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Nature's Metropolis
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The Busy Hive

Reaping the Factory's Harvest

To understand the market, open the boxes: see the objects inside, then ask where they came from, who brought them here, who will buy them, and where they will go next. Follow the seller, follow the buyer.

Country folk sent grain, lumber, and livestock to Chicago, and received in return a nearly endless variety of merchandise. The exotic materials and manufactured goods they purchased with the produce of their land and labor came from all over the world, assembled by Chicago wholesalers for distribution to rural and small-town customers throughout the city's hinterland. This westward flow of merchandise complemented the stream of natural resources moving in the opposite direction. The Iowa farm family who raised corn for cattle purchased from Wyoming and who lived in a farmhouse made of Wisconsin pine clothed themselves with Mississippi cotton that Massachusetts factory workers had woven into fabric, worked their fields with a plow manufactured in Illinois from steel produced in Pennsylvania, and ended their Sunday meal by drinking Venezuelan coffee after enjoying an apple pie made on an Ohio stove from the fruit of a backyard orchard mixed with sugar from Cuba and cinnamon from Ceylon. These were all store-bought goods mingling ever more deeply with a homemade world, the endless small treasures with which the market rewarded those who labored in its service. In bringing these goods to rural communities throughout the Great West, merchants supplied the other side of the exchange relationship that drew so much western produce to Chicago, sustaining and motivating

rural and urban production alike. The elaborate hierarchy of central places, from the largest metropolis down to the smallest town and most remote rural farm, existed largely to sustain this movement of goods and produce shuttling between city and country.

Chicago contributed to the flow of manufactured goods from a growing number of its own factories. In the beginning, Chicagoans simply processed hinterland resources, so the earliest industries included lumber milling, meat-packing, tanning, soapmaking, flour milling, and others.[1] Primary processing of this sort made good economic sense in the city because raw materials were abundant there, because such industries did not require complicated capital equipment, and because the large local labor pool made it easy to accommodate high turnover of unskilled workers. The demand for manufactured goods grew in tandem with local population and the extension of the city's hinterland, so factory workers became an ever larger share of Chicago's population. In 1860, they still constituted only 5 percent of the city's residents. A decade later, after the intense economic growth of the Civil War, their numbers had increased nearly sixfold and their share of the population had doubled, to 10 percent. By 1880, 15 percent of all people in Chicago labored in its factories. Many of the new industrial workers were themselves part of an extended rural–urban migration, having come to the city from countrysides as near as Illinois and as far away as Germany, Ireland, England, and Scandinavia.[2]

The period between 1860 and 1880 saw in Chicago, as in the rest of the Great Lakes region, the rise of a diversified secondary-manufacturing sector that did much more than just process natural resources. Factories in the region found it hard to compete with northeastern firms that had a head start in manufacturing high-value goods like textiles, but they could compete successfully if no eastern firms yet dominated the national market for a product. The population of the Ohio and Mississippi river valleys was now large enough to sustain a significant regional market in machine tools, hardware, furniture, agricultural implements, and other such products.[3] In the absence of serious eastern competition, midwestern firms got started successfully before entry into the national market for these goods became too difficult. Not all such firms were based in major cities, since factories often had less need for high-order urban services than did other businesses. But by 1880 Chicago had the largest industrial work force—over 75,000 people—west of the Appalachians.[4] In that year, its factories and shops produced nearly a quarter of a billion dollars worth of goods, including $85 million in meat-packing products, $19 million in clothing, $10 million in iron and steel, $9 million in foundry and machine shop products, $8 million in beer and liquor, $6 million in furniture, $6 million in printed matter, and $3 million in agricultural implements, to say nothing of many smaller product lines.[5]

The railroads supported Chicago's growth as a manufacturing center in much the same way that they supported every other aspect of the city's economy, giving factories the broad regional market that allowed them to expand and diversify. But Chicago manufacturers (like Chicago lumber merchants) derived at least one special benefit from a perennial problem that railroad managers faced in the city. Most agricultural produce moved from west to east. This meant that thousands of grain cars entered Chicago filled with wheat and corn, but had to go back empty—earning no return on invested capital—unless the railroads could find something else to fill them. Like lumber, factory products met that need nicely, and so Chicago firms often got such favorable rates that they could outcompete manufacturers elsewhere. "The *local* manufacturer," explained one non-Chicagoan, ". . . must have some very great advantages in location and materials peculiar to the local place to enable him to compete successfully against the allied advantages of cheap transportation and combined competition."[6]

One sure sign of Chicago's expanding industrial output was its growing demand for iron and steel. Railroad cars and rails, agricultural equipment, machine tools, wagons, hardware: all required iron, which people began to mine in the Upper Peninsula of Michigan during the 1840s and 1850s. The bulk of this Michigan ore initially traveled from the port towns of Marquette, on Lake Superior, and Escanaba, on Lake Michigan, to smelters in Cleveland, Ohio. But the distance from Escanaba to Cleveland was eight hundred miles; Chicago was five hundred miles closer. For the same reason that railroads offered favorable rates on shipments filling cars that might otherwise have traveled west empty, so did ships on Lake Michigan. Because ships moving west had more trouble filling their holds than ships moving east, ore going from Michigan to Chicago got better rates than ore headed in the opposite direction. Once Chicagoans recognized their advantage in obtaining ore via the lake, they began to consider building smelters of their own as an alternative to purchasing pig iron from Ohio and Pennsylvania. The only other thing they needed to start smelting was a cheap source of coal, which by the 1860s was becoming available by rail in large quantities from mines in southern Illinois. And so, in 1868, the Chicago Iron Ore Company began manufacturing the city's first pig iron.[7] By 1880, ten other firms had joined it, employing nearly three thousand workers to produce over $10 million worth of iron and steel.[8] Chicago thereby gained yet another set of supply hinterlands, receiving Illinois coal and Michigan iron ore at smelters that in turn sold pig iron to factories throughout the city.

Among those factories, probably the most famous was the McCormick reaper works, which can serve as a case study in the growth of Chicago industry and the sale of manufactured goods to hinterland customers. Cyrus McCormick invented his first reaper to mechanize grain harvesting in his home state of Virginia in 1831.[9] He realized by the mid-1840s, however, that the best market for his invention lay beyond the Appalachians, among the prairie farmers who were producing a growing share of the nation's wheat output. He therefore decided to move his manufacturing operations west, where he would be nearer to his potential customers, and so built a factory in Chicago in 1847.[10] Why he chose Chicago remains something of a mystery—other western cities in Pennsylvania and Ohio had much better manufacturing facilities—but whether by luck or shrewd booster logic, his timing could not have been better. The next year saw the city acquire its first canal, railroad, telegraph, stockyard, and grain elevator, and its Board of Trade.[11] McCormick successfully manufactured 450 reapers in his first year of production; within two years, that number had tripled. He found enthusiastic customers among the farmers in Chicago's immediate hinterland, where the flatness of the local terrain and the size of its checkerboard fields made the machine more attractive to farmers than it had been in the East. Prairie farmers also saw it as a solution to the high labor costs they regularly faced during harvest season.[12]

Still, farmers' adoption of the reaper was hardly automatic, for McCormick's early designs had serious flaws.[13] Grain too easily jammed the cutting blades until a divider was added to separate stalks as they entered the machine. The cutting bar had to undergo several changes before it became truly efficient and could be used for mowing as well as reaping. The wheat cut by McCormick's earliest reapers fell onto a platform, and a laborer walking beside had to rake it off by hand. Adding a chair for this person (and one for the driver as well) increased productivity, and helped persuade more farmers to buy the machine. Not until all these changes were perfected in the mid-1850s did acceptance of McCormick's reaper become more widespread. Future improvements—self-rakers, automatic twine binders, and eventually wire binders—would enlarge the market still further.

Technical improvements were only part of the story, however, for McCormick faced the same marketing problems as any other Chicagoan trying to sell urban goods to hinterland customers. Although he operated a factory, he was at least as much a merchant as a manufacturer.[14] Farmers had no experience with mechanical harvesting, and so had little idea that they even needed a reaper, let alone how they should use it. This machine that no one had ever heard of cost well over $100, placing it among the most expensive items other than land or buildings that a farm family could buy. Reapers were so costly that ordinary dealers in agricultural implements had trouble keeping even one of them in stock, so McCormick could not count on existing wholesale-retail channels to distribute his product. He would have to market it himself. At the same time, he had to grapple with the problem that faced all wholesalers and manufacturers who sold large, expensive products to customers of modest means: how to get people to spend more money than they ordinarily possessed. McCormick's responses to these many challenges suggest the directions in which Chicago merchandising evolved over the next half century, anticipating challenges that the city's meat-packers, lumber wholesalers, and other merchants would confront in the future.

He solved his educational problem with advertising.[15] He ran long ads in the nation's leading agricultural periodicals, filled with testimonials from happy customers whose lives had been changed by the new machine. He usually illustrated the text with a carefully labeled woodcut so that farmers could get an idea of how the new invention worked. He arranged for his reapers to appear at county and state fairs, often in competitive field trials with products of other manufacturers to add some excitement for onlookers who might not realize they were viewing a salesman's demonstration. "To sell," McCormick declared, "I must advertise," and his advertising campaigns became a tool for educating members of a broad rural public about the wondrous new technology spewing forth from the firm's Chicago factory.[16]

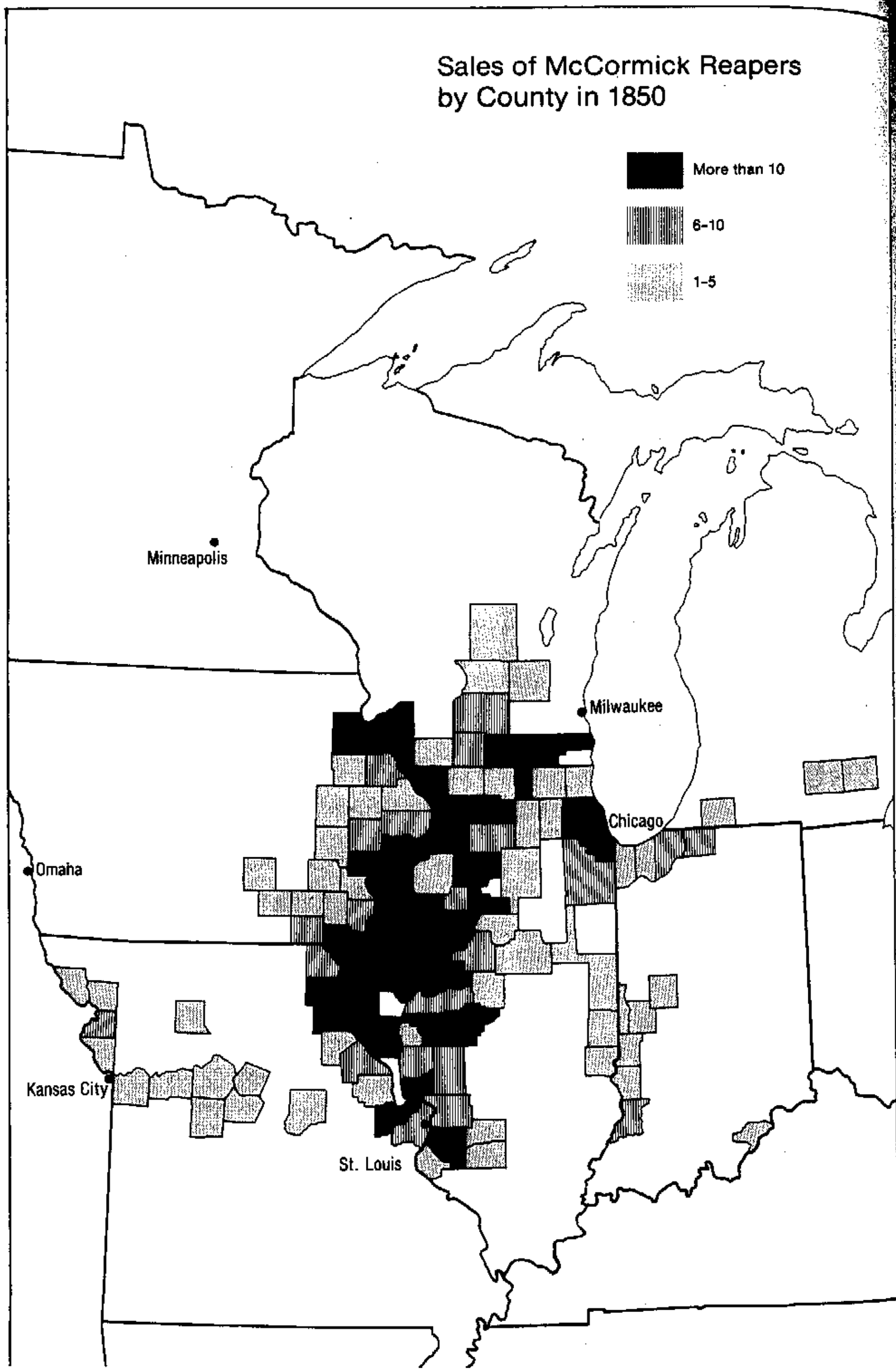
McCormick next faced the task of obtaining orders for these machines in rural communities. Toward that end, he began in the 1840s and 1850s to commission agents who would handle reaper sales in small towns throughout the region. Their names figured prominently in the company's advertisements so that potential customers would know whom to contact about purchasing a reaper in their area. Early each year, McCormick sent his agents a sample reaper from the new line, which they could move to different communities and display at county fairs or in courthouse squares, often next to the products of competing manufacturers. (Agents eventually operated "machinery halls"—showrooms—where farmers could examine equipment before placing their orders.) In return for handling retail distribution, agents received several benefits: exclusive sales rights to a well-defined area, discounts ranging from 10 to 15 percent of the retail price, and small advance payments to defray advertising costs.[17] Agents learned how to assemble and repair any equipment they received. They dealt in spare parts, taught farmers how to use the machines, handled orders, arranged credit, and were responsible for all

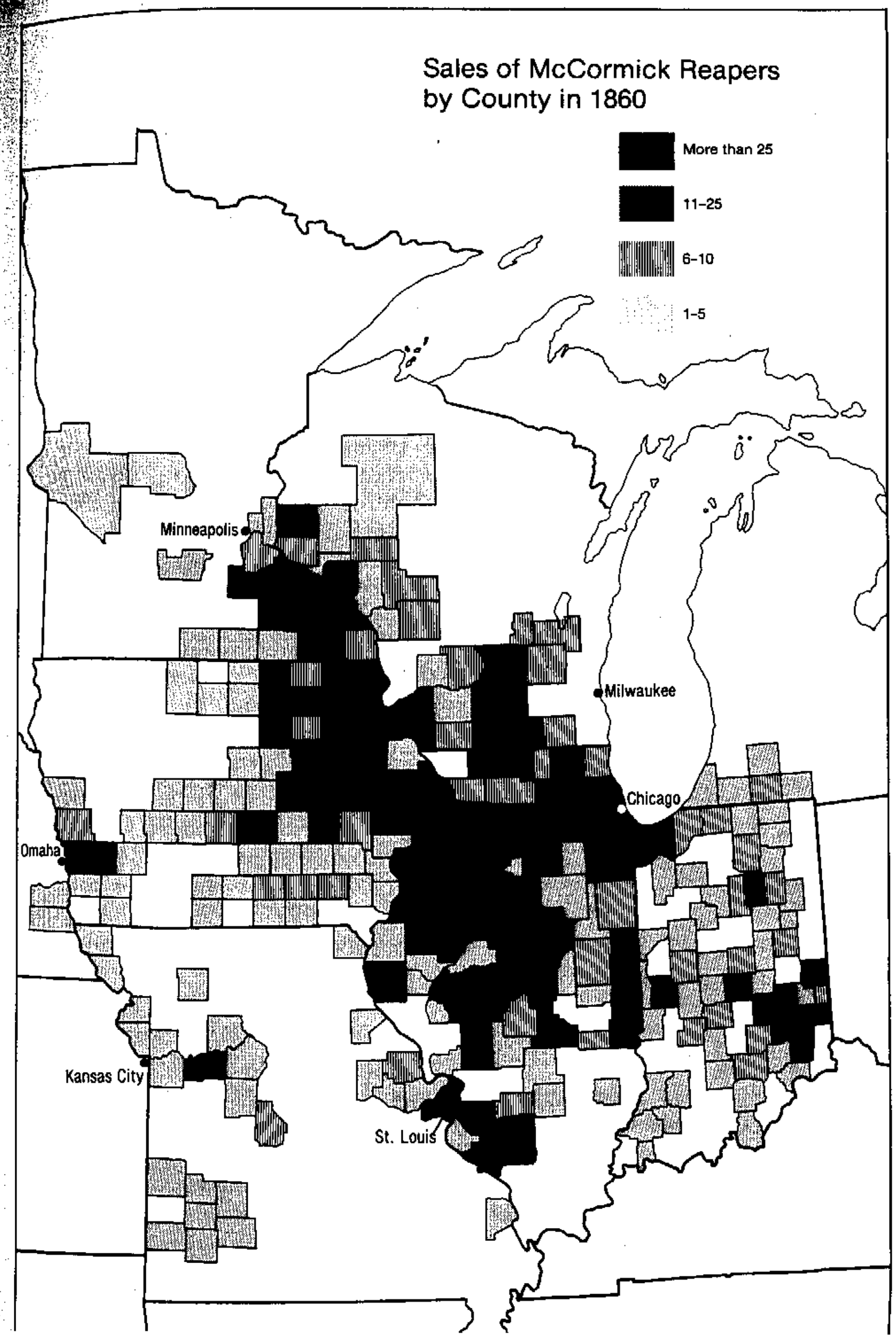
collections. They were in effect the front guard of a carefully planned campaign to introduce mechanization to American farming.[18]

To solve the perennial problem of how to sell expensive equipment to cash-poor retail customers, McCormick arranged for agents to make sales on credit to farmers who placed an order. In 1849, for instance, he offered a reaper for $115 to anyone who could pay cash, or for $120 to those who put $30 down and paid 6 percent interest.[19] Payment was due on December 1, just after the peak of the harvest, when farmers had more cash on hand than at any other time of year. As in all lines of western commerce, a willingness to extend credit to his customers was essential to McCormick's success in the new reaper trade.

There was one final problem. The reaper was a large, heavy piece of equipment. Even when shipped in pieces, it was still expensive to move. Shipping it any considerable distance by wagon was prohibitively expensive, so the availability of cheap transportation was essential to developing a large regional and national market for the reaper. When McCormick opened his factory, there were still no railroads anywhere near Chicago, and even in 1850 the city's sole line reached only a few dozen miles into the Illinois countryside. McCormick's earliest sales network therefore had to rely on water. If one examines a map of the firm's sales in 1850, one sees that the heaviest concentrations of reaper purchases were around Chicago, and in the more densely settled agricultural areas of St. Louis's upriver hinterland, in counties lining the Illinois and Mississippi rivers.[20] McCormick shipped his reapers out on the Illinois and Michigan Canal, and agents arranged for delivery from canal and river towns to customers' farms.

As one might expect, the upsurge in the company's business came after 1854, when the railroads west of Chicago reached and then crossed the Mississippi River. The technical and marketing apparatus McCormick had organized—the improvements on his basic invention, the advertising campaigns, the agency contracts, the arrangements for sale on credit—suddenly bore fruit with the extension of Chicago's rail hinterland. The McCormick factory's sales rose to over two thousand for the first time in 1855, and to nearly four thousand just one year later.[21] By 1860, sales showed a striking geographical reorientation.[22] No longer were the counties with heaviest reaper purchases located along the canal or the river. Instead, they followed the routes of Chicago's railroads so precisely that one can almost trace rail lines by connecting counties with maximum purchases. Demand in these areas of rapid settlement was so intense that the company's sales enjoyed nearly uninterrupted growth in the decade following 1851. Even the serious economic depression after 1857


Sales of McCormick Reapers
by County in 1850
More than 10
6–10
1–5
Minneapolis
Milwaukee
Chicago
Omaha
Kansas City
St. Louis


Sales of McCormick Reapers
by County in 1860
More than 25
11–25
6–10
1–5
Minneapolis
Milwaukee
Chicago
Omaha
Kansas City
St. Louis

brought only one year in which sales fell, and then only by 2 percent—minuscule when compared with the catastrophic declines that hit other businesses. By 1860, farmers had apparently decided that the machine from McCormick's urban factory had become almost a necessity of rural life.[23]

The Merchant's World: Prerailroad

McCormick's success in persuading his customers that modern farming depended on his invention was typical of the era. The marketing institutions he developed during the 1850s were widely adopted by merchants and manufacturers in many lines of business, so a new culture of buying and selling emerged simultaneously with the growth of Chicago and its hinterland. The city system that arrayed towns and farms in rank order beneath the young western metropolis came to be matched by an equally hierarchical set of arrangements for wholesaling and retailing the products that moved back and forth between city and country. Of all the many revolutions that marked nineteenth-century life, none was more pervasive than this. By using speed to lower the cost of space, the new technology of rail transportation made it possible for urban markets to extend their reach not just geographically and economically but culturally as well. Just so did McCormick cast his net of agents across the western landscape and flood the western mails with advertisements educating rural citizens about the new laborsaving devices that would make life on the farm every bit as "modern" as life in a city like Chicago. The lessons of the urban market were about *newness.* The merchandise one could buy was new, the way one bought it was new, the life one could live with it was new. Buying from the city meant participating in the progress of the age. It meant becoming modern.

To see how much life had changed, reflect back on what it was like to be a merchant in, say, Iowa, before Chicago extended its hinterland as far as the Mississippi River. Consider, for instance, John McDowell Burrows of Davenport, who has already turned up several times in these pages. Burrows came to Iowa from Cincinnati in 1838 to set up shop as a grocer. His memoirs, written half a century later, supply a vivid portrait of a frontier merchant's activities, and offer a baseline against which to measure the changes emanating from Chicago and other urban markets with the extension of the railroads.[24] Living in a thinly settled district that was linked to larger urban markets—principally St. Louis and New Orleans—mainly by water, he faced all the usual problems of a prerail economy. His rural customers usually had little or no money. When they came to his

store to buy merchandise, they rarely had cash to offer. Instead, they brought with them the produce of their farms—sacks of wheat or corn, frozen hog carcasses, potatoes, onions, eggs, butter, anything that might be of value—and expected to purchase groceries, dry goods, and hardware in return. If Burrows wanted their trade, he had to be willing to take what they offered, even if he wasn't sure "what . . . to do with the produce." Some merchants tried to avoid dealing in such things, but Burrows believed that they came with the territory. "I felt," he wrote, "that this country had to be settled up, and to accomplish this, some one must buy the farmers' surplus, or it would remain a wilderness."[25]

Because his customers were so cash poor, Burrows found himself playing two roles that in the modern economy are generally quite distinct. On the one hand, he regularly purchased a full line of merchandise from wholesalers in St. Louis, Philadelphia, and elsewhere, to be marked up and sold at retail to his customers. On the other hand, he also became a produce merchant, buying a wide range of farm commodities and shipping them downriver to urban markets.[26] Burrows handled one group of products as a seller and another as a buyer. In this way, he acquired the cash and credit he needed to purchase more merchandise and begin the cycle again. The concrete consequence of living at the bottom of a poorly developed central place hierarchy, in other words, was that frontier merchants could rarely afford to specialize. Instead, they had to be generalists, often operating on both sides of the market.

Their reward for so doing was to attract heavy trade from a wide rural clientele, so that a store frequently had to stay open very late to handle all its customers. Burrows described how farmers from several surrounding counties traveled nearly a full day to be able to buy and sell at Davenport. "Our store," he reported,

> was well patronized, and we hardly ever closed it until midnight. In the forenoons, the farmers in our county, from the Groves and points within a circuit of ten or fifteen miles, would come in with their grain, etc., and by the time they had unloaded and done their trading, another section would begin to arrive from Clinton and Cedar Counties and the territory still farther distant—a big day's travel—and would not all get in until near bedtime. They wanted to unload and do their trading, so as to start home early next morning, that they might reach home the same day. This made our business very laborious.[27]

Farmers sold their crops to Burrows because they lacked the time, inclination, and money to market produce themselves. Steamboat service was infrequent and expensive, and shipping goods by flatboat often meant building the boat oneself—not cheap either, and a lot of work.

Always there was the threat that shipments might be lost in a wreck, bringing financial ruin to anyone unprepared to absorb such a catastrophe. Although farmers might have valuable crops to sell, getting them to market was so difficult and expensive that it was often hard to find a buyer. And so the residents of Davenport's hinterland turned to Burrows, who made it his special business to find buyers. He and other frontier merchants had literally to *create* markets where otherwise there would have been none. Doing so was a tricky proposition that required a lot of capital and not a little luck, but there was money to be made by those who could stomach the risks.

Looking back on his ventures of the 1840s, Burrows emphasized how much of his time he had devoted solely to finding a market for the goods he needed to sell. "My great trouble," he wrote, "was to know where to place the products. There was no Chicago then, not much of a market in St. Louis, and I had to make frequent trips to every landing north of Davenport as far as Fort Snelling," where the army post at what is now St. Paul—three hundred miles north—was one of the few reliable purchasers of farm produce.[28] Burrows's earliest customers were primarily soldiers, fur traders, and steamboat captains, scattered up and down the length of the Mississippi between St. Louis and St. Paul. Each was in some way the emissary of a distant urban market. Whether produce was purchased with the salaries and food budgets of the War Department, with the expense accounts of large corporations like the American Fur Company, or with the tickets of immigrants and travelers spending their savings on river journeys, each represented an influx of money from remote cities like Washington or New York. Capital flowed from the urban hierarchy. Income from such sources was crucial in sustaining a merchant's business, and in enabling farm families to participate in a cash economy beyond the limits of their own subsistence production.

One of a merchant's biggest problems was getting good information about supply and demand along the river. Market news moved only as quickly as a steamboat or a person on horseback, so word of someone's need for produce might take days or weeks to reach a potential seller. "We have a great demand here for Eggs," wrote a storekeeper in Illinois to a merchant in Iowa, "and hear that there are plenty of them in your place, and request you, to send us 5 or 6 Barrels of them immediately. . . ." (Remembering the risk in such a shipment, he also thought to add, "But you must pack them in plenty of oats, for which you may charge us.")[29] There was good money in such a letter, but only if one could get the eggs to their would-be buyer before anyone else. All too often, a merchant went to great expense to send goods in the direction of a recent rumor, only to find the market glutted by the time they arrived. Burrows's

ill-fated shipment of potatoes to New Orleans—which brought only eight cents a bushel instead of the $2.00 he had expected—was hardly a unique occurrence.[30] In 1842, a would-be competitor arrived in Davenport and announced on the basis of recent market news that he would pay double Burrows's price to any farmer who would sell him onions. The result was an enormous heap of the pungent vegetables, so glutting the market that they eventually had to be abandoned, and were eaten by cows. The investment was completely wasted—and it spoiled Davenport's milk besides![31]

But the biggest challenge of being a frontier merchant was undoubtedly the winter. The seasonal cycle that froze rivers and closed down the regional transportation system for almost half the year affected nearly every aspect of a storekeeper's business. The problem with winter was not just that customers had difficulty coming to town, or that merchants could not reach distant wholesalers to restock goods when they sold out.[32] Much more troublesome was the freezing up of the cash economy. The only way a frontier area acquired money—whether in the form of gold, silver, or banknotes—was to send something to the outside world for which the outside world was willing to pay. Winter prevented this from happening. Worse, the greatest surge of agricultural products came to market just as the rivers were becoming dangerous to travel, which meant that a merchant who bought them would almost certainly have to store them through the winter. At the very moment when trade was about to slow nearly to a standstill and prospects for sales were at their worst, merchants had to pay out a large share of their capital to purchase the harvest from farmers in their neighborhood. Then, for the rest of the winter, they sold merchandise on credit to those same farmers, who had spent all their cash on fall supplies and mortgage payments. Burrows's situation as the weather began to warm in 1841 was familiar to all his fellow merchants. "I found my means," he wrote, "all locked up in produce—corn, flour, pork, bacon, etc.,—and that it would be necessary for me to realize on a good portion of my stock early, in order to replenish my store."[33] Burrows's phrase captures the problem perfectly: winter *locked up* capital.

The seasonal cycling of the economy, along with the slowness of travel, meant that frontier merchants had to be prepared to handle large surges of income and expenses. Boom and bust were their normal mode of operation. Since they made money mainly by turning over their capital as produce, cash, and merchandise, they needed a large enough means to absorb the heavy risks of such transactions. The cost of travel in time and money, and the big expense involved in laying up a stock of merchandise, meant that they could afford to make only one or two large buying trips each year. Frontier merchants journeyed for well over a month to Philadelphia and New York, guessing all the while about what their customers might be willing to buy in the next year, and then spent as much as they could afford on supplies. Because they purchased so much merchandise at once, and because they had to hold such large quantities of farm produce during the winter, they also had to devote a lot of capital just to *warehousing* their stock. Storage facilities were among their most significant costs of doing business. During a big harvest, a merchant could easily overflow his warehouse capacity. As we have seen, Burrows was known to commandeer basements and sheds all over Davenport just to hold his purchases until the river thawed.[34]

Finally, there was the cost of money. Because merchants were the people who linked frontier areas with the larger cash economy, they needed access to some form of money in the outside world. This could take many forms. Best of all was cash itself—real gold and silver—but that was extremely hard to find in most western communities outside the mining districts. Next best were banknotes—checks drawn on a bank that promised payment in gold or silver to anyone who submitted them. Since nineteenth-century America had no national currency guaranteed by the federal government, these were the best available form of paper money. Not all banknotes were of equal value, though, since many banks, especially in the West, issued far more of them than they could ever redeem.[35] Worse still were the all-too-common counterfeit notes. Most banknotes circulated at a discount from their face value, so a merchant taking them as payment had to know the proper discount before accepting them. (One learned such information from regular bulletins called "counterfeit detectors," which published discount rates for all the common notes in circulation.) Unsurprisingly, the most trustworthy banknotes came from major metropolitan banks of unimpeachable soundness, but these were often almost as rare as cash in western locales.[36] Merchants had to make a special effort to acquire metropolitan notes, paying out heavily discounted western bills to acquire money that distant suppliers would be willing to accept. "New York Exchange" was the phrase merchants used for notes that could circulate anywhere; by the 1860s, they held "Chicago Exchange" in equally high regard.[37]

But there was a simpler way to solve the problem of frontier money shortages: credit. If one could form an alliance with a merchant in some nonfrontier location, preferably a metropolitan center, it became possible to draw a check on that merchant's bank account without having to use regular banknotes at all. One could buy and sell entirely on account. Burrows's whole operation got its start and was sustained in just this way. When he first moved to Davenport, his capital consisted of a large stock of

groceries and dry goods that he had on loan from his cousin John, one of Cincinnati's largest wholesale grocers.[38] Burrows eventually went on to establish a regular working relationship with the wholesale firm of Henning and Woodruff in St. Louis. It in turn was linked to John O. Woodruff and Company in New Orleans and to James E. Woodruff and Company of New York. Family networks of this kind were endemic to early American wholesaling, because the success of long-distance trade depended so heavily on being able to trust one's partners and associates even when they were far away. Merchants could often trust their own kin more readily than anyone else, but long-standing business relationships also became a basis for trust, enabling a hinterland merchant like Burrows to draw on large stores of urban capital from the Woodruffs whenever he needed to buy or sell goods in metropolitan markets. In return, Burrows agreed to trade primarily with the wholesalers who underwrote his business. On at least one occasion, the only thing standing between him and bankruptcy was the willingness of the Woodruffs to extend liberal credit when all other sources of income had failed him.[39]

Without credit, frontier economies would quickly have collapsed. Communities typically had so little cash that even local banks could run out of money, as happened when Davenport's banker told Burrows that the merchant's heavy produce buying had nearly broken the bank. "We are cleaned out," he announced. "We could not pay for your checks another day to save our lives." Burrows's solution was to start issuing notes on his own behalf, with a promise to redeem them for currency the next April or for merchandise in the store whenever the customer pleased.[40] Such was the heavily leveraged world of frontier exchange. Everyone owed money to everyone else, and for much of the year the only way to sell anything at all was to do so "on time." It was little wonder that frontier interest rates were so high. Urban banks and wholesalers lent their credit to small-town merchants, and they in turn lent merchandise to their rural customers. The farmers, Burrows reported, "used all the money they could get hold of, to break, fence, and stock their farms, spending as little as they could with the merchant, and what trading they did was generally on a year's credit."[41]

It was a risky world, with bankruptcy or foreclosure lurking around every corner. The letter that a worried farmer sent another Iowa merchant during the hard times of 1858 captures the underlying anxiety of the economy perfectly:

> Dear sir
> i suppose that you are in grate need of your money i have been trying my very best to get it for you i have some eight five dollars due me now i have

> been trying all day to day and did not get one five center i have my wheat on hands yet, i am going to set for something as soon as posable and pay up if I can dont put me to any cost you shant loos any thing by me i will pay all as fast as I can times are very hard but you know that. . . .[42]

Letters in the opposite direction—from creditors trying to extract payment from tardy debtors—were rarely so sympathetic, but the problems they described were no less real or serious. "We dislike to crowd you very much," wrote a St. Joseph wholesaler to a hardware dealer in Lincoln, Nebraska, "but our obligations the next week are particularly heavy and we shall need every available cent. We shall have to ask you to help us out to the amount of 300.00."[43]

This, then, was the world of money, credit, and merchandise—of capital—that existed in the upriver hinterland of St. Louis during the 1830s, 1840s, and 1850s. In it, one sees concretely what it was like to live and trade within the nascent urban hierarchy of the prerailroad Mississippi Valley. In a landscape of scattered settlements, markets were few and far between. They sprang up wherever a merchant succeeded in linking a producer of farm crops with a seller of manufactured goods—and disappeared just as quickly. They were completely unreliable. Buyer and seller often failed to find each other. One never knew how prices might change from day to day, because there was no quick way of knowing the condition of markets in other parts of the country. Cash was always in short supply, especially during the winter months when everything—river, farms, stores, trade—froze beneath the blanket of cold. Those who could survive under these circumstances—farmers and merchants alike—needed lots of credit from anyone willing to lend it to them. Merchants had to buy their stock months in advance, hoping that they could anticipate their customers' needs because eastern visits to suppliers happened so rarely. Once purchased, goods had to be held in warehouses for months at a time, locking up capital and preventing it from earning any interest during the long winter wait. For their part, farmers paid heavily for the inefficiency of the system that brought their goods to market, and lived on credit from harvest to harvest as they tried to scrape together the funds to pay off a mortgage. It was not an easy place for anyone to earn a living.

The Merchant's World: Postrailroad

Such was frontier Iowa—and at one time or another every other part of the Great West—as it existed in 1854 when the Chicago and Rock

Island Railroad finally pushed its way to the Illinois side of the Mississippi opposite Davenport. The immediate implications of the rails pointing back toward the eastern horizon should by now be so familiar that they barely need repeating. The railroad meant speed. It meant regular, predictable schedules. It meant year-round movement, even in winter. It meant escaping the river. It meant the East, and not the South. It meant Chicago, and not St. Louis. It meant the future.

Most people welcomed the new technology almost as a savior, but for some it was an ill wind. Not just the merchants of St. Louis worried about what it might do to their business. Even Chicago retailers had initially been nervous that "the Railroad would ruin Chicago, because it would destroy all the team and retail trade of the city and transfer it to the country." Some storekeepers had even circulated a petition calling for limits on railroad expansion.[44] Laughable as this idea might seem in retrospect, it was not without foundation. Chicago's retail trade *did* suffer in the immediate wake of the railroads as area farmers stopped having to make the same long trips that Burrows's customers made to reach Davenport.[45] The railroad *did* eventually destroy the horse team trade. Indeed, the coming of the Chicago and Rock Island was not good news for John Burrows, for it meant the end of the way of doing business on which he had built his life and fortune. To understand what finally happened to Burrows, one must look at the railroad yet again, this time through the eyes of those who had lived in the frontier world that preceded its coming.

By lowering the cost of travel—reducing the time spent moving through space—the railroad brought country and city closer together. It elaborated the urban hierarchy by proliferating towns and villages beneath the emerging metropolis of Chicago, but also brought the layers of that hierarchy closer together. It had once taken Burrows several days to make the round-trip between Davenport and St. Louis. Now he could reach Chicago in a little over eight hours.[46] Moreover, he could find in that city most of the same goods that had once required a journey of many weeks for a Mississippi River merchant to purchase on the East Coast. No longer did buying trips have to be an annual affair. No longer did one have to purchase all one's stock in a single expedition that tied up most of one's capital for the rest of the year. Merchants did not have to buy such large quantities when they could travel frequently to the wholesaling center that supplied them. On the railroad, they could travel to the city once or twice a month, refilling their store shelves whenever goods sold out. This afforded the great advantage of cycling capital more quickly: instead of tying up $10,000 in merchandise for six months or a year, one could turn over $1,000 ten times in the same period and perhaps earn just as much profit. One could carry smaller quantities of a larger variety of goods, knowing that one could replenish any popular item simply by placing an order to Chicago.[47]

The same was true on the other side of the business for produce merchants who purchased crops from farmers. The availability of rail transport, and the existence of a reliable cash market in Chicago, meant that merchants did not have to invest nearly so much money in the warehouse facilities they had formerly needed to hold the harvest until spring. Railroad cars could serve as warehouses of a sort, and the enormous grain elevators and packing plants in Chicago also removed some storage burdens from smaller towns. Crucially, this allowed people of much more limited means to contemplate becoming merchants. Advantages that had once accrued mainly to retailers in metropolitan wholesaling centers like Chicago now became available lower down the urban hierarchy. As one Iowan reported, Chicago gave the frontier merchant "a market that can be relied upon, easily reached, and from which rapid returns are made to the seller, thus enabling him to do a large amount of business on a small capital."[48]

With the railroad—and the access it gave to Chicago—one needed neither as much wealth nor as much credit to be as successful as Burrows had been in frontier Davenport. For Burrows, this was a disaster. Long accustomed to dominating the Davenport market, he suddenly found himself confronted with intense new competition from small dealers with much less money. The warehouse facilities that a few years before had enabled him to handle large quantities of agricultural produce now became a serious disadvantage, tying up his money while competitors without such investments could devote all their capital to buying and selling goods. "The opening of the Chicago & Rock Island Railroad," Burrows recalled, "rather bewildered me." With its arrival, produce merchants suddenly became "as thick as potato-bugs." Dealers with only a few hundred dollars to their names—without a shop, office, or warehouse—could do business right at the railroad station, filling a car with wheat, barley, or oats in the morning and shipping it off by midafternoon. In pork season, there was no longer any need to hire butchers or chilled warehouse space. Instead, a dealer could "place a scale on the sidewalk in some convenient place, weigh his hogs as he bought them, pile them up on the sidewalk, and, in the afternoon, load them up and ship them."[49]

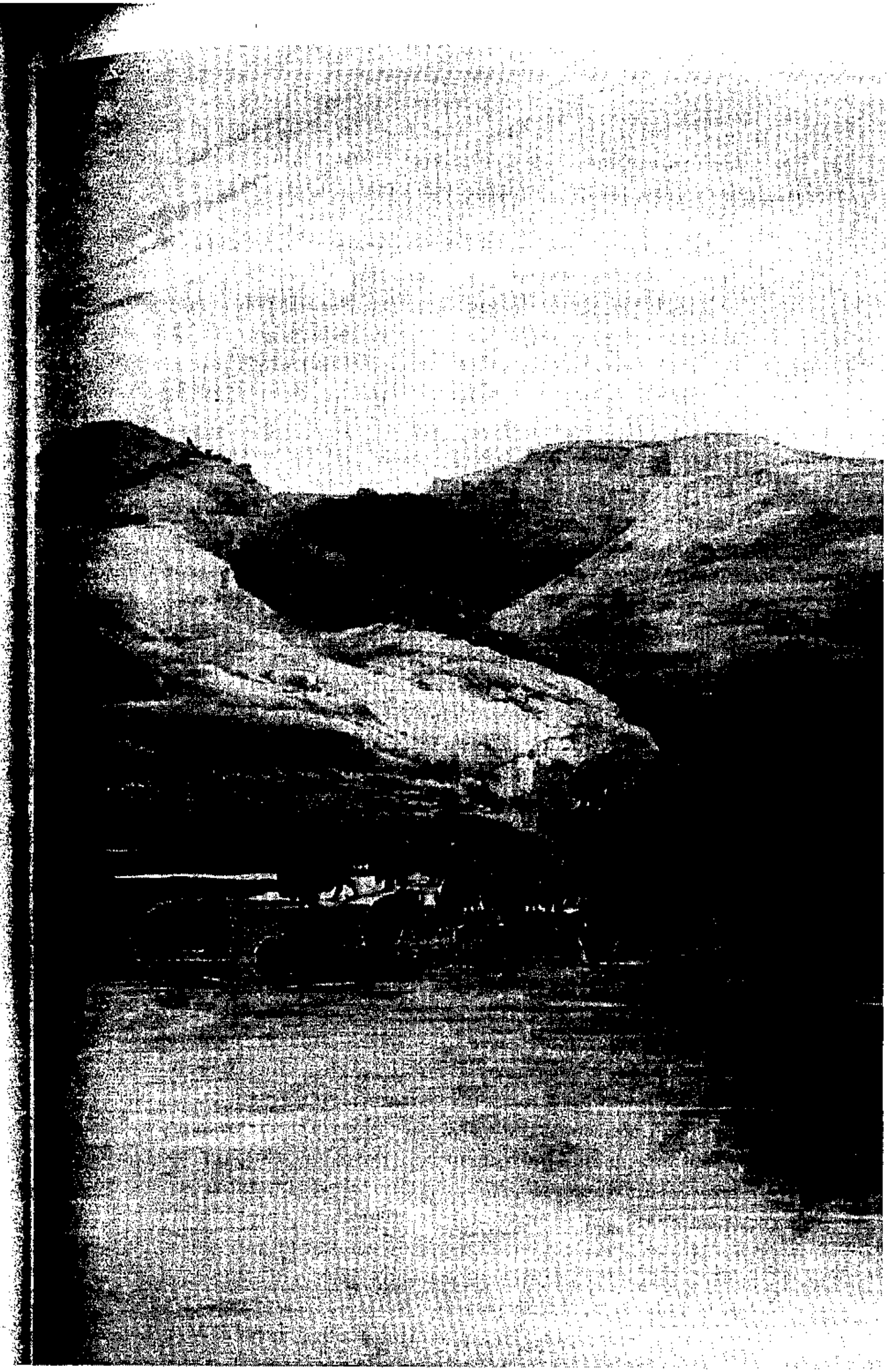
The result was a striking reduction in the capital costs of doing business, for dealers under the new system "were at no expense of rent or labor."[50] Burrows tried to respond in a variety of ways. He invested in new flour mills. He opened a sawmill. He tried to start a reaper factory. Perhaps most suggestively, he decided that "it would be necessary, in order to retain our trade, to follow the railroad," and so opened branch stores in other Iowa towns as a way of trying to become a wholesaler himself. Nothing worked. The new structural conditions created by the railroad and by Chicago's metropolitan market were simply too alien to his familiar way of doing business. The panic of 1857 put his investments under increasing pressure, and when his local bank finally went under in 1859, so did Burrows. After two of his mills burned down, he had no money left to rebuild them and was forced to abandon business altogether. The man who had once been among the most powerful and influential merchants in Davenport found himself a victim of the new economic regime. Looking back on the last quarter century of his life from the vantage point of a lonely and bitter old age, he concluded by saying, "And so I turned my attention to farming and gardening, which I found a hard way to earn a living; but I persevered until a year ago, when my health broke down, and since then I have been shelved."[51]

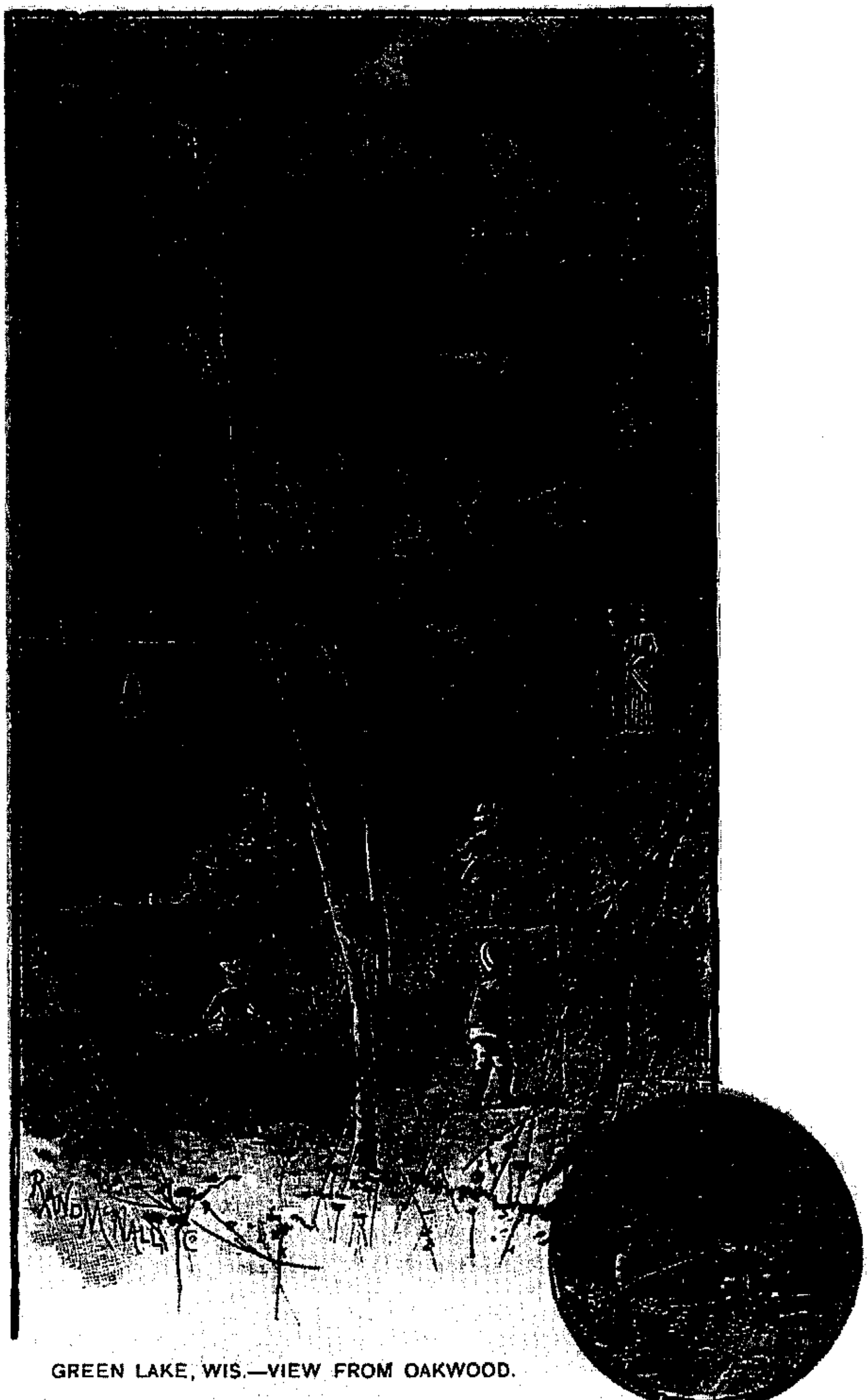
Burrows's personal tragedy, like the misfortunes of other bankrupt merchants, should not obscure the larger, more impersonal changes that were reshaping the regional economy as a whole. The hierarchy of towns and villages that was emerging in Chicago's hinterland was matched by an increasingly elaborate trading network that tied wholesalers in the metropolis with small-scale retail dealers of the sort that had helped drive Burrows out of business.[52] As Chicago became the chief wholesaling center of the midcontinent, its merchants placed themselves between eastern cities and western customers. As early as 1845, some Chicago firms were offering to act as intermediaries who could supply eastern goods to western merchants wishing to avoid an annual buying trip to New York.[53] By the 1850s, Chicagoans were pointing out that country merchants could avoid many of the risks associated with eastern buying trips by traveling only so far as their city, using the railroad to visit frequently, examine goods in person, and order only what customers were buying.[54] By making small, frequent purchases in Chicago instead of large, infrequent purchases in the East, retailers could increase their profits. In 1877, the secretary of the Chicago Board of Trade could report, "About ten years ago western merchants from all important towns and cities at the West, visited the East at least semi-annually, for the purpose of replenishing their stocks. Now such visits are rare, as full stocks and as favorable terms are presented here, and the business of the merchants at the smaller towns at the West has been gradually transferred from the eastern cities to Chicago."[55]

These changes produced a geographical reorientation so subtle that a casual observer might easily have missed it, for it was recorded mainly in the goods that sat on shopkeepers' shelves, and in the destinations between which merchants traveled as they went about their business. To discover it today, one has to examine the few account books that have survived from merchants in Chicago's nineteenth-century hinterland. Though hardly the most enthralling of documents, they trace in their own dry way the large changes taking place in western commerce and retailing.

Charles Brewster, for instance, was a dry goods merchant and banker in Fort Madison, Iowa, who began his career in much the same way as John Burrows, running a general store and bartering for farm produce. As late as 1859, most of the invoices in his files came from wholesalers in St. Louis, New Orleans, Pittsburgh, Boston, New York City, and especially Philadelphia.[56] During the Civil War, Brewster began to make many small transactions with wholesalers in Chicago, even though he continued to rely on Philadelphia for a large share of his supplies. Then, in the years following the war, he dramatically reduced his reliance on eastern wholesalers. Only a few orders to Philadelphia show up in his records between 1865 and 1871, and none at all to New York. In their place are numerous orders to large Chicago firms like John V. Farwell and Company; Field, Leiter and Company; and others. Brewster also began to rely on Chicago for most of his out-of-town banking.[57] His correspondence reveals that he adapted himself more effectively than Burrows to the opportunities offered by the railroads. He made numerous buying trips, placed frequent small orders responding to shifts in customer demand, and showed an intimate knowledge of how to use urban markets to best advantage.[58] Buying trips carried him and his associates mainly to Chicago and St. Louis, where they kept track of the goods they could buy most advantageously in each city. After one such trip in 1864, his buyer reported of St. Louis, "I have scoured this market pretty well & am satisfied that my Chicago purchases were prudent & advantageous, except on soap I could have bought here 1/2 lower. . . ."[59]

Chicago wholesalers tried to encourage retailers like Brewster by making it as easy as possible to place orders. Potter Palmer, who became one of the city's greatest merchants, began in the late 1850s to place large, foot-long advertisements in Chicago newspapers with out-of-town readerships, describing the elegant fashions that his buyers had purchased in New York and other eastern cities. He promised customer satisfaction by offering a money-back guarantee to anyone unhappy with a shipment. This eliminated much of the risk associated with buying goods at a distance. But Palmer and other Chicago wholesalers went further still, offering goods "on approval" to retailers who wished to examine samples without having to visit Chicago at all. By paying only a modest





GREEN LAKE, WIS.—VIEW FROM OAKWOOD.

one-way express charge, Palmer said, storekeepers gained "an OPPORTUNITY, AT A TRIFLING EXPENSE, Of seeing a choice selection from the largest stock of Goods west of New York."[60] These new marketing arrangements encouraged small-town retailers to develop a personal relationship with the firm, relying on it for regular purchases.[61] George Kepner, a storekeeper in Davenport, Iowa, clearly felt flattered when Marshall Field, one of Potter Palmer's partners, came courting his business. Kepner reported to his partners that Field had promised him that "anything we want by order shall come right."[62] Personal contacts of this sort went a long way toward motivating hinterland merchants to look to Chicago for their needs instead of New York or Philadelphia.[62]

Like Chicago lumber dealers, Chicago wholesale merchants became famous—some said notorious—for their use of "drummers," or traveling salesmen.[63] Drummers scoured the western landscape, using every conceivable hard-sell technique in their efforts to gain orders for themselves and their firms. One could recognize them instantly in any railroad station: "the number of shrewd, business like men," wrote one observer, "to be seen with grip sack or sample cases in hand, evidently belonging to the genus 'travelling salesman,' is almost incredible. . . . They penetrate the country in every direction, from seaboard to seaboard, and from the lakes to the gulf." Chicago firms relied heavily on drummers to compete for business throughout the city's hinterland, hoping "to secure business to themselves and to the city by bonds which may be soft as silk, yet powerful as steel."[64] So successful were Chicago's wholesalers in dominating western markets, said one early historian, that "eastern drummers gradually found their occupation going, and at last withdrew from the field, satisfied that they could not hope to compete with the enterprising spirit of Chicago men."[65]

Drummers were effective in attracting trade, but aroused strong criticisms from many directions. Hinterland merchants often complained that drummers undercut their trade by selling goods too cheaply to competitors or—far worse—directly to retail customers. Even wholesalers felt nervous that drummers, whose commissions depended more on the number of orders they placed than on the price they received, could compete so fiercely and drive prices so low that profits might disappear altogether. Compelled to use drummers by their competition with each other, wholesalers nonetheless grumbled that "the system of competing through traveling salesmen has been carried to a ruinous point." The *Milwaukee Journal of Commerce* voiced a feeling common among Chicagoans and non-Chicagoans alike that "the best kind of drummer" might be an advertisement in a newspaper or magazine because:

It travels in all directions at once.
It visits your customers every week. . . .
It doesn't get drunk.
It doesn't play faro.
It doesn't lie—very much.
It doesn't bring in any supplementary fancy bill of "expenses."
It requires no "commissions."
It doesn't swell around on the credit and name of your house. . . .
It doesn't add so much to your store expenses as to reduce to zero the margin you would like to offer good customers.
It doesn't cost you many thousands of dollars a year—at the most, only a very few hundreds.[66]

Chicago wholesalers and manufacturers spent enormous sums on such advertising—the hundreds of newspapers and magazines pouring out from the city depended on their doing so—but they continued to be among the nation's largest employers of traveling salesmen as well.

Whatever the marketing strategy that captured their attention, retailers typically came to rely on a few wholesalers for the bulk of their purchases, going elsewhere only when goods were unavailable or when prices from another firm were irresistibly lower. For instance, Francis E. Newton, a hardware dealer in Lincoln, Nebraska, relied on the Chicago firm of Rathbone, Sard and Company for the bulk of his stove purchases in the late 1870s. Although he ordered supplies from firms all over the country, from New York to Pittsburgh to Kansas City, this single Chicago firm was clearly his dominant trading partner.[67] In the mid-1880s, the Hayden Hardware Store in Sun Prairie, Wisconsin, bought approximately two-thirds of its supplies from just two firms, one in Chicago and one in Milwaukee, placing orders with them on an almost weekly basis.[68] Even when retailers did not depend so much on one or two firms, they still tended to concentrate on a single wholesale market. Darwin Clark, who owned a furniture store in Madison, Wisconsin, bought nearly a fourth of his stock in 1870 from two Chicago suppliers. When he visited these firms in the city, he found it easy to shop other wholesalers as well, and so wound up placing fully half his orders in Chicago. The city's wholesale firms in effect reinforced each other even as they competed, since a customer's ability to peruse many stores for the best goods and prices made the market in general that much more attractive.[69]

As one would expect from the bankruptcy maps of regional debt and credit flows, each individual product had its own unique wholesaling geography. Retail hardware dealers, for instance, handled a particularly heavy line of products. Because they had to worry about high transportation costs, they were more likely than other storekeepers to purchase a large share of their goods from a wholesaler in their immediate vicinity. A Wisconsin hardware store might buy the bulk of its line from Chicago or Milwaukee, while a Kansas store placed orders with a wholesaler in Kansas City or another nearby town.[70] Dry goods dealers, on the other hand, whose stocks of fabric and clothing were light relative to their value, could afford to buy from much farther afield because transportation costs were much lower.

This in turn meant that wholesalers of cheap, heavy goods, and also perishable ones, appeared sooner in growing frontier cities—nearer to their retail customers—than did wholesalers of more expensive, lightweight products. It also meant that a wholesaler in Chicago could expect hinterland customers to place their orders differently, depending on their distance from the city and the availability of alternative wholesalers in their immediate locale. Charles B. Sawyer, a wholesale boot and shoe dealer in Chicago just before the Great Fire of 1871, sold to retailers from Lake Superior all the way west to Kansas. His biggest customers, unsurprisingly, were storekeepers in the counties of northern Illinois immediately west of Chicago. Because they lived so close to the city, and could visit Sawyer's warehouse often, these retailers placed many small orders at frequent intervals. Retailers who lived farther away, on the other hand, could not travel to Chicago as often, and so placed larger orders at less frequent intervals.[71]

One can best see the results of this wholesaling geography in the behavior of retailers like grocers who kept a wide variety of goods in their stores, many of them perishable. No single wholesaler—whether nearby or far away—could meet all their needs. The example of Henry Veith, who ran a grocery in Lincoln, Nebraska, starting in the 1870s, suggests how complicated a retailer's trading relationships could be. To supply his store, Veith bought from dozens of different firms. He relied on other Lincoln merchants for meats which could easily spoil, as well as for lumber and hardware items which were particularly bulky and heavy. Flour came from a couple of nearby gristmills. Two local wholesalers were his most important trading partners, supplying him on a weekly or monthly basis with goods which they in turn ordered from Chicago and more eastern cities. Veith himself dealt directly with Chicago merchants whenever he needed to buy products that were not readily available in Lincoln. He bought certain special kinds of meats from firms in the city, especially fish and oysters. Coffee, tea, and spices came from Chicago firms that specialized in those products, as did nuts, sugar, yeast, and tobacco. The general pattern of these orders was clear: staples and local agricultural produce came from nearby, while specialty goods came from Chicago.[72]

But the more important phenomenon these wholesalers and retailers illustrate is that in the postrailroad world one could buy in a small hinterland town many of the products offered in the regional metropolis of Chicago. Chicago remained a high-order market, with a wealth of goods and services that no other city west of the Appalachians could match, but the growth of its rail-based distribution network made urban goods and services more readily available to people lower down the central place hierarchy. Henry Veith's ability regularly to place orders with dozens of firms hundreds of miles away—and to stock fish and oysters in his Nebraska grocery—suggests how different his world had become from that of John Burrows in Iowa two decades before.

City and country were growing closer together. The diminishing distance separating them was measured not just in the similar products one could buy in their stores but in the information that passed between them. Crucial to the success of all the new linkages among factories, wholesalers, retailers, and final customers was the ability of each to communicate with the others. At the same time that railroads were revolutionizing transportation in the West, other new technologies and institutions were revolutionizing communication. The same telegraph that facilitated grain futures trading at the Chicago Board of Trade also enabled western storekeepers to communicate almost instantly with their suppliers. If they were willing to pay for the service, they could walk to the railroad station and send a telegram via Western Union, restocking their shelves almost as soon as an item sold out.[73] Most of the information that sped along telegraph wires was commercial in nature: orders, instructions about payments, schedules for meetings, reports of shipments, and news about price changes.[74] The ability to convey price information by telegraph allowed wholesalers in different parts of the country to respond to each other's competition almost instantly. "You seem to think it queer," wrote one Iowa storekeeper to a colleague in Philadelphia, "that goods should come down in Chicago as soon as they do in New York. They get the news by Telegraph in there [*sic*] large house 2 or 3 times a day as to the markets and of course go up & down with the market. . . . New Y[ork] & Chicago are very closely connected in the dry good trade."[75]

Hinterland merchants gained most of their knowledge about Chicago's markets by more traditional means, like the buying trips they all took at frequent intervals. Except when their need to telegraph was urgent, retailers placed orders with Chicago wholesalers either in person or through the regular mail. Mail service accelerated in the years following the Civil War as the post office learned how to take better advantage of railroad technology. In the late 1860s, the Chicago postmaster tried an experiment in which postal employees sorted letters while still in transit

on railroad cars, reducing delays once they reached their destination. The system was so much more efficient than its predecessor that metropolitan post offices in other parts of the country adopted it as well.[76] Rail-based mail shipments were critical in delivering Chicago newspapers to the surrounding countryside, and in making the *Tribune* and later the *Daily News* the leading regional newspapers west of the city. Their articles kept hinterland readers informed about national and regional news, while their advertisements kept merchants posted about the state of metropolitan markets.[77]

Just how important metropolitan newspapers and mails had become to hinterland residents was suggested in 1884, when the post office contracted with the Chicago, Burlington and Quincy to establish a new fast mail service between Chicago and Council Bluffs, Iowa, on the Missouri River. Under the terms of its contract, the Burlington agreed to run a special train, the "Fast Mail," six days a week at an average speed of 31.5 miles per hour. Trains pulled out of Chicago at 3:00 A.M.—in time to catch the earliest print runs of the morning newspapers—and reached Council Bluffs fifteen hours and fifty minutes later.[78] Among the most important benefits of this service was that readers could receive their Chicago papers a full workday earlier than before. Responses along the line were euphoric. A correspondent in Monmouth, Illinois, 180 miles from Chicago, reported that the *Tribune* had arrived at 7:00 A.M. "Heretofore the Chicago dailies were not received until 7 p.m. Now we can see them almost as soon as the citizens of Chicago."[79] From Des Moines came the word that the *Tribune* had arrived eighteen hours earlier than before. "It is almost an annihilation of distance," wrote an enthusiastic reader. "There is already a strong demand among the business public to have it delivered to their counting-rooms. This has not heretofore been the practice, but it is a result certain to follow." Newsdealers in every station reported that papers sold out within an hour of their arrival, and many doubled or quadrupled their orders for the next morning. The fast mail was so obvious a success that the Milwaukee and St. Paul Railroad hurried to add a similar service the next day. And so the reach of Chicago's informational hinterland expanded as the time taken to deliver newspapers and mail contracted.[80]

Catalogs on Kitchen Tables

Railroads, urban manufacturing, wholesaling, improved postal service, advertising, and the many other new linkages between city and country all came together in 1872. In that year, Aaron Montgomery Ward founded a new marketing institution that in many ways represented the logical culmination of the merchandising techniques that Chicagoans like Cyrus McCormick and Potter Palmer had been exploring since the middle of the century. Having begun his adult life as a day laborer in a barrel-stave factory and a brickyard, Ward took a job in a Michigan general store at the age of nineteen. Discovering that he had a knack for marketing, he moved to Chicago three years later, in 1865, and became an employee of the city's greatest dry goods establishment, Field, Palmer and Leiter. He stayed with them for two years, and then went to work as a traveling salesman for a dry goods wholesaler in St. Louis. His time on the road introduced him to rural customers throughout the Mississippi Valley, and convinced him that it ought to be possible to extend the advantages of metropolitan markets—high volume, wide selections of goods, efficient handling, and low prices—directly to retail customers in rural areas. The logical place to attempt such an experiment was Chicago, to which Ward returned in 1870. He was nearly ready to go into business in 1871 when most of his savings were destroyed in the Great Fire. Ward was undaunted. In the spring of 1872, he and his brother-in-law George R. Thorne launched what would become the first general mail order company in American history.[81]

Montgomery Ward and Company came into being at a time when residents of rural areas were organizing against the many new institutions they saw dominating their lives. Believing that railroad companies, grain elevator operators, and corrupt merchants were stealing the profits from their hard-earned harvests, farmers organized themselves into the first large-scale agrarian protest movement of the post–Civil War era, the Patrons of Husbandry (otherwise known as the Grange). In addition to seeking new state laws to regulate the charges of railroads and grain elevators, they attacked the entire wholesale-retail distribution system. Among their most hated villains was "the middle man," most visibly embodied in the produce merchant who seemed to pay farmers the lowest possible prices for grain, and the storekeeper who seemed to charge them the highest possible prices for goods they bought at retail. A typical protest song nicely captures their mood:

It is an ancient farmerman, And he is one of three,
He said unto the middleman, "We have no need of thee."
This man here makes his cloth so strong, And sells it unto me;
He buys my wheat and thus we save The slice that went to thee.

Your eyes too dim are growing, sir, "Get spectacles," said he;
"That you may see some higher grade Of wheat than number three."

The cunning middleman laughed out, Ha, ha, you think 'twill be?
Upon your back I'll stand and fill My pockets from the tree.

Then turned that ancient farmerman The middleman about,
And with some words of kind advice, He gently kicked him out.
And he was right; and so we say To such in ev'ry three,
To ev'ry meddling middleman We have no need of thee.[82]

Embracing the physiocratic notion that all value in the economy sprang from workers of the soil, and believing that transportation companies and store owners added no value to the products they carried and sold, the Grangers sought to form cooperatives that would sell at wholesale direct to the final customer, thus avoiding the "middle man's profit."

Although not himself a Granger, Aaron Ward knew an opportunity when he saw one. His own idea for direct-mail marketing was close to what the Patrons hoped to accomplish with their buying cooperatives. Offering to sell to Grange members (and anyone else) at the same prices retail storekeepers paid for their wares, he quickly received the official seal of approval from Grange organizations around the country. For the next several years, he advertised his firm as "THE ORIGINAL WHOLESALE GRANGE SUPPLY HOUSE," declaring that it sold to "Patrons of Husbandry, Farmers and Mechanics at Wholesale Prices."[83] His initial device for reaching these customers was deceptively simple: a single eight-by-twelve-inch sheet of paper listing a variety of products at prices far below what most rural inhabitants were accustomed to paying in their local stores. So astonishing were Ward's prices that the *Chicago Tribune* ran an article warning its readers about what seemed an obvious fraud. "Don't Patronize 'Montgomery Ward & Co.,' " it cautioned. "They are Dead-Beats. Another attempt at swindling has come to light." No firm that advertised such low prices, that offered its goods only by mail, and that did not even maintain a storefront address could possibly be legitimate. Ward's prices, said the *Tribune,* were "Utopian," and the only people who might be taken in by them were "credulous fools, who place boundless faith in anything which is set up in type and printed." More intelligent customers would know a fraud when they saw one.[84]

But Ward was no swindler, and a month later the *Tribune* took the unusual step of retracting its earlier story, saying that it had been "grossly unjust, and not warranted by the real facts. The firm of Montgomery, Ward & Co. is a bona fide firm, composed of respectable persons, and doing a perfectly legitimate business in a perfectly legitimate manner."[85] How did Ward manage to offer such low prices? The *Tribune* explained to its readers that Ward purchased all his merchandise with cash, and sold to his customers on the same basis, so none of his prices had to be inflated to cover interest on borrowed money. Like other wholesalers, he bought in large volume, getting the lowest possible prices for his purchases. By selling direct to the final customer, he could offer prices that included no retailer's markup. He avoided the costs of operating a store and had no sales force, thereby avoiding a retailer's rents and salaries. And the real proof that Ward was running a legitimate business, said the *Tribune*, was his guarantee. Customers who received their orders at the express office were entitled to open the package and examine its contents before paying their bill. If they were dissatisfied for any reason, they could simply refuse payment. "It is difficult," said the *Tribune*, "to see how any person can be swindled or imposed upon by business thus transacted."[86] Although very different from the old personal and familial trading networks on which John Burrows had relied, Ward's money-back guarantee was a new institutionalized basis for long-distance transactions, in which cash payments and direct inspection took the place of personal acquaintances and credit.

The success of Ward's scheme can best be traced in the pages of his catalogs.[87] The early single-page price lists contained only 163 items, and were sent out to forty Grange members as a trial balloon. The response was so enthusiastic that at the beginning of 1874 Ward issued an 8-page booklet measuring three by five inches. By year's end, it had grown to 72 pages and had begun to include woodcut illustrations of select products like the famous Grange Hat. Henceforth, the firm's growth was nothing short of phenomenal. By the end of the 1880s, Ward's catalog measured eight by eleven inches, contained 540 pages, and offered over 24,000 items to its readers. They responded by doing more than a million dollars worth of business with it, requiring a work force of nearly three hundred clerks to respond to the 750,000 letters that arrived in the mail that year alone. Business continued to grow throughout the 1890s, despite the emergence of Sears, Roebuck and Company—another Chicago firm—as an aggressive competitor in Ward's mail order territory. By the dawn of the new century, the Montgomery Ward catalog contained 1,200 pages and 17,000 illustrations, offering no fewer than 70,000 separate items for sale. Two thousand clerks now handled the orders of two million customers. The firm's yearly postal money order business was greater than that of entire cities like Cincinnati, New Orleans, or San Francisco. The incoming mail each day brought between 15,000 and 35,000 letters, while a daily average of 13,000 packages moved in the opposite direction. There had never been anything like it before. By 1900, Montgomery Ward and Sears, Roebuck were the two greatest merchandising organizations in the world.

In 1898, Montgomery Ward and Company moved its operations into

an immense new building on Michigan Avenue, crowned by what was then the highest tower in the city. Two years later, customers found in their mail a Ward's catalog that used a picture of this building for its cover illustration. It is one of the most striking images in Chicago's history. Company artists had peeled away the outer façade of the structure to reveal its inner anatomy and suggest its extraordinary complexity. Each of the building's twenty stories handled a different economic function, much like the pages of the catalog itself. Most were little more than warehouses. The nineteenth floor was devoted to sewing machines and musical instruments, the ninth to ready-made clothing, the fourth to hardware and stoves, the third to guns and athletic goods. The eighth floor probably captured the firm's ambitions best, housing what company copywriters modestly called "Dry Goods, a complete line of everything."[88]

Down below, the first and second floors were the nerve center of the business. There, an army of clerks, mostly women, did nothing but open letters and direct them to the appropriate department elsewhere in the building. The cashier's department handled the firm's immense flow of money, the correspondence department answered the flood of letters, while shipping and receiving took charge of moving merchandise in and out of the building. Tucked away in the basement were the dynamos that sent electricity to the 200 arc lamps and 7,500 incandescent bulbs that lit these many floors and offices. All the key managerial divisions were within a floor or two of the ground, with only one telling exception: advertising. The employees who designed the company's catalogs and planned its advertising campaigns had their office on the highest working floor of the tower. There, they could look out their windows to the curving shore of Lake Michigan, to the gridiron streets stretching out toward the western horizon, and glimpse the hither edge of the empire that their words and images had built.

The title that the advertising department chose for this particular catalog cover was richly suggestive: "A Busy Bee-Hive." Surely there were few more powerful symbols of modern urban life than this vast buzzing tower of human enterprise, like nothing so much as a swarm of anonymous insects performing their intricate labors according to the dictates of a mysterious collective intelligence. Carrying nearly every consumer product manufactured in the United States, Ward and Sears seemed the ultimate expressions of an advanced civilization. Organized to employ the most minute division of labor, the most elaborate managerial hierarchies, the most advanced manufacturing technologies, and the most efficient distribution systems, they bespoke in every particular the progress of the age. One might possibly look at a grain elevator or a lumberyard or a meat-packing plant and think of the farms, forests, and pastures upon which their prosperity rested. But one looked at the Montgomery Ward building and thought *people.* The busy hive was a perfect emblem of the city itself, a creation so complicated, so artificial, so remarkable that one could only marvel at the human ingenuity that had built it.

And yet the deeper meaning of Chicago's great mail order establishments did not reside in their huge warehouses or office buildings, which were after all but larger versions of the wholesale firms that had been operating in the city since the middle of the century. If one wants to understand the busy hive, one has to follow the bees to their honey. The real monuments to Montgomery Ward and Sears, Roebuck were the catalogs they sent by the hundreds of thousands to eager rural customers across the United States. The pages of those much-thumbed volumes contained an encyclopedic description of modern life in the products and inventions whose purchase would carry their owners onto a higher plane of material well-being and social progress. Chicago Honey Cured Hams. Ladies Fine Shirt Waists. American Chatelaine Watches. Giant Acme Gasoline Stoves. Princess Tonic Hair Restorers. Yukon Gents' Bicycles. Beckwith Thermo Ozone Batteries. Highest Grade Columbus Carriages. Acme Grocers' Refrigerators. New Model Stereoscopic Cameras. And so on and on and on.

The list seemed endless, and as such conveyed an important message to the farm families who devoted long hours of leisure to learning the lessons of these textbooks. Mail order catalogs brought city and country together by affording their readers at least a fantasy glimpse of what civilized life was like. No matter how remote the community in which one lived, no matter how limited the retail stores in one's neighboring village, one could open the catalog and take a stroll down State Street, the richest, most glamorous retail market anywhere west of Broadway. "The Montgomery Ward catalog," wrote a Nebraska farmwoman, ". . . was a real link between us and civilization."[89] Henceforth, it needn't really matter whether one lived in city or country, for the good life could be purchased by mail wherever one made one's home. The advent of the post office's rural free delivery in 1896 was an immediate consequence of the public demand that Ward and Sears had helped create, and it pointed the way to the roads, telephones, electrical networks, and chain stores that would transform the rural landscape of America in the twentieth century.

But if the mail order catalog brought State Street to Iowa, and urban cultural values to rural landscapes and communities across the interior of the continent, it was also the conduit for transmitting rural wealth, dreams, and desires back to the metropolis. Just as the grain elevator used railroad cars to gather wheat, the busy hive used catalogs to gather cash and transmute it into whatever money could buy. The significance of

Montgomery Ward and Sears, Roebuck, like that of the grain elevator, did not reside in physical buildings but in the relationships that linked those buildings to a larger world. This was the ultimate message hidden beneath a thousand different disguises in the emerging central place hierarchy of the Great West, in the financial hinterlands recorded by Chicago's bankruptcy courts, in the decline of St. Louis relative to Chicago, in the shipments of reapers from Cyrus McCormick's factory, in the new wholesale-retail relationships that had driven John Burrows out of business and that allowed Montgomery Ward to reach out from his great Chicago tower to sell wares to customers everywhere. This was the meaning of those boxes and barrels standing on the sidewalks of Omaha. All were about buying and selling, about city and country confronting one another to discover their common ground in the marketplace. All were about capital, which was itself not a thing but a relationship. The geography of capital was about connecting people to make new markets and remake old landscapes.

The mail order catalog was only the purest expression of this much broader cultural tendency. Even more than an ordinary piece of cartography, it offered its readers a map of capital, of second nature. In its pages, these relationships all came together, so one can read in its advertisements the ties between metropolis and hinterland, the flow of debt and credit, the assembly of labor and natural resources into manufactured goods, the movement of commodities and information, and the structure of the distribution system as a whole. And yet the most remarkable thing about the catalog, like capital itself, is how thoroughly it *obscures* these relationships. On its pages, each product stands alone, just one more item among the tens of thousands that a customer might wish to consider. There was no need to wonder where such things came from—how they had been created, by whom, from what materials, with what consequences for the place in which they had been made—for the answer to that question stopped at the busy hive. All these many products came from Ward, or Sears, just as McCormick's reapers came from his factory.

Iowa farmers perusing the grocery section of the Sears catalog might not forget that Aunt Jemima's Pancake Flour or Queen Mary Scotch Oatmeal had originally come from farms like their own, but customers in Chicago may not have remembered so easily. The workers in Philip Armour's Chicago packinghouse might know all too well what kind of labor and what sorts of materials went into preserved meats, but the customers who bought Sears, Roebuck Summer Sausage had a foggier idea. Once a product had been processed, packaged, advertised, sold, and shipped within the long chain of wholesale-retail relationships, its identity became more and more a creature of the market. The natural roots from which it had sprung and the human history that had created it faded as it passed from hand to hand. Wherever one bought it, that was where it came from. Just as one could eat an Armour ham without remembering the act of killing that brought it to one's table, one could buy from a Montgomery Ward catalog without reflecting upon the web of economic and ecological connections that stretched out in all directions from oneself and the busy hive.

The paradox of nineteenth-century Chicago was that the same market that brought city and country ever closer together, giving them a common culture and fostering ever more intimate communication between them, also concealed the very linkages it was creating. The geography of capital produced a landscape of obscured connections. The more concentrated the city's markets became, and the more extensive its hinterland, the easier it was to forget the ultimate origins of the things it bought and sold. The ecological place of production grew ever more remote from the economic point of consumption, making it harder and harder to keep track of the true costs and consequences of any particular product. Even as Chicago's markets reshaped the landscape of the Great West, one did not "naturally" place the city in that larger context. One thought instead of the busy hive, the huge building selling commodities to an entire nation from the heart of the city's downtown. Visualizing Chicago's markets from the opposite direction was much harder because the images were so much more diffuse: millions of families around the country with dog-eared Ward and Sears catalogs sitting at their kitchen tables, innumerable dinner table conversations about possible purchases, countless gadgets in kitchens and farmyards and bathrooms and barns for making life a little easier in so many different ways. Hive and catalog were different sides of the same coin, and yet it was second nature not to see them upon their common landscape, as links in a long chain stretching from metropolis to hinterland and finally to nature itself.

8

White City Pilgrimage

The Great Fair

The wonder that was Chicago reached its climax in the final decade of the nineteenth century. In 1893, the city played host to the most famous fair ever held on American soil, the World's Columbian Exposition. Having gained that honor from Congress in an open competition with New York, Washington, and St. Louis, Chicagoans proceeded to organize a national celebration of the four hundredth anniversary of Columbus's journey to America. Knowing that the eyes of the world would be upon them, they sought to create a fair worthy of that event. In it, they would demonstrate the progress of American civilization and the special role Chicago had played therein. In effect, they would suggest that their own city was itself the fulfillment of a destiny that Columbus had long ago set in motion.[1]

Like everything else about the city, Chicago's World's Fair was to be bigger and grander than any before it. Its planners indulged the local affection for hyperbole even before they had completed a single building, promoting it with their usual statistical enthusiasm. The grounds of the exposition, not far short of two square miles in area, would be more than three times larger than the most recent such fair, in Paris four years earlier.[2] Paris's Eiffel Tower would be rivaled by Chicago's newly invented Ferris Wheel. The Manufactures building would be the largest such structure on earth, covering twice the area of the Great Pyramid. The buildings would be lit with 7,000 arc and 120,000 incandescent lamps, which would be among the most striking technologies on display, demonstrat-

7: The Busy Hive

1. See Thomas, *Report,* 14–15, for a list of the city's trades in 1847. On primary manufacturing of this sort, see Walsh, *Manufacturing Frontier.*
2. U.S. Census, 1860–80; Wesley G. Skogan, *Chicago since 1840: A Time-series Data Handbook* (1976). For handy maps and statistics tracing Chicago's ethnic populations, see *Historic City: The Settlement of Chicago* (1976), with its accompanying volume of census statistics, *The People of Chicago: Who We Are and Who We Have Been* (1976).
3. Before the railroad construction booms of the 1870s and 1880s increased competition and drove down transport rates still further, many heavy, bulky manufactured goods of this kind also enjoyed a locational advantage that favored the Midwest over the Northeast. Early historical explanations of American manufacturing and urban growth emphasized the importance of export and *inter*regional trade demand in encouraging the spread of factories. It now seems clear that *intra*regional demand was at least as important, especially in secondary manufacturing. See Lindstrom, *Economic Development in the Philadelphia Region.*
4. Chicago's nearest-ranking industrial competitors were Cincinnati with 53,508 factory workers and St. Louis with 38,500. In this paragraph, I follow David R. Meyer in "Midwestern Industrialization and the American Manufacturing Belt in the Nineteenth Century," *JEH* 49 (1989): 921–37; the statistics I have just cited are on p. 931. See also Albert W. Niemi, Jr., *State and Regional Patterns in American Manufacturing, 1860–1900* (1974); Donald L. Kemmerer, "Financing Illinois Industry, 1830–1890," *Bulletin of the Business History Society* 27 (1953): 97–111; and Mary Oona Marquardt, "Sources of Capital of Early Illinois Manufacturers, 1840–1880" (Ph.D. thesis, Univ. of Illinois, 1960).
5. *U.S. Census of Manufactures,* 1880. A striking instance of the varying success of midwestern factories in competing with older firms in the Northeast is the clothing industry. In 1880, Chicago made $17 million worth of men's clothing but less than $2 million worth of women's clothing—presumably because the market for fashionable female clothing was much more heavily dominated by northeastern firms. For a helpful descriptive survey of Chicago's factories shortly after the Great Fire, see S. S. Schoff, *The Industrial Interests of Chicago* (1873).
6. "Statement in Regard to the Development of Manufacturing Industries in Western Towns and Cities, Prepared by J. D. Hayes, Esq., of Detroit, Mich., April 7, 1881" in Nimmo, *Rept. Int. Commerce* (1881), 179.
7. Riley, *Development of Chicago and Vicinity as a Manufacturing Center,* 101–9. Details of the earlier history of the iron industry in Chicago, when rolling mills and boilermakers depended almost entirely on pig iron imported from elsewhere, can be found in Joseph T. Ryerson, "Recollections of His First Journey, Philadelphia to Chicago, and Impressions of Chicago—1842," and in the unpublished corporate history of the Ryerson Company, both held in the company archives in Chicago. See also George W. Cope, *The Iron and Steel Interests of Chicago* (1890). For the role of Chicago capitalists in developing a later iron supply hinterland for the city, see David A. Walker, *Iron Frontier: The Discovery and Early Development of Minnesota's Three Ranges* (1979).
8. *U.S. Census of Manufactures,* 1880.
9. On McCormick's career, see William T. Hutchinson, *Cyrus Hall McCormick,* vol 1, *Seed-Time, 1809–1856* (1930); Hutchinson, *Cyrus Hall McCormick,* vol. 2, *Harvest, 1856–1884* (1935); and Cyrus McCormick, *The Century of the Reaper* (1931).
10. Before the move to Chicago, many of McCormick's reapers had been manufactured by independent factories which contracted to handle the production of a particular area. These subcontracting arrangements made it hard to maintain quality control, however, and McCormick abandoned them after establishing his own base of operations in Chicago.
11. Hutchinson, *McCormick,* 1:250–52; William Cronon, "To Be the Central City," *Chicago History* 10 (1981): 130–40.
12. On reasons for the relatively slow adoption of reaping technology in American agriculture, see Paul A. David, "The Mechanization of Reaping in the Ante-Bellum Mid- [illegible] Rosovsky, ed., *Industrialization in Two Systems: Essays in Honor of Alexander*

Gerschenkron (1966), 3–39, which stresses rising labor costs during the 1850s relative to reaper costs as being more important than regional shifts in explaining adoption of the technology; William N. Parker and Judith L. V. Klein, "Productivity Growth in Grain Production in the United States, 1840–60 and 1900–10," in Conference on Research in Income and Wealth, *Output, Employment, and Productivity in the United States after 1800,* Studies in Income and Wealth, vol. 30 (1966), 523–82; Alan L. Olmstead, "The Mechanization of Reaping and Mowing in American Agriculture, 1833–1870," *JEH* 35 (1975): 327–52, which lays greater emphasis on gradual improvements in McCormick's basic design as being more critical to eventual adoption. Both authors underrate the geographical fact of Chicago's expanding market hinterland. See also Herbert A. Kellar, "The Reaper as a Factor in the Development of the Agriculture of Illinois, 1834–1865," *Transactions of the Illinois State Historical Society* 34 (1927): 105–14; and a useful critique of Olmstead, Lewis R. Jones, " 'The Mechanization of Reaping and Mowing in American Agriculture, 1833–1870': Comment," *JEH* 37 (1977): 451–55.

13. The history of reaping technology is traced in Rogin, *Introduction of Farm Machinery,* 69–153.
14. McCormick's success as a manufacturer, like that of many of his industrial peers in the second half of the nineteenth century, rested more on his marketing prowess than on any special genius he might have had as a manufacturer. His production techniques were rather old-fashioned by the standards of the day, relying much more heavily on artisanal craft methods than on newer mass production arrangements. See David A. Hounshell, *From the American System to Mass Production, 1800–1932: The Development of Manufacturing Technology in the United States* (1984), 152–87, on this point.
15. Hutchinson, *McCormick,* 1:327–76, does a good job of surveying the reaper maker's distribution techniques. See also Porter and Livesay, *Merchants and Manufacturers,* 192.
16. *McCormick Reaper Centennial Source Material* [1931], 55.
17. Typical was McCormick's contract with the firm of Fiske and Elliott in Iowa City in 1860. The agent received a 12 percent discount on reaper prices and up to $25 for advertising in return for handling equipment sales in five adjacent counties "and westward as much as [the firm] can canvas." Contract with Fiske & Elliott, Iowa City, Johnson County, Iowa, 1860, Agency Records, McC 3X 3M7D6, McCormick Collections, SHSW. Some agents handled a large enough business to contract subagents themselves, in effect becoming wholesalers for the McCormick company. See, for instance, the records of A. R. Metcalf in Constantine, Michigan, and J. B. Fairbanks & Sons in Concord, Illinois, in the Agency Records files.
18. A useful discussion of McCormick's relations with his agents can be found in Forrest Dean Flippo, "The McCormick Reaper and the Development of United States Wheat Production in the Ante-bellum Years" (M.S. thesis, Univ. of Wisconsin, 1964), 33ff. McCormick's agency system was an early version of a distribution mechanism that became increasingly common among manufacturers of expensive nonconsumer machinery in the decades to come. See Arthur H. Cole, "Marketing Nonconsumer Goods before 1917: An Exploration of Secondary Literature," *Bus. Hist. Rev.* 33 (1959): 420–28.
19. Olmstead points out that the McCormick Harvesting Machine Company has sometimes been lauded for its 6 percent interest rate, which superficially seems so generous as to be below the company's own borrowing costs; in fact, one has to add to the direct interest charge the $5 differential between the cash and the credit prices. When one does so, the 6 percent interest rate becomes 19 percent—not nearly so generous, but still below the rates charged by other farm equipment manufacturers. Olmstead, "Mechanization of Reaping," 332–33.
20. McCormick Reaper Sales, 1849–1872, 3M16J2, McCormick Archives, SHSW.
21. Ibid. *Production* figures for the McCormick reaper are conveniently tabulated in Hounshell, *American System to Mass Production,* 161, though these sometimes differ in surprising ways from the *sales* figures I cite from the McCormick Archives. I suspect that the company's statistics on this subject may have been fairly imprecise.
22. McCormick Reaper Sales, 1849–1872, 3M16J2, McCormick Archives, SHSW.
23. McCormick was by no means the only reaper manufacturer in the country during the 1850s. After he lost control of his original patent in 1848, eastern manufacturers produced thousands of similar machines, especially in the prosperous agricultural

regions of upstate New York. McCormick was nonetheless the largest and best-known manufacturer in the country, and the most important in the West.

24. Burrows, *Fifty Years in Iowa* (1888). Burrows's autobiography is perhaps the most remarkable ever written by a western merchant about the period 1830–60, and deserves to be much better known than it is. The classic scholarly work that places Burrows in his larger setting is Atherton, *Frontier Merchant*.
25. Burrows, *Fifty Years in Iowa*, 149–50.
26. Three years after he arrived in Davenport, Burrows hired R. M. Prettyman to handle the storekeeping end of his business. Prettyman became Burrows's partner in 1844, and the two appear to have divided the business so that Burrows concentrated on produce and Prettyman on the general retail store. Ibid., 150–53, 181–82.
27. Ibid., 200–201.
28. Ibid., 152–53.
29. Burrichter & Hellman of Galena, Illinois, to Charles J. Brewster (a merchant in Fort Madison, Iowa), May 29, 1856, in Brewster Papers, SHSI.
30. Burrows, *Fifty Years in Iowa*, 182–85.
31. Ibid., 202–5.
32. Interestingly, a heavy snowfall could actually make it *easier* for rural customers to visit nearby towns in the winter, by improving sleighing conditions. See, for instance, George Kepner to Henry C. Potter Company, Dec. 2, 1865, in George W. Kepner Papers, MsC16, UISC.
33. Burrows, *Fifty Years in Iowa*, 154.
34. Ibid., 233–34.
35. Many banknotes also had to be physically redeemed at the location from which they were issued, adding a significant transportation cost for anyone who wanted to convert them. It was far easier to redeem a banknote in New York than in the Okefenokee Swamp of Georgia—which was a good reason to issue such "wildcat" notes in the middle of the swamp if one wanted to keep them in circulation! For a fascinating account of frontier currency operations, see Alice E. Smith, *George Smith's Money*. For general surveys of banking and currency in the nineteenth century, see F. Cyril James, *Growth of Chicago Banks;* Robert P. Sharkey, *Money, Class, and Party: An Economic Study of Civil War and Reconstruction* (1959); Hammond, *Banks and Politics in America;* Irwin Unger, *The Greenback Era: A Social and Political History of American Finance, 1865–1879* (1964); Walter T. K. Nugent, *The Money Question during Reconstruction* (1967); Margaret G. Myers, *A Financial History of the United States* (1970); Richard Sylla, "The United States, 1863–1913," in Rondo Cameron, ed., *Banking and Economic Development: Some Lessons of History* (1972), 232–62; John A. James, *Money and Capital Markets in Postbellum America* (1978).
36. The fact that metropolitan banknotes circulated much nearer to par than notes issued elsewhere was yet another advantage that the residents of a major city gained by living at the top of the urban hierarchy.
37. Requests for "New York or Chicago Exchange" are common in nineteenth-century invoice books. See, for example, the account books of Frank S. Whitaker, a hardware store dealer in Nortonville, Kansas, where invoices for the Atchison, Kansas, wholesaler A. J. Harwi (c. 1900) announce that they are "Payable in New York or Chicago Exchange" (Frank S. Whitaker Collection, Kansas State Historical Museum); or the invoice collections of the Emery Grocery in Cedar Rapids, Iowa (c. 1880), where the printed invoice of T. M. Sinclair & Co., a Cedar Rapids pork packer, announces that its recipient should "Remit in New York or Chicago Exchange, at par, or by P. O. Order or Express, charges prepaid." Emery Grocery Papers, Ac25a, SHSI. Although these date from a later period, they are entirely typical (save for the addition of Chicago) of earlier mercantile practices. On the use of banknotes as currency during the first half of the nineteenth century, see Atherton, *Frontier Merchant in Mid-America*, 136–42.
38. Burrows, *Fifty Years in Iowa*, 141–44.
39. Ibid., 190–95, 237–40.
40. Ibid., 234–36, 241–44, 273–91. Burrows's scheme of issuing his own notes eventually led to his downfall in 1859. Under the straitened conditions that followed the panic of 1857, when credit was extremely tight, the Davenport bank, Cook and Sargent, itself fell on hard times. Burrows and the bank worked out a rather underhanded arrangement for "swapping notes" whereby each agreed to redeem notes only with each

other's notes—a circular arrangement from which their customers had trouble escaping.

41. Ibid., 162. For a survey of the credit mechanisms that permitted merchants to do business during this and earlier periods, see Klein, "Development of Mercantile Instruments of Credit."
42. William K. Brown, farmer, to Charles J. Brewster, Jan. 29, 1858, in Brewster Papers, SHSI. The worst fear of the letter writer, suggested in his plea "dont put me to any cost," was that Brewster might begin a legal proceeding to recover the debt, and that a court's judgment would eventually lead to the loss of his mortgage, farm, and home.
43. W. M. Wyeth & Co. of St. Joseph, Missouri, to Francis E. Newton, general hardware merchant in Lincoln, Nebraska, June 2, 1880, in Francis E. Newton Papers (Wilson & Newton, general hardware dealers), MS444, Nebraska State Historical Society. This letter is from the postrailroad period, but it is little different from letters of Burrows's era.
44. Ryerson, "Recollections," unpaginated typescript 3 pages from end.
45. On this point, see Curtiss, *Western Portraiture*, 52; and Colbert, *Chicago*, 74.
46. Flint, *Railroads of the United States*, 267.
47. George Frazee gave a superb summary of these effects: "Formerly the dealer was under the necessity of purchasing as many goods as he supposed he could dispose of in six months. In the winter the river was closed by the ice. In summer, for the greater part, it was apt to be too low for easy navigation. The spring and fall were the only seasons in which he could rely upon a reasonably certain transportation of his goods at a not excessive cost. Besides, such dealers as purchased in the East, were compelled to make long and tedious journeys at the expense of much time and money, and their goods were a long time in transit at heavy charges for freight, even when freights were lowest. Those who bought in western cities, paid the jobber there for doing what the purchaser in the East did for himself, and a profit in addition. And when the retailer at last received his goods, he was compelled as a rule to sell upon credit more or less extended, and dependent usually upon the result of current or future crops.

    "Under all these burdens of actual expense and necessary uncertainty, it followed inevitably that the consumer was required to pay a price for everything he purchased calculated to cover all contingencies. Prices of all commodities brought from a distance were *high*, while the products of home industry were exceedingly *low*; and they were low because during half the year they could not be transported to any market, and all markets were so distant, and to be reached only by such circuitous and expensive routes, that the most favorable results could bring but a small return to the producer. Railroads have changed all this to the lasting advantage of all our communities, and without railroads the change could never have been made." "Statement Prepared by Geo[r]ge Frazee," in Nimmo, *Rept. Int. Commerce* (1879), 168.
48. "Answers . . . by Col. Milo Smith, of Clinton, Iowa," in Nimmo, *Rept. Int. Commerce* (1879), 98–99.
49. Burrows, *Fifty Years in Iowa*, 270–71.
50. Ibid., 271.
51. Ibid., 293.
52. For a general survey of these phenomena, see Vance, *Merchant's World*.
53. Atherton, *Frontier Merchant in Mid-America*, 70.
54. Curtiss, *Western Portraiture*, 52.
55. Charles Randolph, "Answers to Inquiries in Relation to the Commerce of Chicago," in Nimmo, *Rept. Int. Commerce* (1877), 82.
56. Brewster's reliance on Philadelphia as a wholesaling center was consistent with the behavior of other Mississippi Valley merchants in the 1840s, but was undoubtedly also strengthened by the fact that he arrived in that city as a twelve-year-old immigrant from Ireland and lived there until migrating west at the age of twenty-three. For a sketch of Brewster's career, see John E. Pilcher, "Charles Brewster of Fort Madison: A Profile in Enterprise, 1845–1875," *Annals of Iowa*, 3d ser., 44 (1979): 602–26.
57. This transition toward Chicago financial institutions happened to most Iowa banks during the late 1850s and early 1860s as their customers used increasing numbers of sight drafts drawn on banks in Chicago as opposed to New York. See, for instance, the records of Culbertson and Reno, a small bank in Iowa City. In 1856, as this shift was in its early stages, it made thirteen transactions, worth $2,801, with Chicago banks, and

twenty-six, worth $9,587, with New York; only three were with St. Louis. Account Book, Culbertson and Reno Papers, MsC 29, UISC. See also Erling A. Erickson, *Banking in Frontier Iowa, 1836–1865* (1971).

58. Bills and Receipts Folders, Charles J. Brewster Papers, B47, SHSI. There is some risk in drawing these inferences from what is undoubtedly an incomplete collection of invoices and receipts, but the pattern of these surviving records is so strong, and is confirmed by so much other evidence, that the argument I offer in the text is almost surely correct as a broad generalization.
59. Vigo Bardollet in St. Louis to Charles J. Brewster, March 4, 1864, Charles Brewster Papers, SHSI.
60. Potter Palmer advertisement, *Chicago Tribune*, Nov. 9, 1861.
61. George W. Kepner to Henry C. Potter Co., Aug. [?] 5, 1865, in Kepner Papers, UISC.
62. On Palmer's marketing activities, see Robert W. Twyman, "Potter Palmer: Merchandising Innovator of the West," *Explorations in Entrepreneurial History* 4 (1951–52): 58–72; see also Lloyd Wendt and Herman Kogan, *Give the Lady What She Wants! The Story of Marshall Field & Company* (1952). For surveys of Chicago's merchandisers and wholesalers by the 1880s, see *Chicago's First Half Century*, 86–97; and *Chicago: Commerce, Manufactures, Banking and Transportation Facilities*, 122–53.
63. On the life of the traveling salesman, see Timothy B. Spears, "A Grip on the Land," *Chicago History* 17, nos. 3–4 (Fall–Winter 1988–89): 4–25.
64. *Chicago Exposition Gazeteer and Jobbers' Record*, Sept. 3, 1879, published for the 1879 Industrial Exposition of Chicago.
65. Colbert, *Chicago*, 74.
66. "The Best Kind of Drummer," *Milwaukee Journal of Commerce*, as reprinted in the *Wisconsin Lumberman*, June 1874, 248. Lumber wholesalers, selling relatively uniform products in a market where one firm's products were much like another's, were especially ambivalent about what they called "the evil of drummers." In November 1878, the Chicago Lumbermen's Exchange tried to impose a moratorium on their use, but the experiment ended ignominiously within a few weeks when it became clear that many wholesalers were unwilling to abandon so effective a competitive tool. For key articles that give a sense of the drummer controversy in the lumber trade, see *NWL*, Oct. 13, 1877; Nov. 10, 1877; Sept. 14, 1878; Oct. 12, 1878; Nov. 12, 1878; Nov. 30, 1878; Dec. 7, 1878; and May 1, 1880. See also the useful volume by Saley, *Realm of the Retailer*, which surveys marketing techniques in the lumber industry in general.
67. Correspondence and Invoice files, Francis E. Newton Papers, MS444, Nebraska State Historical Society.
68. Hayden Hardware Store Papers, Wis MSS OI, SHSW. The store bought virtually its entire stock from just five firms, two in Chicago and three in Milwaukee.
69. Invoice Books, Darwin Clark Collections, MSS 19, SHSW.
70. See, for instance, the account books of Frank S. Whitaker, a hardware store owner in Nortonville, Kansas, in the 1880s and 1890s (Kansas State Historical Museum). Few of his major transactions were with Chicago; instead, he relied for more than half of his orders on a nearby wholesaler in Atchison (who probably bought in turn from Chicago firms).
71. Charles B. Sawyer Invoice Book, 1871, CHS. Sawyer's warehouse was destroyed in the Great Fire, so his account books come to an abrupt end on October 7, 1871. The claims in this paragraph are based on a computer tabulation of all Sawyer's invoices for 1871, and on maps of his total and average sales by county.
72. See Invoices, Henry Veith Collection, MS3610, Nebraska State Historical Society, 1873–79. These trading relationships were made still more complicated by the fact that some of Veith's wholesalers in Lincoln had strong ties to the Chicago firms that supplied them; moreover, some of his Chicago suppliers were agents in turn for wholesalers in New York and other eastern cities.
73. See, for instance, George W. Kepner to Henry C. Potter Co., Dec. 11, 1865, in Kepner Collection, UISC.
74. Marshall Lefferts, "The Electric Telgraph: Its Influence and Geographical Distribution," *Bulletin of the American Geographical and Statistical Society* 2 (1857): 259; DuBoff, "The Telegraph and the Structure of Markets," 253–77. The telegraph also enabled railroads to run more efficiently, by making it possible to send out scheduling information for dispatching trains. The Chicago, Burlington and Quincy began telegraph dispatching in the fall of 1864; five years later, it suffered its first train wreck as a result of a telegrapher's dispatching error. Robert Harris to J. N. Denison, Jan. 28, 1869, CB&Q Archives, H.4.1.

75. George W. Kepner to Henry C. Potter Co., Nov. 16, 1865, in Kepner Collection, UISC.
76. Wayne E. Fuller, *The American Mail: Enlarger of the Common Life* (1972), 167.
77. "Available Record of Chicago Daily Newspaper Circulation" and "History of the Chicago Tribune Circulation Department," in the Tribune Company Archives. On the operation of a major Chicago daily in the early 1890s, see *Chicago Daily News*, Oct. 12, 1891, also subsequently published as a pamphlet, n.d. See also Philip Kinsley, *The Chicago Tribune: Its First Hundred Years* (1943). On the eagerness of hinterland readers to obtain metropolitan newspapers, even from New York, see the letter from John H. Leavitt in Waterloo, Iowa, to his father, Roger Hooker Leavitt, in western Massachusetts, June 19, 1860, as reprinted in the *Waterloo Daily Courier*, June 20, 1930, copy in the Chicago, Milwaukee, St. Paul and Pacific Railroad Collection, SHSW.
78. Overton, *Burlington Route*, 201.
79. *Chicago Tribune*, March 12, 1884.
80. Ibid., March 13, 1884. The reach of Chicago newspapers and other periodicals extended even farther the next year, after Congress reduced postage rates for bulk mail from two cents per pound to one cent, making it possible to send approximately eight papers for the same price that less than a decade earlier it had cost to send only two. Fuller, *American Mail*, 133.
81. On Ward's life and career, see Nina Baker, *Big Catalogue: The Life of Aaron Montgomery Ward* (1956); Daniel J. Boorstin, "A. Montgomery Ward's Mail-Order Business," *Chicago History*, n.s., 2 (1973): 142–52; Boorstin, *The Americans: The Democratic Experience* (1973), 118–29; Cecil C. Hoge, Sr., *The First Hundred Years Are the Toughest: What We Can Learn from the Century of Competition between Sears and Wards* (1988). Still in many ways the most useful survey of the early mail order industry in Chicago is Rae Elizabeth Rips, "An Introductory Study of the Role of the Mail Order Business in American History, 1872–1914" (Master's thesis, Univ. of Chicago, 1938). The best study of a Chicago mail order company is Boris Emmet and John E. Jeuck, *Catalogues and Counters: A History of Sears, Roebuck & Company* (1950); this should be supplemented with the relevant chapters of Chandler, *Strategy and Structure*.
82. "The Middle-Man," in George F. Root, *The Trumpet of Reform: A Collection of Songs, Hymns, Chants and Set Pieces for the Grange, the Club and all Industrial & Reform Associations* (1874), 22.
83. *Western Rural*, Sept. 4, 1875.
84. "Grangers Beware!" *Chicago Tribune*, Nov. 8, 1873.
85. "Montgomery, Ward & Co.," *Chicago Tribune*, Dec. 24, 1873.
86. Ibid.
87. In addition to the catalogs themselves, which are the ultimate statistical and descriptive source on Ward's growth, this paragraph is based on the summaries in Rips, "Mail Order Business," 15–22; and Hoge, *First Hundred Years*, 12–40. The most widely available reprints of nineteenth-century Ward and Sears catalogs are *Montgomery Ward & Co. Catalogue and Buyers Guide, No. 57, Spring and Summer 1895* (reprint, 1969); and *Sears, Roebuck and Co. Catalogue No. 104, 1897* (reprint, 1968).
88. Montgomery Ward & Co. "Beehive" catalog cover, c. 1900. The image is reprinted in color as the cover of *Chicago History*, n.s. 2, no. 3 (Spring–Summer 1973), and even more accurately in Perry Duis, *Chicago: Creating New Traditions* (1976), 109.
89. Mrs. S. Gilbert, Benkleman, Nebraska, quoted in Hoge, *First Hundred Years*, 16.

8: White City Pilgrimage

1. The Chicago World's Fair has been so studied by scholars that it has become almost an academic industry in its own right. The best recent works include Thomas S. Hines, *Burnham of Chicago: Architect and Planner* (1974); David F. Burg, *Chicago's White City of 1893* (1976); R. Reid Badger, *The Great American Fair: The World's Columbian Exposition & American Culture* (1979); Mario Manieri-Elia, "Toward an 'Imperial City': Daniel H. Burnham and the City Beautiful Movement," in Giorgio Ciucci et al., *The American City from the Civil War to the New Deal* (1979), 1–142; Alan Trachtenberg, *The Incorporation of*