

The Interlock Or H-B-C

By Tom Word

It came to light because of the Panic of 2008. Ironically, its cause was the Panic of 1907. It was born of desperation, that frequent ingredient of calamity. How the deceit stayed hidden a century was a tribute to the love of two wealthy northern families for their southwest Georgia sporting places.

In 1907 Harley Grove was trapped in a cotton collapse, an aftershock of the Wall Street financial crisis solved by one man, J. P. Morgan, a.k.a. Jupiter. When Knickerbocker Trust fell in a run brought on by its improvident lending to finance a failed corner on the stock of United Copper, Morgan stepped in and saved Trust Company of New York, the next banking domino, and calmed the Panic. But in the following recession, commodity prices plummeted, and thus Harley Grove's cotton problem.

Harley had to raise \$10,000 cash to meet the margin call of his Savannah cotton broker. His one source was a thousand acres he owned in Thomas County, Georgia, covered with longleaf pine and live oak, with a third of the acres cultivated by mule-plowing black share croppers whose parents Harley's parents had owned.

Harley's land lay between two tracts that had been bought twenty years earlier for quail shooting by robber barons of the Gilded Age, one from Cleveland, one from Boston. The Clevelander was a coke baron (the sort made from coal and used to make steel, not the illicit drug or the beverage). The Bostonian baron's fortune came from railroad finance. He was heir to a smelly fortune traceable to Credit Mobilier, the corrupt U.S. Congress-created Corporation that financed the building of the Union Pacific.

Harley decided his best chance was to sell half of his land to each adjoining baron, after bargaining the price up by threatening to sell it all to one. Still, the barons had the negotiating advantage because they had cash, and cash was king.

In the end, \$7 per acre was the best Harley could get the barons to pay. That would not yield enough to cover Harley's cotton loss. So Harley elicited the help of an unscrupulous surveyor to sell what became on paper one thousand four hundred acres, and at \$7 an acre, his cotton loss could be covered, almost. Harley would find the last \$200 somewhere.

The surveyor drew the east-west lines of the two tracts sufficiently long to make each tract seven hundred acres. The surveyor marked the north-south dividing line true, half way along the slightly exaggerated east-west lines.

For a hundred years, long-leaf pines on the north-south dividing line bore on opposite sides the proud signs of Mossy Swamp Plantation and Mossy Ridge Plantation. And on opposite sides of that line, the robber barons and their descendants and guests shot quail, dove, turkey, and ducks with London best shotguns after climbing down from mule-drawn shooting wagons. They shot over pointers and retrievers descended from dogs the barons had shot over and were guided and fed and had their drinks mixed by descendants of the tenant farmers who'd planted, hoed, and picked Harley Grove's cotton.

The two tracts and the plantations they enlarged had descended by wills to succeeding owners of Mossy Swamp and Mossy Ridge, as three generations of the barons' descendants were born, grew up, grew old, and died.

Then in 2008 the current owner of Mossy Swamp, a baron of the sub-prime age, a Managing Director of Lehman Brothers, found himself short of cash just as Harley Grove had a century before. Unlike Harley, Freddie Biddle V would not have to sell his Yankee plantation (as such places were long known by the locals of Thomasville). He could borrow against it from a family trust. But the trustees, Boston lawyers cautious as Melville's Bartley the Scrivener or Dickens' Bob Cratchet, required a current survey and title insurance to back up Freddie's mortgage on Mossy Swamp Plantation.

When the surveyor measured the east-west lines to their 90° intersections with the dividing north-south boundary with Mossy Ridge Plantation, he discovered Harley Grove's fraud of one hundred years before. Then he discovered the identical 1907 fraud on the other baron. Freddie Biddle V was furious and so was Alvin Steel, the current owner of Mossy Ridge Plantation.

Both families had long had as their local counsel the Albany lawyer Ben Reach, whose nickname was "Long" though he stood only 5' 5". Seventy now, Ben had for a half century lawyered in Albany and adjacent counties. Ben knew human nature, as well as law, and was blessed with a world of common sense, three things that the rich Yankee come-heres of his region frequently needed in dealing with locals and fellow Yankees.

When Ben got the call from Freddie's Boston lawyer-trustee, he had already heard from Alvin Steel's lawyer in Philadelphia. He explained to both big city lawyers that he had a conflict and could not represent either owner against the other. But he offered to meet informally as unpaid mediator between the two and render what insights he ethically could.

Over the years, Freddie and Alvin had managed to be reasonably peaceable neighbors, as had their forbears. There had been occasional incidents of poaching, of course. When Ben got the calls about the interlock, he counseled the Yankee lawyers to urge their clients to stay good neighbors. But when the clients arrived at Ben's office on a Saturday morning, having just Net Jetted into Albany, the prospect of a boundary dispute had caused the testosterone levels of both to elevate. Each clutched in his hand the new survey plat showing a neat rectangular parcel of 400 acres marked "Interlock."

Ben's long-time secretary and office manager, Joanne, had ushered both men into the conference room where she had a pot of coffee waiting.

"Those two are sure enough hot under the collar, Mr. Ben," Joanne said when she announced their arrival to Ben, who was rummaging in a dusty file room.

Ben Reach's father and grandfather had practiced law in Albany and represented the Biddle and Steel families all the way back to before 1907. When Ben entered the conference room, he had in hand two musty folders.

After pouring himself a cup of coffee, Ben sat down and began with small talk. He asked after the men's families, dog trainers, muleskinners, and quail crops. When they got fidgety on account of the delay, Ben got down to business.

"Gentlemen, I hate to tell you this, but you have both suffered H-B-C."

Freddie, impulsive by nature, reacted abruptly.

"What does *that* mean?"

Ben smiled, and in his never-hurried way, said,

"Let me show you."

From the top file, he pulled a handwritten copy of a letter addressed to Freddie's forebear and read it.

"Dear Sir:

Harley Grove has tendered to you a survey of the tract adjoining your Mossy Swamp Plantation you want to buy, said to contain 700 acres. This is highly unusual in Georgia, where by custom a buyer of land orders and pays for the survey. I recommend that at the least you have a surveyor of your choice check the east-west lines for accurate distance.

Sincerely,

Sam Reach"

“A note in the file says your grandfather did not take that advice for fear Harley Grove would withdraw his offer and sell instead to his other adjoining neighbor.” Ben said.

From the file for Alvin’s grandfather, Ben produced a copy of a similar letter and a note that Mr. Steel had also declined to engage his own surveyor.

Freddie and Alvin were furious. Knowing Ben could not advise them of their legal claims, they were impatient to leave. Then Freddie blurted:

“What was it you said about H-B-C?”

Ben showed him a pencil note on the file copy of the letter to his grandfather, “H-B-C?” in Ben’s grandfather’s small, neat hand.

“‘H-B-C’ was my grandfather’s code for, ‘Had by Cracker,’” Ben said.

Freddie and Alvin later reflected that Ben said this with some relish.

Freddie and Alvin stomped out of Ben Reach’s office, knowing there would be no satisfaction for the century-old fraud.

Ben chuckled when he handed the dusty files to Joanne to return to the archives.

“I figure Harley Grove got a fair price for what he sold even with his misrepresentation—\$10 an acre was about right in 1907. They thought they were buying 1,400 acres for \$7 each. What they got was 1,000 acres for \$9,800.

“What’s it worth now, Mr. Ben?” Joanne asked.

“Maybe \$8,000 an acre, I would guess,” Ben answered.

How had Harley Grove raised the last \$200 owed his cotton broker, plus the fee and bribe for his surveyor? He’d sold to the same two robber barons his two pointers, littermate sons of the day’s best-known pointer field trial performer, Hard Cash. Harley had named them Quick Cash and Fast Cash. The irony of their names was not lost on Harley Grove, according to a note in the files of Sam Reach, Esquire.