, jewelry cases, a cigar case, a hat case, and other fixtures.⁶ In order to set the business on firm ground, the Bonds supplied another \$5,000 in cash for the business to use.⁷

Business started off promptly the next day, September 13, 1904, when cash sales amounted to \$215 and John Dunn bought \$25 worth of merchandise on account.⁸

Actual incorporation of the new firm did not occur until October 25, 1904, when George Bond, Frank Bond, Gusdorf, and McCarthy associated themselves together under the provisions of Chapter I, Title 5 of the Compiled Laws of New Mexico of 1887.⁹ The name "Bond, Gusdorf, McCarthy Company" was adopted and Frank Bond, Gusdorf, and McCarthy elected themselves president, vice-president, and secretary, treasurer, and general manager. The Articles of Incorporation disclose the purpose for which the business was organized, and they describe so well not only the Taos store but also most of the other Bond organizations, that the object of the business is quoted verbatim:

To buy, sell, exchange, barter, deal in and incumber wool, hides, pelts, sheep, cattle, horses and other livestock, and the products thereof, and to buy, sell, exchange, barter, deal in and incumber all kinds and classes of goods, wares, and merchandise, and to operate and carry on a general merchandise business.¹⁰

The store was capitalized at \$30,000, the stock consisting of one dollar par value shares. Ten thousand shares were issued to McCarthy, and a like amount to Gerson Gusdorf; Frank and George Bond divided the remaining 10,000 shares between them equally.¹¹ That the partners divided the stock in this manner despite the unequal cash contributions made as described above strongly indicates that the organizational pattern here closely followed that of the other stores where

6. *Ibid.*

7. *Ibid.*

8. *Ibid.*

9. Articles of Incorporation, McCarthy Papers, *loc. cit.*

10. *Ibid.*

11. Minutes of Board of Directors' Meeting, November 15, 1904, McCarthy Papers, *loc. cit.*

the other partners' interests were given in return for the security of a personal note payable to the Bonds. However, they executed a formal agreement not to sell their stock to any outsider without first offering it to the other shareholders on the same terms.¹²

The size of the merchandise investment carried by the Bond, Gusdorf, McCarthy Company and later by Bond, McCarthy was a continual source of irritation to Frank Bond who felt that the business could be well conducted on a lesser stock of merchandise. Bond wrote of his concern in 1905¹³ and again at the end of 1908 when he pointed out that the stock investment was up to \$55,000 and as much business could be done on \$40,000.¹⁴ In 1913, Frank Bond pressed McCarthy hard again on the subject.¹⁵ Indeed, the stock investment averaged just under \$51,000 for the period from organization through 1915, and the year which reflected the greatest profits, 1915, closed with a stock investment of only \$39,900, surprisingly close to Frank Bond's estimate.¹⁶

Furniture and Fixtures, which averaged about \$4,000, were valued at 90 per cent of cost in consonance with their usual practice, and there were no significant changes to the account between 1904 and 1915.

Renting sheep was not one of the major activities in Taos, there rarely being more than \$100 or so tied up in rented sheep until 1912 when the sheep account began to grow. By 1915 Bond, McCarthy had \$12,800 invested in sheep, representing 3,640 head, and by that time some profit on this phase of the business was beginning to be realized.¹⁷

Cash was usually short, the bank balances were small, and accounts and bills receivable comprised the important part of the current assets aside from merchandise. Those accounts which by specific analysis were expected to be uncollectible were charged off at the end of the year, but a note of year-end pessimism in this respect is evident since a goodly

12. *Records, loc. cit.*

13. *Letter Book No. 6*, June 9, 1905.

14. *Ibid.*, January 13, 1909.

15. *Letter Book No. 50*, October 16, 1913, p. 83.

16. *Records, loc. cit.*

17. *Ibid.*

portion of these were frequently collected in the following year and were reflected as profit. These data are tabulated in Table 49.

TABLE 49
BOND, MCCARTHY RECEIVABLES ACTIVITY
(dollars in thousands)

Year	Receivables	Charged Off	Collected in Succeeding Year
1905	\$35.7	\$1.6	\$.....
1906	44.2	3.4
1907	51.5	8.5
1908	51.1	2.5
1909	49.7	3.0	1.1
1910	45.4	.2	2.1
1911	56.1	5.0	1.2
1912	58.4	5.1	3.0
1913	62.9	2.4	2.3
1914	66.8	2.8	2.6
1915	63.9	2.6

Minor balance sheet items included horses,¹⁸ cattle, a few hides and pelts, and some of the camp buildings at Servilleta.

Like the assets, there were no violent fluctuations in the liabilities; bills payable constituted a significant share and generally amounted to between \$25,000 and \$30,000. It was a typical mercantile store, and there was always from \$3,000 to \$9,000 in payables to depositors.¹⁹

In June of 1905, the year following organization, Frank Bond heard that McCarthy had tried his hand at politics and, having run, failed to acquire office. This was the occasion of a rebuke reflecting a Bond point of view which explains in many ways the background role they played in the political life of New Mexico:

We have never mixed politics or religion in our business and we certainly do not wish you to do so. . . . Keep a still mouth as regards politics or religion. They have nothing to do with business, and buy carefully and judiciously and you will be sure to make a success.²⁰

18. In 1905, 1906 and 1907 a \$280 investment included two sets of harness, one team, and one buggy.

19. *Records, loc. cit.*

20. *Letter Book No. 6*, June 9, 1905.

At the same time Bond took the opportunity to caution him about over-buying on shoes, advising that he would have to meet his own bills and not expect help. This kind of advice was a normal part of Bond's general supervision from Espanola and punctuated his efforts to make the local store managers pay their way without additional financial assistance from Espanola. On the other hand, it is observed that however dire the threat, money was always forthcoming when there was a real need.²¹

The profits at the end of 1905, covering the sixteen months of operation since September of the previous year, amounted to \$17,274.61 which was distributed \$5,758.20 each to McCarthy and Gusdorf with a like amount being divided between the Bonds, a very respectable return on invested capital.²² These profits were distributed at the end of 1905, and it is noted that they were never distributed in cash. They were, in fact, returned to the stock account at the end of 1906.²³ At the end of 1905, too, the capital stock of Bond, Gusdorf, McCarthy Company was increased from \$30,000 to \$40,000 by the contribution of \$10,000 in sheep by the Bonds who in return received 5,000 more shares of stock each.²⁴

The profits over the years from organization through 1915 are shown in Table 50.

By the end of 1907, profits had continued to remain depressed, and Gerson Gusdorf sold his interest in the business to the remaining partners. By this time Gusdorf had accumulated \$7,617.55 in profits which, added to his \$10,000 capital stock interest, enabled him to pay the Bonds the \$14,583.79 which he owed on two notes and thus leave the business with just over \$3,000 in cash.²⁵ In this transaction the Bonds acquired 6,666 shares.²⁶ J. H. McCarthy acquired 3,333 shares, and one share was issued to the bookkeeper, Charles J. H. Robinson, probably to provide a third officer of the

21. *Supra*, chap. vii.

22. Journal, December, 1905, McCarthy Papers, *loc. cit.*

23. Journal, December, 1906, McCarthy Papers, *loc. cit.* Taxes for 1905 amounted to just \$145.80.

24. Journal, December, 1905, McCarthy Papers, *loc. cit.*

25. Journal, January, 1908, McCarthy Papers, *loc. cit.*

26. Divided equally between Frank and George Bond.

TABLE 50
BOND, McCARTHY NET PROFITS
(dollars in thousands)

Year	Amount
1905	\$17.3
1906	5.4
1907	5.1
1908	9.1
1909	8.3
1910	1.5
1911	8.9
1912	15.6
1913	7.7
1914	13.0
1915	18.7

company.²⁷ Again, the McCarthy stock was financed by the Bonds, and so the ownership now stood as shown in Table 51.

TABLE 51
BOND, McCARTHY STOCKHOLDERS

Stockholder	Shares Held
G. W. Bond	13,333
Frank Bond	13,333
J. H. McCarthy	13,333
C. J. H. Robinson	1
Total	40,000

A serious slump in profits occurred in 1910, and Frank Bond didn't expect McCarthy's health to permit his continuance in the business beyond that year.²⁸ He suggested that if it did become necessary to make a change at Taos that they might give one man stock in the company and the other a percentage of the profits. Even though this never material-

27. Journal, January, 1908, McCarthy Papers, *loc. cit.* Most of the records of the company were destroyed by a fire in 1932 that consumed an entire city block in Taos. Unanswered, as a result, is the question of when the name of Gusdorf was dropped from the corporate entity. Certificate No. 1 of the Bond, McCarthy Company was not issued until February, 1916, so it is possible that the Gusdorf name continued until that time in a legal sense although after 1907 the firm is always referred to in the correspondence as Bond, McCarthy.

28. McCarthy's health apparently improved for he continued in active partnership with the Bonds for many years afterward. Mrs. McCarthy, however, contracted mumps and died in premature childbirth on April 16, 1915, leaving Justin and their five small children. Frank Bond, Louis Nohl, and Andy Wiest went immediately to McCarthy's side in Taos and then as he returned his wife to Chicago for burial all three of them accompanied McCarthy on the train as far as Pueblo, Colorado. *Letter Book No. 57*, April 17, 1915, p. 610.

ized, it did indicate that a change in the way in which the managers were employed was considered.²⁹

Also under consideration at this time was the possibility of purchasing the stock of the Taos Mercantile Company. The Santa Barbara Tie and Pole Company was interested also, and Bond suggested that they offer sixty-five cents on the dollar for the Taos stock and then throw out the undesirable items. If they did finally buy it, they planned to close the store at once and lock it up because they feared that the sellers might go in and remove a large part of the stock if it were left unguarded.³⁰ However, there is no indication that this transaction was ever consummated.

The year 1912 turned out excellently, and the higher profits were due not only to slightly greater earnings on merchandise sales but also to wool trading in an even greater degree. In this year there was over \$9,000 profit reported on wool in contrast to no profit at all two years previously when, in 1910, profits were so very low. However, total sales of \$97,600 in 1912 were not too far above the \$94,000 total sales of 1910.³¹

Nineteen thirteen ended badly, and in October Frank Bond was prompted to remark that it was the hardest year of his experience.³² He punctuated his distress by trying to

32. *Letter Book No. 50*, October 16, 1913, p. 81.

spur McCarthy on to exert his best, cautioning him to start paying dividends, "otherwise what is the use in being in business?"³³ To make matters worse, it was about this time that in receiving a shipment of sheep, it seems that someone opened the loading pens and let some sheep back into an uncounted bunch, so they bought them again.³⁴ McCarthy, of course, had to stand his share of the loss, and what with merchandise profits being off more than \$4,000 the year turned out rather disastrously. However, as can be seen from Table 50, *supra*, the last two years of the period told a different and more cheerful story.

29. *Letter Book No. 6*, March 16, 1910.

30. *Ibid.*

31. *Records, loc. cit.*

33. *Ibid.*, p. 83.

34. *Ibid.*, October 30, 1913, p. 178.

After the poor showing in 1913 the belt was tightened and salaries were cut. Among them was the bookkeeper's³⁵ salary which was reduced to \$100 per month. Frank Bond felt that this was enough for a bookkeeper anyway. He quit.³⁶ This is not to say, however, that salary-cutting was a favorite form of amusement engaged in just to increase profits. Indeed, the contrary is illustrated by an incident that occurred in early 1909. Robinson's salary had been raised by George Bond, the increase amounting to \$16.66 per month. Justin McCarthy had not fully agreed with this increase, and George felt that his attitude as a result was cold and distant. He stated that "there must be no friction between us"³⁷ and promptly arranged to pay the increase himself out of his own pocket. This type of action was not at all unusual within the Bond organization, particularly if it helped to prevent any type of friction, misunderstanding, or whisper of unfairness.

Wool activities on the Taos books were generally low. This was due to the fact that most of McCarthy's wool activities were handled separately on a joint account with Bond and the Warshauer-McClure Sheep Company of Antonito. Taos wools were among the riskiest wools handled by Bond, and in 1915 he completed an agreement with Brown & Adams of Boston under the terms of which they would guarantee Bond against loss on his wools, give him the first cent of profit, take the next half cent for themselves, and give Bond the balance if any. In completing this arrangement, Bond was careful to keep Taos wools out of the agreement in order that the profit on Espanola or Antonito wools might not have to cover losses on the Taos wools.³⁸ Taos wool was to be set up in a separate agreement and Justin McCarthy was not at all pleased. This prompted Frank Bond to reply:

You know that I always handle wool and sheep business that [sic] same as if it were my own, and I believe so far I have not made many mistakes, at least you have always made some money, but I am bound to guess wrong some time, and I

35. Named Thompson, first initials unknown.

36. *Letter Book No. 51*, February 24, 1914, p. 274.

37. *Letter Book No. 6*, January 13, 1909.

38. *Letter Book No. 57*, February 8, 1915, p. 12; *ibid.*, February 9, 1915, p. 33.

just wish to say that any time you desire I will turn it over to you, and you can make your own deals, not that I desire to get rid of the trouble, as I am perfectly willing to stay with the job as long as it is agreeable to you.³⁹

A few weeks later Bond forwarded McCarthy \$5,000, representing the profit on Taos wools. Bond shared his half of the profit, as usual, with Warshauer-McClure.⁴⁰

These rebukes to his managers were actually very straightforward expressions of opinion. While they occurred not infrequently, they were calculated to train the managers in Bond policy and philosophy. In setting up the various organizations, the Bonds selected men who had exhibited promise of being able to follow their own pattern of business practice, helped them get started, steered them along the way, and ultimately saw them go out on their own. After sending one tart letter, Bond soothed McCarthy:

We did not start you in Taos just with the selfish motive of improving our own fortunes but also of helping out a deserving man. The time will come when you don't need our backing . . . when that time comes, we will sell out to you and wish you well.⁴¹

They did, too, twenty-three years later.

10. G. W. Bond & Bro. Mercantile Company

The G. W. Bond & Bro. Mercantile Company, Encino, New Mexico, was organized in 1905 by G. W. Bond and Frank Bond. The brothers were equal partners in the new company, but one share of stock was issued to Louis F. Nohl in order to qualify him for the post of secretary and treasurer to which he was elected at the first directors' meeting on November 5, 1905.¹ The election of G. W. Bond as president and

39. *Ibid.*, February 8, 1915, p. 31.

40. *Ibid.*, March 25, 1915, p. 466; *ibid.*, p. 468.

41. *Letter Book No. 6*, January 13, 1909.

1. Almost thirteen years later Frank Bond wrote: "I enclose . . . certificate No. 5 for one share of . . . stock issued to Louis F. Nohl. This share of stock was originally issued to Mr. Nohl without consideration to qualify him to act as an officer of the Company. Now that Mr. Nohl is dead the stock should revert to the corporation." Letter of Frank Bond to Clarence E. Davenport, Encino, April 30, 1913, Bond Papers, *loc. cit.*

Frank Bond as vice-president completed the directorate which continued without change until Mr. Nohl's death thirteen years later.²

The business was capitalized at \$25,000 with 25,000 shares of stock authorized and issued, and additional financial support was provided by a loan of \$33,180.39 from G. W. Bond & Bro., Espanola. This loan was paid off in 1910 when the accumulated undivided profits had very nearly reached that figure.³ The only other inter-company complication affecting the Encino store occurred in July, 1914, when the G. W. Bond & Bro. Mercantile Company joined the A. MacArthur Company, the Bond & Nohl Company, and the Bond, McCarthy Company and became a stockholder in the Bond-Connell Sheep and Wool Company, owning 5,000 shares of stock.⁴ This represented the only investment in outside companies during the period, and the loan from Espanola was the only major outside financial support the business in Encino ever required in that time.

Charles A. Scheurich, a native of Taos, was appointed general manager of the new store, and his salary was fixed at \$100 per month. He was instructed:

Proceed at once to secure a desirable location at Encino, Torrance County, New Mexico, for store building &c., and immediately purchase lumber in the best market possible, for the erection of buildings, and secure carpenters to erect buildings suitable for a General Merchandise business to be carried on at Encino.⁵

Scheurich went to Encino, and the store was duly built on six acres of land across the street from the Santa Fe Railroad tracks at an initial cost of \$5,400.⁶

The company was formed for the express purpose of operating a general merchandise store at Encino, but it is observed that the registered offices of the company were never there. They remained in Espanola until 1918 when

2. Record of Minutes (in the files of Frank Bond & Son, Inc., Albuquerque).

3. *Records*, loc. cit.

4. *Infra.*, chap. xiii.

5. Record of Minutes, loc. cit.

6. *Records*, loc. cit.

they were moved to Albuquerque. This anomaly is further highlighted by the corporate seal which was adopted by the directors at their first meeting. It read: "G. W. Bond and Brother Mercantile Company, Encino, Torrance County, N. M."⁷ The confusion is completed by the actual impression of the seal which was pressed into the corporate minutes. It read: "G. W. Bond and Brother Mercantile Company, Espanola, Rio Arriba County, N. M."⁸

The new company was officially formed on November 5, 1905, with the first meeting of the board of directors although it had opened its doors for business on October 11. However, it was not until April of the following year that stock certificates were issued, and the first meeting of the stockholders did not take place until September, 1906. This lack of attention to relatively minor corporate details might with respect to most businesses in New Mexico's early days appear to be trivial, but in the light of Frank Bond's firm policy that such matters be attended to promptly it is enigmatic, and perhaps it foreshadowed the rocky road which the Encino business was destined to travel, ending many years later in misunderstanding, heartbreak, and insolvency.

The Bonds gave Scheurich a salary, the title of General Manager, and a mandate to build a store in Encino. It appears, however, from the correspondence that shortly after relinquishing active management of the store in Wagon Mound, George Bond spent a great deal of his time at Encino. That it was only part-time supervision though is indicated by the fact that his family remained in Trinidad.⁹ This continued in varying degree until the brothers decided to dissolve their Espanola partnership—George moving to Boise, Idaho.

7. Record of Minutes, *loc. cit.*

8. *Ibid.*

9. A letter written in 1907 by Frank Bond to George in Encino (*Letter Book No. 6*, September 17, 1907) mentioned that George's wife, Agnes (Frank called her "Aggie."), was in Trinidad. It appears that after George moved his family from Wagon Mound to Trinidad he spent a great deal of time at Encino. Scheurich was, of course, running the store, but George Bond had to take care of the sheep and wool business in the area for G. W. Bond & Bro., Espanola. As soon as they were able to get a man in who could handle sheep and wool as well as the merchandise line, it seems that George returned to Trinidad although he wrote letters from Encino as late as January, 1910. Other correspondence during these years reveals George's presence in Trinidad and San Diego as well.

During the first two years of operation the Encino venture was limited fairly well to the mercantile business although hides and pelts were a minor source of income from the start and continued to be so.¹⁰ Beans, cattle, lumber, and interest were also minor sources of earnings.

When the Encino store was established it was agreed that interest of 6 per cent would be paid to the stockholders on their capital stock investment and charged off as an expense of the business and that the remaining profits would not be divided until such time as it might be possible to declare a 100 per cent dividend—or by mutual consent.¹¹ These profits on the new business started off rather well, and except for 1913 when net profits amounted to the magnificent sum of \$174.41 they continued so. At the end of 1915, after ten years of operation, undivided profits had accumulated in the amount of \$94,333.27. Since no profits had been withdrawn except the 6 per cent annual interest paid on investment, the total profit picture for the ten years amounted to \$15,000 more than this, or almost \$110,000 for an average annual earning of \$11,000.¹²

Table 52 shows the net profits for the years from organization through 1915 and includes the 6 per cent interest on \$25,000 capital stock which was not considered by them to be profit.

It is a little surprising, therefore, to discover that on September 17, 1907, less than two years after the founding, Frank Bond wrote his brother in Encino suggesting that they sell the Encino store. It certainly could not have been the profit picture at that time, and indeed Frank suggested that the investment in "this other thing" was much larger and required careful "nursing and watching."¹³ Just exactly what the other investment was to which he alluded is unknown, but the urgency of the matter apparently passed for

10. In a letter to Walter Connell (*Letter Book No. 58*, May 1, 1915, p. 16) Frank Bond wrote: "Dick Dillon seems to be a puzzle to all of us, the way he handles his pelt business." Dillon had just sold his pelts for 17¼ cents. *Letter Book No. 57*, March 9, 1915, p. 311.

11. Letter of G. W. Bond to Frank Bond, January 4, 1908, Bond Papers, *loc. cit.*; Letter of G. W. Bond to Frank Bond, July 25, 1911, Bond Papers, *loc. cit.*

12. *Records, loc. cit.*

13. *Letter Book No. 6*, September 17, 1907.

TABLE 52

G. W. BOND & BRO. MERCANTILE COMPANY EARNINGS
(dollars in thousands)

Year	Amount
1906	\$ 4.1
1907	7.3
1908	3.3
1909	16.3
1910	9.6
1911	6.1
1912	24.1
1913	1.7
1914	15.1
1915	21.9

the store was never sold. However, talk continued about selling the business, sometimes sparked by the spotty profits and sometimes by the general dissatisfaction with management.¹⁴ In 1909 there was some talk that Charles Ilfeld was seriously considering the purchase of the Bond's Encino store and had said he would do so if he could get a satisfactory man to run it.¹⁵ Nothing ever came of this, however, as Ilfeld's manager at Willard was fully aware of the declining number of sheep being run in the Willard-Palma-Encino area.

Late in 1907 Richard C. Dillon was traveling the Estancia Valley selling merchandise for the Gross-Kelly Company. A native of St. Louis, Dillon had come to New Mexico in 1889 at the age of twelve. He was employed for a time as a track man on the Atlantic and Pacific Railroad in Arizona and subsequently worked a few years as a clerk in the Floersheim Mercantile Company at Springer.¹⁶ He went with the Gross-Kelly Company in Las Vegas in 1902, working in the hide and wool department, and was later transferred to Albuquerque as a traveling salesman.¹⁷ He worked out of Albuquerque through the Rio Grande and Estancia valleys and was not unknown to the Bond brothers who offered him a position one day as he came through Encino. Dillon accepted

14. *Letter Book No. 53, passim.*

15. Letter of G. W. Bond to Frank Bond, January 1, 1910, Bond Papers, *loc. cit.*

16. Coan, *op. cit.*, II, 15.

17. Davis, *op. cit.*, I, 180.

and announced his resignation from the Gross-Kelly Company by simply wiring his decision from Estancia; Kelly's sharp displeasure was expressed in strained relations between them for many years afterwards.¹⁸

Scheurich left on January 1, 1908, and moved to Clovis where he established a mercantile business and engaged in insurance, real estate, and building and loan activities.¹⁹ The precise reason for Scheurich's displacement is not stated, but there is no evidence to indicate that he had been expected to extend himself beyond mercantile management, so as George opened up the area for sheep and wool it became necessary to have a man of wider experience.²⁰ Dillon assumed the post of general manager at once, although the corporate minutes did not reflect his official status in that respect, and it was not until February, 1916, that the directors officially appointed him to that position.²¹

The generosity of the Bond brothers and the vision which they displayed in the development of promising young men had a far-reaching and lasting impact on the economic and political development of the Territory that has lasted even until the present time. The Bond associates not only have played important roles in the economic life of New Mexico but also have been active in the shaping of state and local affairs.²² Nearly all of them have been financially successful, and a number of prominent New Mexico families can trace their economic lineage to George and Frank Bond. The employment arrangement with Dillon, both generous and typical, is deserving of more detailed attention.

It was originally contemplated that the capital stock of

18. Interview with R. C. Dillon, Encino, 1956.

19. Davis, *op. cit.*, II, 1951.

20. The only intimation of possible dissatisfaction with Scheurich is contained in G. W. Bond's statement to Frank that "Dillon is now here and in charge and I am very much pleased with the change." Letter of G. W. Bond to Frank Bond, January 4, 1908, Bond Papers, *loc. cit.*

21. Record of Minutes, *loc. cit.*

22. Dillon rose to become a state senator in 1925 and was later elected governor of New Mexico, serving from 1927 to 1931, the first New Mexico governor ever to succeed himself in office (Davis, *op. cit.*, I, 180). Ed Sargent served as state auditor, was elected a county commissioner in Rio Arriba County, and became lieutenant governor of New Mexico in 1925 (Coan, *op. cit.*, II, 5). Walter Connell was active in Albuquerque city affairs and served on the city commission, and a later partner, C. G. Gunderson, was a gubernatorial candidate.

the G. W. Bond & Bro. Mercantile Company would be increased to \$45,000 and that Dillon would have \$15,000 of it. Bond estimated that Dillon would be able, under a one-third profit-sharing agreement, to pay out his stock in five years and that he might even accomplish this sooner if he had one or two good sheep and wool years. George Bond considered that Dillon was a good man on these activities outside the store and counted on him to pursue vigorously all phases of the business to achieve this end.²³ However, this increase in the capital of the company did not develop in quite that way.

Dillon was to receive a salary of \$125 per month,²⁴ and in addition he was to receive one-third of the profits from the business. It was agreed that all profits would remain undivided until the business was sold out or until a 100 per cent dividend could be declared. If at any time Dillon wished to buy one-third of the capital stock he could do so by giving a note in favor of G. W. Bond and Frank Bond, and he would then receive one-third of the capital stock in return.²⁵ Interest on the note would be paid at 6 per cent and annual dividends of 6 per cent would be declared so that Dillon would be able to pay his interest on the note; all other profits would remain undivided in accordance with the agreement.²⁶

If Dillon did not wish to take one-third of the stock on a personal note to the Bonds, he was at liberty to let his one-third earnings accrue and then to pay cash for an interest in the company at such time as it might be mutually agreed to declare a 100 per cent dividend.²⁷ It was not until 1917 that Dillon exercised his option and purchased 6,333 shares of the stock, representing a 25.3 per cent interest in the business.²⁸

This arrangement for Dillon's advent into the Bond system was explained by George Bond who wrote: "Mr. Dil-

23. Letter of G. W. Bond to Frank Bond, January 4, 1908, Bond Papers, *loc. cit.*

24. Interview with R. C. Dillon.

25. Presumably the stock would become the security for the note. Since Dillon never followed through on this exchange of a note for stock, the point is not recorded. However, this was the usual procedure.

26. Letter of G. W. Bond to Frank Bond, January 4, 1908, Bond Papers, *loc. cit.*; Letter of G. W. Bond to Frank Bond, July 25, 1911, Bond Papers, *loc. cit.*

27. *Records, loc. cit.*

28. Stock Certificate Book (in the files of Frank Bond & Son., Inc., Albuquerque).

lon gets his interest in this business by virtue of being the manager and has full control of the business in every way.”²⁹

Sales figures for the first year of the Dillon era are not available, but in the following year, 1909, they amounted to a staggering \$93,000 and represented a turnover of almost five times on merchandise.³⁰ George Bond, however, was pretty well convinced by this time that 1909 was a high year and that the Encino business could not make more than \$2,500 a year over and above expenses and interest on investment.³¹ However, as previously noted, earnings actually went considerably over this figure, and in 1915 they sold almost \$82,000 in merchandise to customers.³²

Cash balances carried by the mercantile company were heavier than would have been thought necessary, and they are noteworthy in that such large cash reserves were not typical of the policies of the Bonds as exercised in their other areas of interest. Balances at the end of 1912, 1913, 1914, and 1915 were generally in the neighborhood of \$12,000 to \$18,000, most of it being carried in the First National Bank of Santa Fe.³³

A characteristic of the Encino store that was reflected continuously throughout the period from its founding through 1915 was the large size of the book receivables. In seven years out of the ten, accounts receivable exceeded the inventory of merchandise.³⁴ In 1914 they amounted to \$28,270.76 and represented accounts with 131 customers ranging in size from \$.25 to \$4,176.60.³⁵ A comparison of the receivables and year-end inventory is shown in Table 53.

In spite of the relatively high level of receivables, losses were not as great as might be expected. They were usually valued at 90 per cent, but in 1915, the only year for which specific write-off information is available, only \$419.48 were

29. *Records, loc. cit.*

30. Letter of G. W. Bond to Frank Bond, January 1, 1910, Bond Papers, *loc. cit.*

31. *Ibid.*

32. *Records, loc. cit.*

33. *Ibid.*

34. *Ibid.*

35. Accounts payable amounted to \$4,444.75 in that year and represented cash deposits from twenty-six customers, there being nothing at all due to wholesale suppliers. *Ibid.*

written off, against almost \$26,000 in receivables.³⁶ However the necessity of carrying the accounts gave Frank Bond pause, and in 1914 he wrote: "I don't believe in putting all our profits year after year in accounts and rented sheep. There is a happy limit to all these things."³⁷

TABLE 53

G. W. BOND & BRO. MERCANTILE COMPANY
ACCOUNTS RECEIVABLE AND MERCHANDISE INVENTORY
(dollars in thousands)

Year	Accounts Receivable	Merchandise Inventory
1906	\$19.6	\$20.4
1907	26.1	24.0
1908	18.6	16.1
1909	18.6	20.3
1910	13.9	18.2
1911	18.0	17.0
1912	22.0	17.0
1913	21.6	18.1
1914	28.3	18.3
1915	25.8	22.4

At the end of 1910 G. W. Bond brought Clarence E. Davenport down to Encino from Trinidad, Colorado, where he had operated the Forbes Wool Company scouring mill since about 1903. The exact role that Davenport was to play is not clear on the record now. That it must have been a difficult one is implicit in the fact that he was to be paid by G. W. Bond personally rather than by the company. His agreement with the elder Bond provided that he would receive \$300 per year plus a one-half interest in all the undivided profits which accrued personally to G. W. Bond after December 31, 1910.³⁸ Davenport was an old and trusted employee of the Bonds and knew a great deal about the sheep and wool business, but just why G. W. Bond felt it necessary to make this arrangement is somewhat of a mystery. The Bonds had a great deal of confidence in Dillon at that time, and in 1910 the sheep busi-

36. *Ibid.*

37. *Letter Book No. 53*, June 30, 1914, p. 171.

38. *Records, loc. cit.*

ness had turned upward from its slump in the previous year. No friction between George Bond and R. C. Dillon is known to have existed as early as 1910, and it is quite possible that the difficulty which developed later was keyed to Davenport's arrival with an important financial tie to the elder stockholder. At any rate, the relationship between Dillon and Davenport must have at least been taut, and it is observed that when Dillon bought his 6,333 shares of stock in January of 1917, Davenport also acquired 4,000 shares which he held until 1921 when his holdings were reduced to one share.³⁹

Serious strife in the organization first became apparent early in 1914. By July of that year trouble between George Bond and Dillon had reached the point where Frank Bond, in an effort to mitigate the misunderstanding, suggested that George Bond and Dillon have a face-to-face talk.⁴⁰ The question of selling the business arose in this connection, and it is difficult to tell whether the friction between the elder Bond and the Encino manager was the cause or the effect of the former's desire to "pull out" of Encino. Nor was everything always perfectly smooth between Dillon and Frank Bond. In June, Bond offered Dillon \$3.50 for his ewes and the latter agreed by wire to sell at that price. After Bond had committed himself to dispose of the sheep, Dillon jumped the price to \$3.75 and thus placed Frank Bond in a most embarrassing position. He was chagrined, of course, but felt that Andy Wiest had forced Dillon to do it.⁴¹ In spite of such annoyances Frank wrote his brother only a month after the above incident in words that convey no trace of rancor but rather express confidence and trust:

[Dillon] is just as good a man now as he was any time since he joined us, so if he wants to stay on why should he not do as well as he has done? I am certainly willing to risk my money with him, if he wants to stay on.⁴²

George Bond was very much in favor of selling out at Encino, and Frank Bond wrote: "I am in favor of selling the

39. Stock Certificate Book, *loc. cit.*

40. *Letter Book No. 53*, July 6, 1914, p. 266; *ibid.*, July 10, 1914, p. 320.

41. *Ibid.*, June 19, 1914, p. 58.

42. *Letter Book No. 53*, July 1, 1914, p. 217.

Encino store. It is too uncertain, somewhat like dry farming."⁴³ However, the matter was left largely up to Dillon who indicated that he wanted to keep the Encino store going. Although Frank had written on June 30 that he was in favor of selling out, by July 10 he had decided that he did not want to sell, and just a week later he even suggested that it would please Dillon to change the name of G. W. Bond & Bro. Mercantile Company to the Bond-Dillon Mercantile Company.⁴⁴ However, nothing ever came of this suggestion directly,⁴⁵ and the Encino firm never changed its name.

Since Frank and George were equal partners in both the Encino and Espanola stores, it had made little difference during the early years of the business whether the sheep and wool at Encino were on the Espanola or Encino books. Therefore, all the sheep and wool that were handled at Encino before 1908 were carried on the G. W. Bond & Bro. books at Espanola. Dillon was felt to be "alright on both of these outside items,"⁴⁶ and so after George returned to Trinidad and Dillon took over, the sheep and wool accounts were carried on the Encino books.

The investment in sheep after it was transferred from Espanola to Encino is presented in Table 54, and the balances reflect a reversal of the trend expected in 1909 when it was generally considered that the sheep business in that area would decline sharply.⁴⁷ In 1915 the gross profit from sheep amounted to \$10,500 and represented almost one-third of the \$35,000 gross profit on operations for that year.⁴⁸

During the period under examination, sheep feeding operations were not carried on to any extent by the Encino store, and the accounts for 1914 and 1915 reflected a balance in the sheep feeding account of less than \$30. Feeding activities were discussed, however, late in 1914.⁴⁹ The Encino store did have an interest in the Scott and Russell feeding accounts in

43. *Ibid.*, June 30, 1914, p. 171.

44. *Ibid.*, July 2, 1914, p. 219; *ibid.*, July 10, 1914, p. 320; *ibid.*, July 17, 1914, p. 382.

45. A Bond-Dillon Company was organized in Albuquerque some years later, but it was separate from the Encino business.

46. Letter of G. W. Bond to Frank Bond, January 4, 1908, Bond Papers, *loc. cit.*

47. Letter of G. W. Bond to Frank Bond, January 1, 1910, Bond Papers, *loc. cit.*

48. *Records, loc. cit.*

49. *Letter Book No. 55*, October 14, 1914, p. 486.

the winter of 1914-1915;⁵⁰ the former producing a profit in the spring of 1915 amounting to \$1,910.30,⁵¹ and the latter showing a profit of \$1,164.63,⁵² or a total of \$3,074.76 from the two sheep feeding accounts. The company showed a profit on feeding operations for that year of \$2,604.65, or \$470.11 less than the total gross amount realized, so this may have been the Encino store's investment in the feeding account for that year.⁵³

TABLE 54
G. W. BOND & BRO. MERCANTILE COMPANY SHEEP
INVESTMENT
(dollars in thousands)

Year	Amount	Sheep ^a
1908	\$11.4	
1909	.0	1,434 ^b
1910	15.8	
1911	14.6	7,596
1912	28.8	
1913	26.6	
1914	34.2	12,861 ^c
1915	41.6	14,392 ^c

^a Data not available for years not shown.

^b Sheep on hand, but not picked up in inventory.

^c On rent.

The only untoward event that transpired at Encino was a fire in 1914. In June of that year Frank Bond wrote to Dillon expressing his regrets and advising him to carry full insurance. However, the matter was never mentioned again nor is there any evidence of a fire loss on the financial statements. It was therefore in all probability a minor fire, and due to the fact that it happened just shortly after the major fire of 1914 in Espanola, the concern that it might otherwise have caused was all but lost in the larger misfortune.⁵⁴

50. *Letter Book No. 56*, December 5, 1914, p. 228.

51. *Letter Book No. 58*, June 1, 1915, p. 353.

52. *Letter Book No. 57*, April 23, 1915, p. 630.

53. *Records, loc. cit.*

54. *Letter Book No. 53*, June 23, 1914, p. 99.