SECOND PLACE:
COMPETITION BETWEEN ST. LOUIS AND CHICAGO, 1764-1900

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Competition between St. Louis and Chicago, 1764-1900

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Abstract

Throughout the mid-nineteenth century, St. Louis, Missouri and Chicago, Illinois engaged in a struggle to become the premier transportation hub and commercial center of the Midwest. The competition between the two cities began during a golden age in river transport when steamboats and canals accelerated trade on inland water routes and opened new possibilities. However, the advent of railroads changed trade routes starting in the late 1840s. Despite St. Louis's early population lead and advantageous position on the Mississippi River, the rapid development of Chicago's railroad system thrust the young city to a controlling position in western trade. Through an investigation of each city's geography and economic development, this thesis explores the causes of Chicago's overtaking of St. Louis.

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Contents:

Introduction:

The rapid westward expansion of the United States throughout the mid-nineteenth century created dramatic changes in life throughout America. Eastern businessmen found new investment opportunities in the West, aspiring farmers and entrepreneurs flocked to new areas, and old trade relationships reoriented. These shifts were most pronounced in the period from the 1850s to the early 1890s. In the midst of America's transformation, two cities competed with each other for the position as the Midwest's most prominent metropolis as the gateway between the East and the West.

St. Louis, Missouri had a long established history as a gateway to the West, which dated back to its origins as a French trading town in the 1760s. Its key position on the Mississippi River allowed its residents to build an empire of river trade that boosted it to prominence. From its founding until the second half of the nineteenth century, St. Louis formed an important commercial gateway between the West, the South, and various points on the Mississippi River and its tributaries.

Chicago, Illinois, on the other hand, was a relatively young upstart that had been carved out of a swamp on the southwestern corner of Lake Michigan. Chicago's early expansion came largely as a result of the Erie Canal's link to the East. Given the potential for further canal projects to connect the site to the Mississippi River, Chicago became a center of land speculation in the 1830s, and it grew as eastern interest in the region increased.

Despite the initial advantages of St. Louis, Chicago managed to cement its claim to dominance over Midwestern transportation and Western business by the 1870s and 1880s. Chicago's wealth and population rapidly increased throughout the mid- and late-nineteenth century, and it soon became the largest and most powerful metropolis in the Midwest. By the end of the nineteenth century, Chicago had an extensive railroad system, thriving manufacturing industries, and a solid network of business relations with eastern investors. As a result, St. Louis lost much of its western trade network to Chicago and began to stagnate at the end of the nineteenth century into the early twentieth century. Chicago's surpassing of St. Louis came as a result of its favorable geography as a railroad hub, the willingness of eastern and foreign capitalists to invest in Chicago's infrastructure, St. Louis's inability to overcome the hindrances brought on by the Civil War and preceding sectional crisis, the decline of river trade in the late nineteenth century, and the poor timing of St. Louis's railroad projects.

Numerous historians have attempted to explain the cause of Chicago's "victory" over St. Louis with various levels of depth and different perspectives. Most of the recent historiography of the economic competition has been absorbed into the exhaustive individual city histories written about St. Louis and Chicago. However, there are some syntheses focused solely on the topic of the St. Louis and Chicago rivalry.

One of the earliest and most enduring examples of a synthesis of the competition between St. Louis and Chicago is Wyatt Belcher's *Economic Rivalry between St. Louis and Chicago – 1850-1880*, which was first published in 1947.[1] Historians researching this topic are indebted to Belcher because his financial analysis of the thirty year period is thorough and provides a useful framework for examining many of the major issues associated with the topic. Belcher attributes the outcome of the competition between the

[1] Wyatt Winton Belcher, *The Economic Rivalry between St. Louis and Chicago: 1850-1880* (New York: AMS Press, 1947).

metropolises to geography, railroad development, the decline of water transport, the Civil War, and each city's business leadership.

Despite the strengths of Belcher's work, there are some weaknesses in his synthesis that require revision. A significant example of the weakness of Belcher's thesis is that he places too much emphasis on the importance of business leadership in determining the outcome of the economic competition, failing to provide adequate evidence for the discussion in crucial parts of his argument. He correctly praises Chicago's business leaders for their role in Chicago's success, but he incorrectly attempts to insert the argument that St. Louis's business leadership must have, therefore, been conservative and uninspired.[2] Most of what he shows in his discussion of St. Louis businessmen is not conservatism, but their enterprises failing for reasons beyond their direct control. [3]

Historians who wrote about St. Louis and Chicago after Belcher's study have highlighted the need for an expansion of Belcher's analysis. Because Belcher's study begins in the 1850s, he fails to capture the historical context of St. Louis and Chicago's development. Because the two cities competed with each other well before 1850, more recent exhaustive city histories like James Neal Primm's *Lion of the Valley: St. Louis,*

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[2] Belcher, *Economic Rivalry*, 205.

[3] Some later historians such as James Neal Primm, author of *Lion of the Valley: St. Louis, Missouri, 1764-1980*, take exception to Belcher's claims of St. Louis's conservatism. In an essay from *St. Louis in the Century of Henry Shaw: A View beyond the Garden Wall*, Primm provides a direct challenge to Belcher's assertions regarding the conservatism of St. Louis businessmen by introducing an exhaustive list of St. Louis railroad investors and discussing a variety of ways in which St. Louis business leaders were willing to take risks in order to build railroads. For further discussion of potential issues with Belcher's thesis, see James Neal Primm, *Lion of the Valley: St. Louis, Missouri, 1764-1980,* (St. Louis: Missouri Historical Society Press, 1998); James Neal Primm and ed. Eric Sandweiss, "The Economy of Nineteenth-Century St. Louis," *St. Louis in the Century of Henry Shaw: A View beyond the Garden Wall* (Columbia, MO: University of Missouri Press, 2003), 131-132.

Missouri, 1764-1980 and William Cronon's *Nature's Metropolis: Chicago and the Great West* provide a much better understanding of how the rivalry between St. Louis and Chicago developed along with the cities. Examination of these histories and others written about the rivalry reveal that changes in the economies of St. Louis and Chicago after 1880, Belcher's end date, which were a direct result of their competition in the middle of the century.[4]

Although some issues exist with Belcher's work, the framework he provides for studying the topic is useful. Primm and Cronon's work, among several others, are helpful in discerning which parts of Belcher's work need revision. Primm's argument shows that less emphasis should be placed on the conservatism of St. Louis businessmen, and more influence should be placed on the greater causes of their failures. Cronon's introduction of the banking and Chicago's role in Western finances also needs more exploration because its implications are left out of Belcher's thesis entirely. Both Primm and Cronon's works also illuminate the need for the scope of Belcher's thesis to be extended beyond 1850 to 1880 because Belcher's work leaves readers with a lack of context on important issues preceding 1850 and an unclear picture of what happened to St. Louis after Chicago overtook it.

Addressing the need for further historical context for the rivalry between St. Louis and Chicago, the first chapter of this thesis will explore the early development of the two cities. Included in this discussion are the geographic implications of the terrain that led to

[4] Cronon's is perhaps the most forthcoming example because he provides evidence based on the work of geographer Michael Conzen that Chicago in 1880 and 1910 had surpassed St. Louis in financial influence by a significant margin. Belcher's indicators of Chicago's success are primarily based on population figures and the values of imports and exports. See William Cronon, *Nature's Metropolis: Chicago and the Great West* (New York: W.W. Norton & Company), 303-307.

each city's founding, early issues each city faced, the development of the cities, and a discussion of early westward expansion and the resulting canal system that provided the first basis of competition between St. Louis and Chicago. Although railroads were the crux of the rivalry by the middle of the century, Chicago began its competition with St. Louis over river trade. The reason Chicago grew to the extent that it did in the 1830s and 1840s was a result of the impending Illinois and Michigan Canal project. The development of Chicago's canal system helped the city form business relationships with eastern investors that later allowed for its rapid railroad development.

The second chapter explores the early railroad development of both cities from the late 1840s until the close of the Civil War. Central to this discussion are the how each city began to develop its railroad system, the sectional politics of the antebellum period, the planning of the transcontinental railroad, the struggle between river and rail interest, and the impact of the Civil War. Both St. Louis and Chicago planned ambitious railroad projects during this period to accelerate the expansion of their growing hinterlands and to address the pitfalls of river trading. While Chicago's railroad development occurred at a rapid pace, St. Louis's was hamstrung by a lack of eastern funding, the interruptions caused by the sectional politics of the antebellum period, and the halt to commerce brought on by the Civil War. In many respects, the period from 1848 until 1865 was a turning point in the Chicago and St. Louis rivalry.

The final chapter focuses on the period of railroad development and financial maturity of the two cities following the Civil War through the early of the twentieth century. It explores the outlook of city boosters, the continued decline of river trade, the development of the Eads Bridge and St. Louis's railroad system, Chicago's meteoric growth, and the financial linkages between each city and various parts of the nation. The chapter analyzes St. Louis's last attempts to maintain its superiority in size and financial power over Chicago. Despite the best efforts of the city's elites to improve river trade and make the city into a railroad hub with eastern connections, Chicago had already cemented its hold on both the East and the West by the 1870s and 1880s.

Histories of St. Louis and Chicago, including primary works written by participants in the rivalry, use deficits in St. Louis business leadership as a main point of argumentation in explaining why Chicago's railroad developed more quickly. Further research, however, indicates that business leadership may have had less to do with the outcome of the competition than previously thought. Chicago businessmen were certainly conservative at times, even concerning the early development of a railroad system, and the St. Louis elite certainly recognized the benefits of railroads. Geography and politics influenced the regional economies of St. Louis and Chicago. Although business leadership played some role in the outcome, Chicago surpassed St. Louis largely based on the willingness of eastern investors to back the city's transportation projects, its northern location giving it an edge in sectional politics and sparing it the brunt of the damage caused by the Civil War, the shifting nature of trade in the West, and the politicking of various capitalists to the benefit of Chicago and the detriment of St. Louis.

Chapter 1:

Cities on the Water's Edge: The Development of St. Louis, Chicago, and Their Early Economies, 1760s-1840s

The destiny of both St. Louis and Chicago in their formative periods was ultimately tied to water. St. Louis's controlling position on the Missouri and Mississippi Rivers and Chicago's location on Lake Michigan thrust the two cities into important economic positions in the Midwest that later attracted further transportation development. During St. Louis and Chicago's formative years, the two cities established regional relationships which allowed them grow and develop their transportation and business networks.

Although Chicago's meteoric rise to prominence in the Midwest did not occur until the mid-nineteenth century, the history of St. Louis and Chicago's rivalry begins with St. Louis's founding in the 1760s. In 1764, French traders Pierre Laclède Liguest and Auguste Chouteau traveled up the Mississippi River from New Orleans to establish a western trading post at the junction of the Missouri and Mississippi Rivers. Like many western outposts in the eighteenth century, the settlers created the site for the purpose of fur trading with local Native Americans. Because of its premier location on the Mississippi River, the furs gained through trade with the Indian tribes connected to the region could be shipped downriver to New Orleans and then to foreign markets. St. Louis's key position at the junction of the two rivers gave the city a direct link to New Orleans and gave it an advantageous economic position for dominating trade throughout the Upper Mississippi Valley.[1]

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[1] James Neal Primm, *Lion of the Valley: St. Louis, Missouri, 1764-1980* (St. Louis: Missouri Historical Society Press, 1998), 7.

The characteristics of St. Louis's location on the Mississippi River gave it significant advantages for conducting river trade. Laclède founded St. Louis on an elevated limestone bluff on the west side of the river. Elevation for a city that sits on a river is important because it provides natural protection against flooding. Although elevation can protect river cities from flooding, it can also make river trade impractical because elevated sites often lack practical river access. However, one of the key advantages of St. Louis's geography is that despite its elevated position from the river, the site still had access to the waterfront because there were breaks in the plateaus that declined gradually down to the river's edge.[2] As such, St. Louis enjoyed the best of both worlds; it had an elevated position that protected it from flooding that did not inhibit or complicate trade like other elevated spots near the river.

In addition to the site being perfect for the establishment of a river city, the geographic location of St. Louis gave it a dominant position on the Mississippi River. St. Louis was founded just south of the meeting of the large system of navigable waterways running into the Upper Mississippi Valley. This river system includes the Upper Mississippi River, the Missouri River, the Illinois River, and their tributaries. A central location at the meeting place of these major rivers ensured St. Louis's continued growth as more people moved westward.

St. Louis's formative years took place under the European colonial system. St. Louis was a part of the massive Louisiana Colony, which was initially under French control. Shortly after St. Louis's founding, the Louisiana Territory, and consequently St.

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[2] Walter Barlow Stevens, *St. Louis, the Fourth City, 1764-1909*, vol. 1 (St. Louis, MO.: S.J. Clarke Publishing Company, 1909), 22-23.

Louis, transferred from French rule to Spanish in a secret arrangement at the end of the Seven Years' War. In March 1766, the territory's first Spanish governor arrived in New Orleans. The governor met with resistance from Louisiana's inhabitants as he attempted to incorporate the territory into the Spanish mercantile system by forcing the port of New Orleans to harbor only Spanish ships. The Spanish also established forts on the Missouri River near St. Louis that were intended to take over the fur trade and prevent British and French Canadian traders from entering the area.[3]

Early Spanish rule and trade restrictions limited colonial St. Louis's economic growth. As Spanish policy limited trade in New Orleans, the amount of specie in circulation was disproportionately low in Louisiana comparison to the value of goods flowing through the economy. This imbalance existed because Spain introduced relatively little specie into New Orleans' economy and established restrictions on trade with foreign merchants. Because New Orleans' only reliable source of specie were the Spanish administration and military, its merchants were unwilling to let conventional currency flow upriver to traders in St. Louis and rather they resorted to giving credit in exchange for goods. As such, traders in early St. Louis resorted to using deerskins as currency. Additionally, Laclède and the Spanish established commercial policies in St. Louis that favored established traders over newcomers. The shortage of specie coupled with the way these trade policies controlled access to furs created a distinctive social class system in St. Louis.[4]

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[3] Primm, *Lion of the Valley*, 17-18.

[4] Primm, *Lion of the Valley*, 28-30; Nevin Melancthon Fenneman, *Physiography of the St. Louis Area* (Springfield, IL: Illinois State Journal Co., 1910), 72.

Although Spanish administration somewhat hampered St. Louis's economic growth, Spanish policy also represented one of the first efforts to establish significant agriculture in St. Louis. In the 1770s, Spain attempted to stimulate tobacco and hemp production throughout the Louisiana Territory. Although St. Louis did not have an adequate labor force for large scale hemp production, the city shipped fifteen quintals (approximately 1500 pounds) of hemp to New Orleans in 1775. Throughout this period, St. Louis produced a significant amount of tobacco and flour, but most of it was consumed locally while the remainder was shipped downriver to New Orleans.[5] Although significant exporting of certain agricultural items like tobacco did not occur until the westward population expansion after the colonial period, St. Louis solidified its economic link with New Orleans and became the hub of Missouri River traffic under Spanish rule.

In the late eighteenth century, St. Louis returned from Spanish rule to French as the costs to Spain of administering and defending the Louisiana Territory became too great. The profitability of the territory as a whole was too low in the face of pressures for increased defense spending as Americans spread westward after gaining their independence from Britain. Rather than give the territory to the Americans, intending to keep a buffer zone between Mexico and the United States, Spain returned the Louisiana Territory to France with the Treaty of San Ildefonso in 1800.[6]

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[5] Primm, *Lion of the Valley*, 25 and 29.

[6] Frederick A. Hodes, *Beyond the Frontier: A History of St. Louis to 1821* (Tuscon, AZ: The Patrice Press, 2004), 289-290.

Western land speculators in the United States worried about access to the port of New Orleans following the treaty. President Thomas Jefferson sent James Monroe and Robert Livingston, his minister in Paris, to purchase New Orleans from France. Napoleon surprised the Americans with a counteroffer to give the United States control of the entire Louisiana Territory for fifteen million dollars. In a controversial decision, the envoys accepted Napoleon's offer, resulting in the Louisiana Purchase Treaty of 1803. The purchase granted the United States a vast sum of land stretching from the port of New Orleans as far northward and westward as modern-day Montana.[7]

Within a year of the treaty, the United States government began organizing expeditions in the Louisiana Territory to map the region and analyze its resources. Meriwether Lewis and William Clark conducted the most famous of these expeditions. Their main task was to map the course of the Missouri River and the most efficient water route to the Pacific Ocean. President Jefferson, who organized the expedition, hoped that the Missouri River or some connecting waterway would provide the American interior with inland water access spanning directly from the Atlantic Ocean to the Pacific Ocean.[8] Such a trade route had the prospect of opening up a more direct trade with the Far East across the Pacific for cities throughout America, especially on the eastern seaboard.

Although Lewis and Clark, as well as any later explorer, failed to find direct water access to the Pacific Ocean, their research, mapping, and contact with various Indian

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[7] Hodes, *Beyond the Frontier*, 290-291; For more information on the Louisiana Purchase and its impact on the United States, see Peter J. Kastor, *The Nation's Crucible: The Louisiana Purchase and the Creation of America* (New Haven: Yale University Press, 2004).

[8] Nicolas Biddle, "*The Journals of Lewis and Clark*," quoted in Lee Ann Sandweiss ed., *Seeking St. Louis: Voices from a River City, 1670-2000* (St. Louis, MO: Missouri Historical Society Press, 2000), 42-43.

tribes proved to be important developments in the legacy of St. Louis and westward expansion. Because Lewis and Clark, as well as other famous expeditions like Zebulon Pike's, began their journeys in St. Louis, travelers who planned to move westward often set out from the borderland town to travel along the known routes of earlier explorers.[9] Before western settlement increased along the Missouri River, St. Louis was the last place someone heading to the West could access supplies and equipment for their trip.

St. Louis's legacy as a gateway to the West was a coalescence of its economic ties to the fur trade with western Indian tribes, its borderland location, geographic ties to the Missouri River, and its status as the starting point for explorers. The natural advantages St. Louis had with its central location and access to an immense river network made it the logical place for a massive commercial gateway and a river empire. St. Louis's gateway identity grew as the settlement morphed into a city with the increasing trend of westward settlement.

St. Louis evolved from a colonial trading outpost into an American city began within the first several years of its transfer to the United States. By 1808, St. Louis had a post office and a weekly newspaper, the *Missouri Gazette*, started by Joseph Charless. In 1809, St. Louis residents petitioned for incorporation as a town and produced the first town charter of St. Louis. By 1813, St. Louis had its first bank with the power to issue notes, and by 1815 the town grew to an estimated population of two thousand.[10] Within ten years from St. Louis's transfer from Spain and France to the United States, St. Louis

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[9] Hodes, *Beyond the Frontier*, 302.

[10] I.H. Lionberger, *Annals of St. Louis: and a Brief Account of its Foundation and Progress* (St. Louis, MO: Mound City Press, 1930), 8-9.

transformed from a borderland outpost that served as a meeting place between fur traders into a thriving gateway town with the potential to become one of America's next great cities.

Throughout the mid- to late-1810s, the population of St. Louis increased significantly. Several historians cite the end of the War of 1812 as a reason for the population boom.[11] Many of the men stationed near the city during the War of 1812 decided to stay after the war ended, bringing an immediate increase to St. Louis's population. The end of the war also shifted focus from the East back towards expansion in the West, and immigration to the Missouri territory resumed. Attacks by Indian tribes on farms and small settlements calmed down as a result of a treaty with ten regional tribes in 1816, making the area safer for farmers.[12] The increased security of the East following the War of 1812 and the increasing safety of settling in Missouri spurred a wave of immigration that lasted into the 1820s.

As a result of the increased immigration to Missouri following the War of 1812, the population of St. Louis County increased to 10,049 according to the federal census of 1820.[13] Although census figures from this time period are not entirely reliable for exact information, the town underwent a spatial expansion during this timeframe that indicates significant population growth. Before 1816, people lived almost exclusively on the lower

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[11] For example, a discussion of how the war ending impacted settlement in Missouri appears in Frederick Billon's *Annals of St. Louis in its Territorial Days* (1888) and James Primm's *Lion of the Valley* (1996). Billon's account focuses on the immediate effects of the war's end, and Primm focuses more on the possibilities for immigration opened the end of the war opened.

[12] Although the treaty helped make the region more safe for American settlement, it was unpopular with many residents because it spared the Indians and left them land in the region (See Primm, *Lion of the Valley*, 103).

[13] *Fourth Census of the United States*, 1821, 159.

plateau, but afterwards, owners of the “hill” region subdivided their land and began selling it off for massive profits. Residents erected houses on these plots, and the population core of the city widened as a result.[14]

The population growth and economic development of St. Louis took place during an age when rivers the highways of North American transportation. The speed at which large quantities of goods could be shipped down a river outpaced any form of overland transport commonly employed in the eighteenth century and first half of the nineteenth century. As a result, the largest and most economically significant settlements were generally located on coasts or rivers. Port cities like New Orleans dominated trade on the coast while river cities like St. Louis and Cincinnati dominated trade on the interior. St. Louis’s geography gave it numerous advantages in the coming decades of steamship dominance on the Mississippi River.

Like many major commercial centers, St. Louis was located where a geographic shift caused a breakpoint in transportation.[15] For cities depending on water routes for trade, such a breakpoint occurs when the characteristics of the route make different styles of boats more practical than at other points on the route. For a coastal port city like New Orleans, the breakpoint was the transition between the Gulf Mexico and the Mississippi River, but for St. Louis this point was the convergence of the Missouri River and Mississippi River. St. Louis’s location on the Mississippi was one such breakpoint because north of St. Louis, the Missouri and Illinois Rivers’ convergence with the

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[14] Frederick Louis Billon, *Annals of St. Louis in Its Territorial Days, from 1804 to 1821* (St. Louis, MO: Nixon Jones Printing, 1888), 23-25; Primm, *Lion of the Valley*, 104.

[15] Belcher, *Economic Rivalry*, 29.

Mississippi increased the depth waterway southward. Having a spot below the convergence made St. Louis easily accessible to boats traveling the Missouri or Illinois without having to travel up the river. Above this point in the river, the depth of the Mississippi was between three and five feet, and below this point, the depth was a minimum of six feet.[16] The deepening of the river made St. Louis a logical place for transferring cargo from the many smaller boats traveling rivers of the Upper Mississippi Valley to fewer larger boats more suitable for profitably shipping goods down to New Orleans.[17]

As a result of its location, St. Louis became the meeting place of two fleets of steamboats. Much like port cities that transferred goods between seafaring and river vessels, St. Louis moved goods between small river vessels and larger river vessels. The vessels of the lower river were unable to navigate the upper river and the vessels of the upper river were not able to profitably ship goods on the lower river where larger boats were able to carry goods more cheaply and efficiently. Suppliers from the upper river valley did not often bother shipping their goods the entire way to New Orleans or to other spots on the lower river because St. Louis merchants were willing to buy their goods and ship them southward on larger ships in bulk for profit.[18]

Steamboats, however, were not integrated into the traffic of the Mississippi River until the late 1810s and on a larger scale until the 1820s. The first steamboat to reach St. Louis, the *Zebulon Pike*, came in 1817 and moved goods between St. Louis and

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[16] Fenneman, *Physiography of the St. Louis Area*, 71.

[17] Fenneman, *Physiography of the St. Louis Area*, 71.

[18] Belcher, *Economic Rivalry*, 30-31.

Louisville, Kentucky. Two years later, in 1819, the potential of steamboats amazed St. Louis residents when the *Maid of Orleans* finished its journey from New York, down the Atlantic coast, and up the Mississippi to deliver goods to St. Louis.[19] Steamboats had the potential not only to increase the ease by which goods could be transported on the river system, but also they helped break the barriers of time and distance to create economic relationships between eastern cities and merchants in the expanding west.

Although steamboats had enormous potential, the transformation of traffic on the western river systems was not immediate. Steamboat traffic slowly increased on the Mississippi following its introduction, but steamboats failed to replace keelboats completely. Although steamboats were capable of more quickly and easily moving goods over long distances, they were not entirely without problems. Large scale operation on the Missouri River revealed significant issues with early steamboats; they could easily be crippled by snags, sandbars, and equipment failures.[20] Because they were somewhat fragile and were not able to avoid sinking or running aground, early steamboats were not a panacea for the ills of river trading.

Another hindrance to steamboat integration on the Mississippi was controversy over Congress's ability to regulate interstate river navigation using the Interstate Commerce Clause. Before *Gibbons v. Ogden* in 1824, some states and territories granted transportation monopolies on river systems connected to their land. As a result, a crippling interstate trade monopoly on steamboats held by Robert Livingston and Robert

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[19] Hodes, *Beyond the Frontier*, 445.

[20] Although many St. Louis residents owned and operated steamboats on the Mississippi and other connecting rivers, construction of most of the ships occurred outside of St. Louis. Most steamboat traffic was actually on the Ohio River during this period. See Hodes, *Beyond the Frontier*, 446-448.

Fulton developed in Louisiana. The monopoly damaged the large scale integration of steamboat traffic to New Orleans because it required shippers from upriver to pay royalties to move their goods through Louisiana. This monopoly began to weaken by 1818 and ended entirely with the Supreme Court decision in *Gibbons v. Ogden* in 1824, which also ended Livingston and Fulton's monopoly on the Hudson River.[21]

Steamboats became more relevant to St. Louis and the Upper Mississippi's trading practices as time passed. Originally most steamboat traffic to New Orleans originated on the Ohio River, but St. Louis's trade to New Orleans increased as settlement continued to move further westward. By the 1830s, steamboats had not only increased in number on the river system, they had also become more efficient. From 1825 to 1833, the number of steamboats arriving in New Orleans nearly doubled, and the carrying capacity of the boats tripled.[22] The increase in landings at St. Louis provides evidence of the growth of its steamboat traffic. In 1827, St. Louis had 259 steamboat arrivals, mostly from New Orleans. By 1831, the number of steamboat arrivals in St. Louis increased to 432, and in 1836, St. Louis received 19,477 tons of cargo from 1,355 landings.[23] Within twenty years, steamboats went from non-existent on the Mississippi River to an everyday sight in St. Louis's ports.

St. Louis's connection to the Missouri River and its legacy as a starting point for westward travelers also allowed the city to become a commercial center for overland

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[21] National Waterways Commission, *A Traffic History of the Mississippi River System* (Washington: Government Printing Office, 1909), 12-13.

[22] Emerson W. Gould, *Fifty Years on the Mississippi; Or, Gould's History of River Navigation: Containing a History of the Introduction of Steam as a Propelling Power on Ocean, Lakes and Rivers* (St. Louis, MO: Nixon Jones Printing, 1889), 215.

[23] Primm, *Lion of the Valley*, 134-135.

trade as well. The Oregon and California Trails bolstered St. Louis's ability to claim ties to the Pacific Northwest, and the opening of the Santa Fe Trail after Mexico gained independence in 1821 gave the city economic ties to the Southwest. Although the Santa Fe Trail was not connected directly to St. Louis, its terminus was at the Missouri River in eastern Kansas and western Missouri. These trails encouraged settlement along the Missouri River and the establishment of outposts near Missouri's western border like Franklin and Independence.[24] These cities moved goods from the trails to St. Louis to be shipped to various commercial centers through St. Louis's river network, and their merchants also purchased goods from St. Louis to supply traders on the trails.

Although there was some risk involved, trade on the Santa Fe Trail was lucrative. Traders set out with trade goods worth thousands of dollars and in return received furs, specie, and animals. The scarcity of various goods in New Mexico allowed western traders to make enormous profits. Even the wagons traders used to transport could be traded or sold for exorbitant prices in Mexico. For example, William Becknell sold a $150 wagon from Missouri for $700 in Mexico in 1822.[25] The potential for enormous profits attracted large numbers of traders throughout the 1820s, 1830s, and 1840s. St. Louis's connection to the Santa Fe, California, and Oregon Trails placed the city in a commanding position to control overland trade further west.

Because of St. Louis's western prestige, booming economy, and growing population, competition with Chicago in the 1820s and 1830s was an afterthought for

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[24] Josiah Gregg, *Commerce of the Prairies, or, The Journal of a Santa Fé Trader: During Eight Expeditions Across the Great Western Prairies, and a Residence of Nearly Nine Years in Northern* Mexico (New York: J and H. G. Langley, 1845), 32-34.

[25] Mary Barlie, *The Santa Fe Trail in Missouri* (Columbia, MO: University of Missouri, 2010), 87.

residents of St. Louis. St. Louis businessmen were more likely to fear competition from Cincinnati, which was more established and had a position on the Ohio River that allowed it to bypass St. Louis ports entirely. In comparison to St. Louis, Chicago was a young, untested city that grew as a result of a speculative rush. However, the fact that Chicago became St. Louis's biggest competitor in the coming decades was not by chance; it was a culmination of geographic, political, economic, and social factors that thrust Chicago into the forefront to threaten St. Louis's position as the commercial link between east and west.

Much like St. Louis, the first European settlement in the Chicago area was French, and the early economy of the area consisted primarily of Indian fur trading. The Chicago area passed to British hands in 1763 as a result of the treaty that ended the Seven Years' War. The territory later became part of the United States as a part of the treaty that secured American independence from Britain. In 1795, the United States signed a treaty with the Indians in the area to secure a six square mile plot of land at the mouth of the Chicago River where it met Lake Michigan. Although it was not the first settlement at the mouth of the Chicago River, the first semblance of permanent American settlement in the area was Fort Dearborn, built in 1803, to secure the lands ceded to the United States in the treaty.[26]

During the War of 1812, the military ordered Fort Dearborn abandoned as a part of a general protection policy. Unfortunately, Indians ambushed the soldiers and settlers during the retreat, and fifty-three Americans died. The slaughter proved the lack of safety

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[26] Harold M. Mayer and Richard C. Wade, *Chicago: Growth of a Metropolis* (Chicago, IL: University of Chicago Press, 1969), 8.

for settlers in the area, and settlement did not resume until after the war ended. Following the war, the government built a chain of forts, including a new Fort Dearborn near the site of the original. Safety in the area increased further by 1816 when the Sacs and Foxes ceded land to the United States extending southwest from the Chicago River. The cession secured Chicago's western hinterland and further removed Indian presence from the vicinity of Chicago.[27]

Although the new forts and lessened Indian presence made settling in Chicago safer, movement into the Chicago after the rebuilding of the fort was a slow process. In 1821, John Tipton, a member of a surveying party, described Chicago as a village consisting of "about 9 or 10 houses & families mostly French Trader[s] without any kind of civil government."[28] The center of early Chicago, Wolf Point, was upriver from the fort and served as a meeting place for fur trading between Americans, Indians, and French Canadians. Before 1830, residents of the town participated in a barter economy and often traded or gambled plots of land that later became prime real estate in downtown Chicago. Some residents gave away land to acquaintances in hopes of them to settle in the lonesome town.[29] A series of key events, however, changed Chicago from a lonesome village into a booming center of real estate speculation and the future center of American commerce and transportation.

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[27] Mayer and Wade, *Chicago: Growth of a Metropolis*, 10-12.

[28] John Tipton, "Surveying Line between Indiana and Illinois, 1821," as reprinted in Bessie Louise Pierce and Joe Lester Norris, *As Others See Chicago: Impressions of Visitors, 1673-1933* (Chicago IL: University of Chicago Press, 2004), 28.

[29] Donald L. Miller, *City of the Century: The Epic of Chicago and the Making of America* (New York: Simon & Schuster, 1996), 57.

The first landmark event that changed the destiny of Chicago was the completion of the Erie Canal in 1825. The purpose of the canal project was to link the Hudson River with Lake Erie and the West. It ultimately gave New York westward reach across the Great Lakes and helped increase its economic impact on the Northeast. Settlements connected to the Great Lakes gained access to an efficient outlet for trade and an easy source of finished goods in New York. The canal also opened up a new route for immigration that benefitted cities on the Great Lakes.[30]

Chicago stood to benefit the most from the completion of the Erie Canal because the town had access to a river port located on the Chicago River. The Chicago River, which extends west of Lake Michigan, provided the potential for further inland access to ships. The potential for traffic on the river from the lakes had the possibility of making Chicago a transition point between the river network and the Great Lakes. The potential of the river to extend the western reach of the Erie Canal's eastern beneficiaries helped differentiate Chicago from other sites on the Great Lakes.

Although the Chicago River had the potential to make Chicago into an important port city and western gateway to trade on the Great Lakes, the characteristics of the river were not entirely unfavorable. A major problem was that a massive sandbar existed at the mouth of the Chicago River that significantly affected the depth of the water. In his 1821 survey, John Tipton described the mouth of the river as "chocked up with Sand, affording not more than 2 feet of water" while the rest of the river for the next half mile was sixteen feet deep.[31] Such a variance made the mouth of the river impassable to ships designed for

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[30] Mayer and Wade, *Chicago: Growth of a Metropolis*, 14.

[31] Tipton, "Surveying Line," 29.

navigating the deeper waters of the Great Lakes or the rest of the Chicago River, limiting the importance of the harbor.

Efforts to cut a channel to make the harbor viable began in the 1820s, but the sandbar continued to be an issue into the 1830s. The sand thwarted numerous attempts at cutting a new channel. In 1833, the U.S. government supplied $25,000 to fund a project to cut a channel with piers to prevent sand blocking passage. By 1835, the Chicago River had a two hundred foot wide channel that was between three to seven feet deep extending out several hundred feet into Lake Michigan. The improvement opened up the harbor to larger ships, but continued to be a problem as sand slowly worked its way into the channel. By the late 1840s, the government had spent a quarter million dollars on dredging sand to maintain the harbor.[32] Although the Chicago River's unique ability to provide a river connection extending west from the Great Lakes ranked chief among Chicago's natural advantages, the state of the river itself was a costly barrier to the city's early greatness.

The Chicago River also lacked a connection to a meaningful river network. Unlike St. Louis's river system, which had outlets extending west to the Rockies, south to the Gulf of Mexico, and north to Illinois, the Chicago River lacked a meaningful natural destination. The river was relatively small in comparison the rivers upon which great river cities rested. The best hope for making use of the river came in the form of a canal project to connect the Chicago River to the Illinois River system, ultimately giving Chicago, the Great Lakes, and therefore the Northeastern beneficiaries of the Erie Canal a link to the Mississippi River network.

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[32] William Cronon, *Nature's Metropolis: Chicago and the Great West* (New York: W.W. Norton & Company, 1991) 56.

The potential for a canal to link the Chicago River with the Illinois River system fueled the growth of the city. Early surveyors and settlers recognized the potential for a canal to link Illinois' river system together, connecting the Great Lakes to the Mississippi. As settlers moved further into the Illinois River Valley, the government began to plan for the canal system. In 1822, Congress granted Illinois the land on which the canal could be built, and in 1827 Congress gave Illinois alternating sections of land along the proposed canal area to sell for construction funding. Although land sales started slowly, the certainty of the canal sparked population expansion and investment from eastern land speculators.[33]

Land values around Chicago increased drastically in response to the land speculation. Lots on Lake Street that sold for fifty dollars in 1830 were worth five times as much by 1834.[34] The increase of land values within Chicago also increased the value of land around the city and along the canal route. A speculative rush brought new people and investment to Chicago, further increasing land values in the city. Land changed hands so rapidly that some lots increased in value by more than twenty percent in a day.[35] In the 1830s, Chicago was full of promise for easterners, not only as a potential gateway to the West, but as a place to make a fortune.

Chicago's position on the Great Lakes is largely responsible for its relationship with the East. After the completion of the Erie Canal, Chicago formed an important outlet for the flow of goods between the western region surrounding the Great Lakes and New

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[33] Miller, *City of the Century*, 59-60.

[34] Bessie Louis Pierce, *A History of Chicago: 1673-1848* (Chicago, IL: University of Chicago Press, 1937), 58.

[35] Pierce, *A History of Chicago*, 59.

York.[36] Because New York stood to benefit from having a direct link to a western partner city that had promise in extending its reach down the Mississippi River, Chicago was an attractive option for New York investors. Eastern investors were so interested in the development of Chicago that by 1834, that one quarter of the subscribers to the *Democrat*, Chicago's first newspaper, lived in the East, and half of those subscribers lived in New York State.[37] The connection of these two cities led to the formation of lasting and strong business relationships that brought stability to Chicago in the face of the various challenges it faced during its development.

From the beginning of Chicago's speculative era, investors saw great promise in the city as a gateway linking east and west and as a great commercial outpost. Charles Butler, the brother-in-law of Chicago's first mayor, William Ogden, described the promise that the future Illinois and Michigan Canal held for Chicago as "of great importance for the future development of the country."[38] Chicago's investors believed that Chicago was not only destined to become an important link between East and West, but it was also destined to become one of the largest and most important cities in the United States. The promise of the canal and the potential effect on the national economy encouraged investors to take risks in land speculation. The speculative nature of Chicago's growth meant that the city's principal investors were inherently willing to take risks to improve Chicago in order to make a larger return on their investments.

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[36] J. Paul Goode, *The Geographic Background of Chicago* (Chicago, IL: The University of Chicago Press, 1926), 58.

[37] Cronon, *Nature's Metropolis*, 61-62.

[38] Charles Butler in Alfred Theodore Andreas, *History of Cook County, Illinois from the Earliest Period to the Present Time* (Chicago: A.T. Andreas Publisher, 1884), 130.

Although speculation fueled the growth of Chicago and the city expanded rapidly throughout the 1830s and 1840s, Chicago was not a dominant trading city until after the growth of Illinois railroad network and the completion of the Illinois and Michigan Canal. Aside from the problems with the river, Chicago's geographic features also hampered early trade. Between November and May, ice and storms closed off trade on the Great Lakes, and Chicago had no business from the East during these months.[39] Additionally, Chicago was notorious for its drainage issues in the spring months when the terrain in and around the city was muddy to the point of being impassable. Before the advent of railroads in Chicago, farmers brought goods to market by wagon, but they were often unable to reach the city during wet seasons because the mud could be more than waist-deep. Early leaders of Chicago attempted using plank roads to alleviate the problem, but were unsuccessful in creating a lasting change. The ground in Chicago was so muddy that period sources report buildings sinking into the ground several feet.[40]

Solving Chicago's drainage issues was neither easy nor inexpensive. Beginning in the late 1840s, the city raised the grade of the roads periodically in an attempt to solve its drainage problem. As a result, older buildings sat feet below the surface of the roads in front of them. Over time, owners paid to have their buildings jacked up to the street's grade level. The first brick building to be raised on jacks in Chicago was a five story hotel, and the process cost the owners $45,000 to raise the building eight feet. Many people feared that the building would topple in the process, but after building made it

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[39] Cronon, *Nature's Metropolis*, 57.

[40] Charles Cleaver, *Early-Chicago Reminiscences* (Chicago, IL: Ferguson Printing Company, 1882), 28-31.

through the process unscathed, many other business owners raised their buildings up to the new grade level as well.[41]

The inaccessibility of the water route to the East throughout the winter months and the impassable mud in the rainy seasons severely limited Chicago's early economic growth. Before railroads, drainage improvements, and the Illinois and Michigan Canal's completion, Chicago lacked economic reach beyond its immediate area and did not significantly compete with other river cities in the Midwest. The furthest point away from which farmers drove wagons was on the Wabash River in southern Indiana, over a hundred miles away. Farmers from regions that far away, however, could not afford to make the trip often and could only do so with small loads suitable for wagons.[42]

The Illinois and Michigan Canal, which had sparked the speculative movement of the 1830s, was not completed until 1848 with the help of loans from European creditors. The Panic of 1837 stalled the canal project for several years as speculation ground to a halt.[43] Once Eastern and European creditors regained their faith in the project, its completion largely had the expected effect on Chicago's economy. Chicago's economic reach extended south and west to just north of St. Louis. Corn shipments rose drastically in the first year of the canal's completion as farmers in the Illinois River Valley exploited their new alternative outlet for produce in Chicago as opposed to doing business in St. Louis.[44] The opening of the canal marked the first serious economic competition between

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[41] Cleaver, *Early-Chicago Reminiscences*, 30.

[42] Cronon, *Nature's Metropolis*, 59.

[43] Pierce, *A History of Chicago*, 125.

[44] Cronon, *Nature's Metropolis*, 64.

St. Louis and Chicago because Chicago gained a foothold in St. Louis's northern hinterland in Illinois.

The challenges with the geography of their city that early Chicagoans overcame prove the importance of the city's location. For Chicago to become economically viable, investors, residents, and the government had to change its landscape. While St. Louis required few alterations to its landscape to become a dominant river city, Chicago grew based upon the assumption that improvements would be made. While river traffic through St. Louis followed natural waterways, Chicago's economy flowed through manmade canals. Chicago was a city built upon the backs of eastern investors who created artificial waterways to link east and west. Chicago's link with eastern investors was a lasting characteristic that influenced its development and its ability to compete with the more established and geographically gifted city of St. Louis.

Chapter 2:

Rails and Rivers: The Beginning of Railroad Development in St. Louis and Chicago, 1850s and 1860s.

Throughout the 1850s and 1860s, the rivalry between St. Louis and Chicago evolved beyond a competition for dominance of the river trade on the Illinois River. With the advent of railroad systems in Missouri and Illinois, St. Louis and Chicago became locked in a fierce battle for economic supremacy over trade not only in the Upper Mississippi and Illinois River Valleys, but in the rapidly developing western regions of the United States. The railroad supplemented and eventually surpassed river trade in such a way that it transformed the stage upon which Chicago and St. Louis competed.

In many ways, the coming of the railroad overlapped with the fulfillment of the river destinies of both cities at the end of the 1840s. In addition to Chicago's trade network expanding vastly after 1848 with the completion of the Illinois and Michigan Canal, St. Louis reached a landmark in 1850 when it passed Cincinnati in trade with New Orleans.[1] By 1850, the Upper Mississippi Valley overtook the Ohio River Valley as a center of immigration and the chief trading region for New Orleans. Throughout the 1830s and 1840s, New Orleans grew at an unrivaled pace, becoming the fourth largest city and one of the busiest ports in the United States. Because New Orleans was St. Louis's chief trading partner, St. Louis benefitted from New Orleans' increasingly vast import and export market. New Orleans shipped coffee, hardware, and other imported

[1] Gould, *Fifty Years on the* Mississippi, 218.

products upriver to St. Louis and served as a market for goods shipped downriver for southern plantations.[2]

New Orleans, however, was not the perfect trading partner. Because New Orleans imported more than it exported, it failed to meet the West's demand for fine manufactured goods, which New York and other Atlantic port cities fulfilled instead.[3] New York in the mid-nineteenth century closely competed with New Orleans as a commercial port for foreign goods and as an importer and exporter for the West. Because New York, which was Chicago's major trading partner, filled largely the same role that New Orleans filled for St. Louis, Chicago became a western commercial outpost for manufactured goods from the East.

As beneficial as trade on water routes was to Chicago and St. Louis, overreliance on these routes could only limit the growth of the two cities. By the mid-nineteenth century, both St. Louis and Chicago businessmen looked to establish railroad systems within their respective vicinities. Western links and pre-established business relations with major commercial cities made river cities on the interior ideal areas for railroads. Established western river cities had an economic basis for financing railroads, whether through their own capital or through business relations with investors in the East. River cities were ideal for railroad construction because they already had established economies. Railroads worked together with waterways to extend the economic hinterland of cities beyond the river system, making established urban centers and the traditional river routes more accessible.

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[2] Belcher, *Economic Rivalry*, 30; Gould, *Fifty Years on the Mississippi*, 217.

[3] Gould, *Fifty Years on the Mississippi*, 217.

Although railroads were manmade transportation routes, where and why cities, states, the federal government, and private enterprisers built them was a result of the natural advantages and preexisting economies of various regions. Unlike rivers, railroads did not connect otherwise arbitrary locations; people picked what regions railroads connected and where the rails ran. Ultimately, the railroad was a business designed to benefit businesses wherever it ran. Certainly, people founded cities and towns along railroad routes, but they did so for the same reasons people founded St. Louis, Chicago, or towns on the Missouri River: there was a commercial opportunity and a connection to an established economic center.

The railroad had numerous advantages over water transport that led to its rise to prominence as the premier system of transportation over the river system. The railroad system itself was not as limited by nature as the river system. Unlike canals, which could only connect existing waterways over relatively short distances in ideal geographic circumstances with an enormous amount of time, labor, and funding, the railroad had no theoretical distance limitations and could be built to and from almost anywhere. Because railroads had a larger choice of path than canal routes, more direct connections between areas could be established in comparison to the relatively inefficient, difficult, or complex trade routes created by the natural river system. Canals allowed people to reinvent nature and change the geographic flow of commerce, and railroads expanded on that ability to allow for entirely new trade routes with far fewer geographic limitations.[4]

Aside from improved geographic flexibility, railroads also offered a variety of other advantages over water trade routes. One of the key drawbacks to trade over rivers

[4] Belcher, *Economic Rivalry*, 36.

and lakes, especially for a northern city like Chicago, was its seasonal nature. In cold conditions, water routes could freeze over and inhibit trade. For example, the freezing of rivers and lakes during winter months limited trade Chicago's trade to the months spanning from late spring to mid fall. Throughout the winter months, the flow of goods between Chicago and the East over the Great Lakes ground to a halt.[5] Railroads, on the other hand, were not as susceptible to cold weather conditions and could operate in low temperatures.

River transport could not match the speed, efficiency, and safety of railroads. Railroads were more direct and did not require operators to avoid snags or rocks like those found on the Mississippi and Missouri Rivers. Snags and obstructions alone resulted in the loss of several dozen boats per year. For example, in 1840, forty ships sank on the Mississippi River, nine of which ran into rocks or some other obstruction or became snagged. The total losses for that year on the Mississippi alone exceeded $448,000.[6] Local St. Louis newspapers frequently reported "steamboat disasters," each of which had cost the businesspeople of the city tens of thousands of dollars.[7] With the phasing out of iron strap-rails beginning in the late 1840s and the adoption of steel in the 1860s, railroads became far safer as a method of transporting goods.[8] Because trains

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[5] Cronon, *Nature's Metropolis*, 57.

[6] Gould, *Fifty Years on the Mississippi*, 213.

[7] For an example, see *Daily Missouri Republican*, July 3, 1854.

[8] Strap-rails were ineffective iron rails that could not support the weight of or speeds at which trains moved in the 1840s, resulting in "snake-heads," which were rails that bent upward that could shear the bottom of wooden train cars, resulting in damage and derailing. At higher speeds, strap rails shearing through the bottoms of railcars could be fatal for passengers. See Roger H. Grant, *The Railroad: The Life Story of Technology* (Westport, Conn.: Greenwood Press, 2005), 28.

moved virtually unimpeded by natural hazards and technology advanced rapidly, railroads could move freight at twenty miles per hour or greater by the 1850s, with speeds constantly improving to over forty miles per hour after the 1860s.[9]

Because railroad technology advanced rapidly throughout the middle of the nineteenth century and quickly became an important mainstay in the economy, having infrastructure in place to support it was critically important to the economic development of cities and regions throughout the United States. Several historians such as Wyatt Winton Belcher, William Cronon, and Lewis F. Thomas point to Chicago's more rapid development of a railroad network as a defining factor in the city's outpacing of St. Louis. Belcher and Lewis both adopt the idea that St. Louisans were more conservative than Chicagoans as an explanation for slower railroad development. Belcher blames St. Louis's conservative French leadership for stunting the city's growth.[10] Thomas attributes the relatively slow development of railroads to St. Louis's superior geographic position not necessitating railroad development.[11]

Thomas's assertions, however, fail to properly assess Missouri's geography and the impact of the canal system. Although Thomas is correct that St. Louis's natural geography without human interference was superior to Chicago's, after the Erie Canal and Illinois and Michigan Canal opened, Chicago had access to a large hinterland based on river trade. Because railroads circumvented problems with freezing and poor weather,

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[9] Roger H. Grant, *The Railroad: The Life Story of Technology* (Westport, Conn : Greenwood Press, 2005), 28.

[10] See Belcher, *Economic Rivalry*, 14-15.

[11] Lewis F. Thomas, "Decline of St. Louis as Midwest Metropolis," *Economic Geography* 25, no. 2 (April, 1949), 119.

stating that St. Louis's businessmen did not experience the same need for the benefits of a railroad system is also flawed. The Missouri River, St. Louis's main connection to the West, was unnavigable from fall through early spring. [12] From August to November was the Missouri River's depth dropped to around three and half feet, and the river was frozen from December through mid-March. Similar to Chicago, the flow of goods on the main northern and western water routes connected to St. Louis halted throughout the fall and winter months. The lack of navigation on the Missouri in the fall limited the ability of Kansas City and other western settlements in Missouri to ship crops harvested in the fall, such as corn.[13] The lack of interest in developing St. Louis's railroad system in relation to Chicago does not provide a perfect understanding of why Chicago's railroad network developed more quickly. St. Louis's water system suffered many of the same issues with its lack of navigability during fall and winter that Chicago's did, causing a halt to trade during a significant portion of the year.

Belcher's assertions that St. Louis was overinvested in river trade and its leadership essentially put all of their capital in profiting from steamboats do not provide a much more complete picture than Thomas's geographic explanation. If heavy investment into river projects constitutes an inability to invest in railroad development, then Chicago certainly could not have afforded railroad investment. After all, efforts to build the canal in the 1830s and 1840s were so costly that they nearly bankrupted Illinois, and Chicago's investors constantly paid for improvements to the harbor. By 1840, dredging and the

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[12] William H. Miller, *The History of Kansas City: Together with a Sketch of the Commercial Resources of the Country with Which It Is Surrounded* (Kansas City, MO: Birdsall & Miller, 1881), 151-152.

[13] Miller, *The History of Kansas City*, 152.

north pier alone had cost Chicagoans and the government nearly a quarter million dollars.[14]

Although its railroad system developed more slowly than Chicago's, interest in building St. Louis's railroad network started as early the mid-1830s in Missouri. In the 1836, businesspeople from Boston wanting to counter the benefits New York gained from the Erie Canal sent a representative to St. Louis to discuss building internal improvements. These interests roused enough support in Missouri that the General Assembly chartered numerous railroad lines including the Iron Mountain, the Central Missouri railways, and sixteen other railroads.[15] All of these rail lines were intended to connect St. Louis or the Missouri and Mississippi Rivers to outlying agriculture and mineral resources within the state. [16] In 1847, the Missouri Assembly incorporated the Hannibal and St. Joseph Railroad Company to build a railroad across the northern part of the state to form an important non-river link between the eastern and western portions of Missouri.[17] By the late 1840s, Missouri's interest in railroads developed into a serious discussion of a national railroad system extending to the Pacific Ocean. The problem with St. Louis's railroad system was not a problem of interest; it was a problem of translating ambitious railroad plans into practice.

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[14] Cronon, *Nature's Metropolis*, 56.

[15] The sixteen other roads were of a speculative nature and lacked the funding to even begin construction. Missourians wanted railroads, but they had little idea where to build them in the 1830s. For more discussion see: John W. Million, *State Aid to Railways in Missouri* (Chicago, IL: University of Chicago Press, 1896), 7; Primm, *Lion of the Valley*, 200.

[16]Primm, *Lion of the Valley*, 200.

[17] Missouri House of Representatives, *Compilation of the Laws in Reference to Such Railroads as Have Received Aid from the State* (Jefferson City, MO: W.G. Cheeney Public Printer, 1859), 69.

Realizing the benefits of a national railroad system, St. Louis helped put in motion Missouri's most ambitious project of the early railroad boom in 1849 with the incorporation of the Missouri Pacific Railroad. The planners designed the railroad to run from St. Louis to the western border of the state with the intention of continuing westward. As the name implies, Missourians, especially residents of St. Louis, aspired for this railroad line to extend to the Pacific Coast. Another indication of this desire was that the development of this railroad came amidst an expansion of interest following the acquisition of Oregon and the gold rush in California. Like many of the Americans who flocked to these regions in the 1840s and 1850s, Missourians saw promise in the development of the West and anticipated its future benefits.[18]

The Missouri Pacific Railroad represented the penultimate fulfillment of St. Louis's economic destiny. The extension of the project to the Pacific Ocean would create a manmade version of the fabled Northwest Passage, giving St. Louis access to the benefits of trade with the Far East. St. Louisans fully realized the importance of railroads, but a variety of other factors including pre-Civil War sectional issues, railroad destruction during the war, and a relative lack of Northeastern investment prevented the creation of a network as vast as what Chicago had developed by the 1860s.

The construction of Chicago's railroad system began around the same time as St. Louis's, in the late 1840s. Although the railroad had been planned a decade earlier, the Galena and Chicago Union began development in 1848 and was Chicago's first railroad. Procuring funding for the railroad from anywhere was difficult at first because potential

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[18]Primm, *Lion of the Valley*, 201.

investors were unsure of its profitability given the unproven nature of railroads and their significant construction costs.[19]

Funding within the city was also difficult to obtain because many of the city's business leaders were concerned about increasing the efficiency at which farmers could ship their crop to market. When hauling their crops to market with an ox drawn cart, farmers often stayed in town for several days, purchasing supplies from local producers. Local businessmen feared that allowing them to ship their goods on the railroad to market could damage this relationship and also hurt the business of local hotels and saloons. Because local capitalists were unwilling to invest, William Ogden, who had bought the rights to build the railroad, found the money to begin construction by soliciting stock to people who lived in the areas that the railroad would reach. Upon completion, Chicago's railroad made money from the first day of operation onward. The success of Ogden's railroad ultimately ended up attracting further eastern investment in a more expansive railroad system.[20]

The impact of the railroad was so immediate in Chicago that by 1850 the *Chicago Tribune* recognized it as one of Chicago's three major sources of trade along with Lake Michigan and the canal. According to the figures in an annual report, the value of the business done on the railroad increased from $23,763.73 in 1849 to $104,359.62 in 1850. The *Tribune* boasted, the "business of the road and branches has thus far exceeded the expectations of the most sanguine of its friends."[21] Within two short years, the results

[19] Miller, *City of the Century*, 93.

[20] Miller, *City of the Century*, 93-95.

[21] Chicago Tribune, *Annual Review of the Trade and Commerce of Chicago for the Year 1850*. Chicago, 1850.

produced by the railroad business that Ogden had helped spur in Chicago rivaled those of the canal that provided the initial interest for the city's founding.

As a result of the resounding success of Chicago's first railroad, numerous others were soon built as local boosters and eastern interests recognized the advantages of creating an expansive network of railroads. The creation of railroads occurred at such a rapid pace that by 1854 the total amount of new railroad track in the process of construction totaled approximately 7779 miles.[22] Chicago's railroad system expanded rapidly and in all directions. The residents of Chicago and its trading partners in the East saw the potential of the railroad system and wasted no time in working to create an extensive network.

Although St. Louis made attempts at creating railways as early as Chicago had, a number of major problems existed with them. Most of the rail lines in Missouri had major issues with financing and poor management. However, by 1859, the Hannibal and St. Joseph Railroad, which spanned the northern third of Missouri to the Mississippi River, had been completed. The railroad was expected to provide a link between the western part of the state and the Mississippi River. Because there was no bridge and that part of the river ran directly to St. Louis, St. Louisans expected that goods from the northwestern portion of Missouri would be transported downriver from Hannibal upon reaching the eastern half of the state by rail. This plan fell through, however, when a group of New England investors headed by John Murray Forbes gained control of the line soon after its completion and incorporated it into the Illinois railroad system by connecting it to the

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[22] Chicago Board of Trade, *Annual Statement of the Trade and Commerce of Chicago* (Chicago, 1854), 14.

Michigan Central and the Chicago, Burlington and Quincy.[23] As a result, the produce from the northwestern part of the state that was supposed to be added to St. Louis's volume of trade was redirected to Chicago. The incorporation of the Hannibal and St. Joseph Railroad into the Illinois railroad system had the disastrous effect of giving Chicago its first direct link to the Missouri River which further drew steamboat traffic originating from St. Joseph away from St. Louis. These negative effects were compounded further when the railroad gained bridges across the Missouri and Mississippi Rivers in the late 1860s.[24]

The Hannibal and St. Joseph Railroad represented one of the few instances of significant investment by eastern investors in Missouri's railroad system. Because too few St. Louis business leaders cared to invest in a railroad not directly connected to St. Louis, eastern investors gained control of the railroad and rerouted its flow of commerce to Chicago. The Hannibal and St. Joseph Railroad's "defection" to Chicago was one of the first major cuts Chicago made into St. Louis's traditional hinterland.

The rerouting of business to Chicago highlights three important issues with St. Louis and the railroad system in Missouri. To begin with, at least a subset of Eastern investors preferred to do business with Chicago rather than St. Louis and its trading partners. Secondly, the investors who rerouted the business to Chicago realized that incorporating the Hannibal and St. Joseph Railroad into Illinois' railroad system was more desirable than directly linking it to the river trade. And finally, Eastern creditors investing more heavily in the Hannibal and St. Joseph than St. Louis indicates that St.

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[23] Cronon, *Nature's Metropolis*, 300.

[24] Cronon, *Nature's Metropolis*, 300.

Louis's business leaders either lacked the foresight to see the advantages of shipping goods across the river rather than down it or were only interested in railroads directly connected to their city.

Both of the potential reasons for St. Louis's business leaders not investing heavily in the Hannibal and St. Joseph have their own implications. If St. Louis capitalists failed to invest based upon their lack of interest in railroads not connected to St. Louis, then they failed to understand the monopolistic competitive advantage that comes from having control of all the major transportation lines in the state. If they did not think the river could or would be bridged or circumvented with ferries, then they failed to see the value to the East of doing business with Chicago.

The Hannibal and St. Joseph Railroad's defection to Chicago highlights an important issue in St. Louis's railroad development: St. Louis was unattractive to eastern railroad investors in comparison to Chicago in the 1850s and 1860s. The city sorely lacked eastern railroad links before the completion of the Eads Bridge in the 1870s. Whereas investors in the Northeast were happy to help Chicago and Illinois build the most expansive railroad systems in the Midwest in the 1850s and 1860s, St. Louis and Missouri funded railroads internally. Chicago had already secured funds from a large portion of eastern capitalists with its proven railroad network by the mid-1850s, and the creation of competing lines in Missouri did not make sense for these investors. Resulting from a lack of eastern connections and investment, railroads in Missouri were underfunded, slow to develop, and poorly constructed.[25] In fact, of the several major railroads Missouri funded in the 1850s, the only successful project by the outbreak of the

[25] Belcher, *Economic Rivalry*, 80.

Civil War was the Hannibal and St. Joseph, which was firmly part Chicago's economic hinterland.[26]

One of the contributing factors to St. Louis's undesirability for investment was its location in a slave state. Until the Civil War, Missouri was at the center of several major sectional issues beginning with its application for statehood. In 1818, inhabitants of the Missouri Territory submitted a petition for statehood. However, maintaining the balance of free and slave states was problematic because there were no other territories prepared for statehood. In 1819, a group from New England attempted a petition for admitting Missouri as a free state, despite the fact that residents practiced slavery. When the bill for statehood reached Congress, James Tallmadge of New York attached an amendment forbidding slavery in Missouri. The application for statehood and the amendment sparked a fierce debate in Congress. The House of Representatives passed the amended proposal, but the Senate rejected it, and the bill failed to pass before Congress adjourned in 1819.[27]

In 1820, a bill for Maine to be accepted as a free state reached the Senate, and Senator Jessie B. Thomas of Illinois proposed merging the Missouri and Maine bills as a balancing measure. Rather than solving the issue, a debate on slavery inhibited passing the joint bill. Finally, Henry Clay managed to push the Missouri Compromise through Congress. It passed on the last day of the session, March 3, 1820.[28] The bill admitted Maine as a free state and Missouri as a slave state and barred the creation of slave states north of the thirty-sixth parallel.

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[26] Cronon, *Nature's Metropolis*, 300.

[27] Hodes, *Beyond the Frontier*, 392.

[28] Hodes, *Beyond the Frontier*, 392.

The Missouri Compromise placed St. Louis in a unique position within the sectional crisis in the United States preceding the Civil War. Despite its situation in a slave state, the merchant nature of St. Louis's economy and an influx of antislavery German immigrants made slavery less prevalent in the city than in the rural agricultural majority of the state. [29] St. Louis's central location at the center of a vast network of river commerce was a boon to its economy, but the city itself was too far north to be pleasing to southerners, while its location in a slave state and being too far south displeased northerners. Missouri, and therefore St. Louis, suffered from an identity crisis throughout the mid-nineteenth century. The state had a large portion of non-slaveholders directly connected economically and socially to the slaveholders in the region. As evidenced by the debates and final wording of the Missouri Compromise, the North and the South had two competing ideas for what type of politics, economics, and society Missouri should have adopted. Because Missouri's admission as a free state failed, and the resulting compromise required an artificial barrier to slaveholding in order to pass, Missouri became a blemish on northern society. It was the only slave state north of the imaginary line across Missouri's southern boundary that divided the western territories. The practice of slaveholding gave Missouri an undeniably southern identity, which was unfortunate for St. Louis because most railroad investment before the Civil War came from the Northeast, not from the South.

Although slavery was not as pervasive in Missouri as it was in the Deep South, Missourians embraced the institution and passed laws that affirmed and strengthened the

[29] Kenneth H. Winn, ed. Eric Sandweiss,"Gods in Ruins," *St. Louis in the Century of Henry Shaw*, (Columbia, MO: University of Missouri Press, 2003), 36.

stance of slaveholders. By the 1830s and 1840s, Missouri had laws forbidding slave marriages, interracial sexual relations, and education for slaves. Missouri entertained a large market of slave owners from the South, which had a high demand for slaves to work in southern cotton, rice, sugar, and indigo fields. As home to southern slave dealing companies such as Blakely and McAfee and Bolton, Dickens and Company, St. Louis became Missouri's largest slave trading city.[30] Nevertheless, slavery in St. Louis was not extensively practiced in day-to-day business.[31]

St. Louis ultimately failed to free itself from its southern identity by the time discussion about the transcontinental railroad became serious. By the mid-1840s and 1850s, railroad building had expanded throughout the United States, and the idea of linking the western holdings of the nation to the East became a national issue. Even before the acquisition of the new western territories after the Mexican-American War, Asa Whitney, a New York merchant, had professed the wonders of a transcontinental railroad to Congress.[32] Enticed by a mining boom, California's gold rush, the potential for trade with China, and a desire to expand the country's growing transportation network, railroad boosters advocated the building of the largest railroad in United States history. Senator Stephen A. Douglas of Illinois championed the cause of the transcontinental railroad in Congress, advocating for a route running from Chicago to San Francisco. The idea of bridging east and west with a railroad system was a popular but

[30] Antonio F. Holland, ed. Eric Sandweiss,"African Americans in Henry Shaw's St. Louis," *St. Louis in the Century of Henry Shaw* (Columbia, MO: University of Missouri Press, 2003), 58-59.

[31] Kenneth H. Winn, ed. Eric Sandweiss,"Gods in Ruins," *St. Louis in the Century of Henry Shaw* (Columbia, MO: University of Missouri Press, 2003), 36.

[32] John F. Stover, *American Railroads,* 2nd Ed. (Chicago, IL: Chicago University Press, 1997), 49.

complex idea.[33] The transcontinental line was largest railroad proposed up to that point. Building it required federal involvement because the project had a large cost and required a right of way through several states and territories.

Because the railroad became a national issue, the complexity of the project stalled its planning. The proposal became ensnared in the overarching sectional crisis of the antebellum period, exacerbating problems further. Two major issues stalled the initial transcontinental railroad discussion in Congress in the 1850s. The first of these was whether the route should be built on a public or private basis. Advocates of public ownership feared that private ownership of such a railroad would lead to a dangerous monopoly if left unregulated, a fear that became reality when the transcontinental lines reached completion after the Civil War. After numerous bills died, Congressional opinion shifted toward providing government aid to private interests who were willing to build the railroad.[34]

A second issue involved in the initial debates over the transcontinental railroad was the choice of routes. Several routes were introduced in the discussions including a southern line and a variety of middle latitude and northern routes. Predictably, the choice of route led to a political split along sectional lines. Northerners favored routes that suited their interests and southerners wanted line that would connect the Southeast to the West. Senator Alfred Iverson of Georgia largely mirrored southern sentiments when he declared

[33] Maury Klein, *Union Pacific: Birth of a Railroad, 1862-1893* (Garden City, NY: Doubleday and Company, 1987), 10.

[34] Klein, *Union Pacific,* 11.

that he could not support governmental aid to the construction of a railroad that would primarily serve northern commercial interests with little benefit to the South.[35]

The choice of route for the transcontinental railroad had serious implications for the Midwestern gateway cities. Being the terminus or a central junction of a transcontinental route gave the city easier access to the growing West and new markets of international trade in the Far East. Three of the major cities considered for the role of eastern terminus to the transcontinental railroad were Chicago, St. Louis, and New Orleans. Chicago was a growing railroad hub by the 1850s and drew support from Stephen Douglas and other Northern politicians. Building in Chicago had the benefit of connecting the transcontinental line to the vast network of preexisting eastern railroads. Jefferson Davis and other southern politicians supported New Orleans. New Orleans was not only among the South's most important commercial centers, but it also had the benefits of being a shorter distance than Chicago from the proposed end points in the Southwest and already being a major importer and exporter of international goods. St. Louis had potential as a compromise candidate for the road.[36] The city was centrally located, tied by river to both of the other candidates, and already had plans to build a railroad to the Pacific Ocean. However, the political climate of the 1850s was increasingly rigid, and compromise became too difficult for St. Louis to succeed in becoming the terminus of the transcontinental line.

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[35] Klein, *Union Pacific*, 11.

[36] Klein, *Union Pacific*, 11; Eric H. Walther, *The Shattering of the Union: America in the 1850s* (Lanham, MD: SR Books, 2004), 35.

After Abraham Lincoln was elected president in the 1860 election, the sectional tensions between the North and the South finally came to a head and forced the nation apart. Several slave states in the South seceded from the United States and found themselves at odds with the states that remained in the Union. Despite its status a slave state, Missouri stayed in the Union. However, because Missouri was horribly divided on the issue of secession, factionalism within the state destabilized it throughout much of the war.

The sectional gridlock in Congress had previously blocked any attempts to pass a transcontinental railroad bill. However, having seceded from the Union, Southern politicians could no longer oppose the bill. Because there was no longer any reason to compromise with southern states, maneuvering in Congress ensured that the trunk line of the Union Pacific terminated in Chicago rather than in St. Louis.[37] This reality damaged St. Louis's railroad potential in comparison to Chicago's. The addition of a transcontinental line in St. Louis had the potential to draw investors looking to establish eastern railroad connections at St. Louis for access to the American West and international trade with the Far East. Northerners, especially after the South seceded and could not stop them, preferred to build have the terminus in an area with a strong preexisting rail network that already had eastern links. Chicago was that city. As such, it made both political and financial sense for northern politicians to support Chicago.

Losing the trunk line of the transcontinental railroad to Chicago was a blow to St. Louis's standing as the preeminent transportation hub of the Midwest. Just as the Mississippi was the most important link between the Upper Midwest and the South

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[37] Klein, *Union Pacific,* 13-14.

throughout the early-nineteenth century, the transcontinental railroad served a similar purpose for linking eastern markets to the West in the late-nineteenth century. Gaining the trunk of a transcontinental line added greatly to the commercial prestige of the already booming city of Chicago.

The Civil War had a variety of other effects on St. Louis beyond deciding the fate of the transcontinental line. Although the lack of stability in Missouri invariably caused problems with trade within the state, the most important effect the Civil War had on St. Louis was virtually barring its ability to trade down the Mississippi River. With Confederate forces controlling the Lower Mississippi, St. Louis was unable to trade with New Orleans. In addition to the Confederate control of the lower Mississippi making trade on river impossible, the Union imposed trade restrictions on St. Louis that further prevented its citizens from trading with the “rebellious states.” Citizens of St. Louis complained in their newspapers throughout the war that the imposition of the trade restrictions was unfair and harmful to their businesses.[38]

During the Civil War, both Union forces and Confederate forces controlled steamboat traffic on the Mississippi River. Although allowances for civilian trade increased as the war continued and the Union solidified its control over the Mississippi, there were frequent disruptions based upon the army’s need for boats to ship soldiers and supplies. The use of St. Louis steamboats by the Union provided the city a source of income, but it was a risky prospect. Many steamboat operators made enormous profits, but others disastrously lost their boats.[39] The employment of these boats mitigated some

[38] For example, see *Missouri Republican*, Oct. 8, 1863.

[39] David E. Cassens, ed., *St. Louis and the Mighty Mississippi in the Steamboat Age: The Collected Writings of Ruth Ferris* (St. Louis, MO: St. Louis Mercantile Library Association, 1993), 87.

of the effects of St. Louis's disruption of trade, but the opportunities were few and inconsistent. As such, St. Louis experienced a significant economic downturn as a result of the prolonged disruption of its trade with the South and its surrounding regions. During this time, many of St. Louis's traditional trading partners, such as Kansas City, found Chicago to be an easier and more effective trading partner.[40]

Throughout the Civil War, Chicago benefited from St. Louis's misfortune. The addition of new traffic on Chicago's rail lines during the war helped the city recover from the financial downturn of the late 1850s. During the war, additional track was laid that developed into prosperous rail lines. Conversely, in Missouri guerillas destroyed railroad track and imperiled trade along the Missouri River.[41] The destruction of the Civil War did not reach Chicago or its northeastern trading partners. As a result, Chicago closed the gap with St. Louis in the race to become a prosperous transportation hub and link to the West during the Civil War while St. Louis experienced a heavy decline due to factors beyond the control of its citizens.

The 1850s and 1860s were a major turning point in the rivalry between St. Louis and Chicago. As railroad development began to boom in the East and Midwest, inhibitors of trade began to break down, and advantageous positions on major river systems declined in significance. Although being located on a river increased a city's chances of getting a railroad system, river boating slowly became an outdated form of travel, and cities founded upon great waterways began to need them less. During this transitional period between river and railroad, St. Louis experienced a lack of outside investment in

[40] Belcher, *Economic Rivalry*, 140.

[41] Belcher, *Economic Rivalry*, 146.

railroads, interstate trade disruptions as a result of the Civil War, and the loss of trade relations with key portions of Missouri to Chicago. These negative aspects of St. Louis's economic situation affected Chicago to a much lesser extent. Chicago benefitted from St. Louis's misfortune as the Hannibal and St. Joseph Railroad, and the American Civil War allowed it to gain a foothold in Missouri and throughout the Upper Mississippi Valley. Whereas Chicago lacked western reach in the 1840s, railroad development in the 1850s and 1860s put Chicago in direct competition with St. Louis.

Chapter 3:

Recovery and Resolution: St. Louis and Chicago's Rivalry after the Civil War, 1870s – 1910

The Civil War put on a temporary hold St. Louis's rivalry with Chicago. St. Louis's traditional trade routes were inaccessible, unsafe, and impractical during the war, and the city was largely unable to compete with its northern rival for several years. However, the end of the war also brought the end of the restrictions that prevented St. Louis from tapping into the trade of the surrounding area. By the late 1860s, St. Louis had renewed its rivalry with Chicago, and the two cities resumed their competition over western trade. By the time St. Louis made an attempt to retake its former glory as the premier transportation hub of the Midwest, Chicago had already expanded its economic reach throughout the Northwest and gained a strong foothold in St. Louis's former hinterland. Both cities grew in size and finances throughout the second half of the nineteenth century, but Chicago irreversibly surpassed St. Louis in importance following the Civil War.

In 1866, the St. Louis Chamber of Commerce, reflecting on the loss of trade during the Civil War, noted that St. Louis's recovery was already underway and trade with the Southwest had already began to reemerge.[1] St. Louisans looked at the postwar period with hope and expectations of greatness for their city. They not only believed that the return of river trade would regain the city its former greatness, but that the completion of various railroad projects would make the city a center of national importance.

[1] St. Louis Merchants' Exchange, *Annual Statement of the Trade and Commerce of St. Louis* (St. Louis, MO: R.P. Studley and Co.,1866), 5.

The St. Louis Chamber of Commerce's report five years later, in 1871, largely reaffirmed that St. Louis was on the path to greatness laid out in the 1866 report. The city's business leaders claimed superiority over the Mississippi Valley and a commanding position over the trade of the South. The opening address of the report noted the loss of river trade north of the city to east-west railroad lines and the outside criticisms of St. Louis's business leaders and Missouri's slow construction of railroads. However, the address also pointed out the significant strides St. Louis had made in developing a railroad system, stating that St. Louis could "now claim to be a railroad center." The report cites the completion of the Missouri Pacific, the Iron Mountain, and the North Missouri railroads shortly following the war as evidence of the rapid development of the city's railroad system.[2]

The report points out that the damage to Missouri's railroad system caused during the Civil War began before the official end of the conflict. Damages to the Missouri Pacific between Franklin and Kansas City alone were estimated to have exceeded a million dollars, but work on the line continued under military protection. The Missouri Pacific Railroad finally opened in Kansas City in 1865, and St. Louis looked proudly upon the completion of the project, realizing that completion of the road gave the city access to the lines extending south and southwest from Kansas City. [3] Within a few years of the end of the Civil War, St. Louis had repaired much of the railroad damage caused

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[2] St. Louis Merchants' Exchange, *Annual Statement of the Trade and Commerce of St. Louis,* (St. Louis, MO: R.P. Studley and Co.,1871), 10-11.

[3] St. Louis Merchants' Exchange, *Annual Statement of the Trade and Commerce of St. Louis*, (St. Louis, MO: R.P. Studley and Co.,1871), 12.

by military and guerilla actions and that some of their most ambitious railroad projects had reached completion.

Boosterism of this sort permeated St. Louis's literature following the Civil War. Although sectional tensions and the Civil War had not been kind to St. Louis's business prospects, St. Louis boosters entered the Gilded Age with high hopes and a positive vision of the future. In 1870, Logan Uriah Reavis, a prominent St. Louis booster, argued that St. Louis was the next great city of the world. Reavis pointed out that St. Louis's river system was one of its greatest boons, but St. Louis's railroad system also gave it potential as a commercial giant. He boasted that St. Louis was the terminus of twenty-four distinct trunk lines already built or under construction. He believed that St. Louis's position at the center of a great system of navigable rivers and railways promised it a future as the most important city in the United States and possibly the world.[4] In the years following the Civil War, St. Louis experienced the return of more regular trade relations and further economic expansion. With the completion of several railroad projects and the reopening of the river trade after the Civil War, Reavis reflected the sentiment that St. Louis's location made its ascension inevitable and the city had the resiliency to survive major and prolonged downturns and interruptions in trade relations.

In addition to their discussion of railroad improvements, both Reavis and the Chamber of Commerce 1871 report reveal that St. Louis citizens still clung to their river system. Reavis insisted that "no stream has ever served so valuable purposes to commerce and civilization" as the Mississippi River.[5] He attributed more than ten

[4] L.U. Reavis, *St. Louis: The Future Great City of the World* (St. Louis: Order of the St. Louis County Court, 1870), 38-40.

[5] Reavis, *The Future Great* City, 38.

thousand miles of navigable river to the Mississippi River system, three-fourths of which directly served St. Louis's interests. The river and its tributaries, Reavis asserted, would be converted into canals that would connect St. Louis to a rich hinterland.[6] Both the St. Louis Chamber of Commerce and Reavis believed that the river system was and would continue to be integral to St. Louis's commercial interests.

The completion of various railroad lines and the loss of northern hinterland to Chicago revealed that the St. Louis transportation system needed further improvements. Despite the success of railroads at diverting business away from St. Louis, the perceived importance of the river system pushed the city's business leaders to take a further interest river improvements. Throughout the 1870s and 1880s, St. Louis held multiple river improvement conventions and sent delegates to similar conventions being held in throughout the Mississippi Valley at places like New Orleans, Davenport, and Vicksburg.[7] The purpose of these conventions was to discuss river improvements and create platform from which businessmen could lobby for the government to implement them.

The citizens of St. Louis believed that attending and hosting river improvement conventions and lobbying for regional improvements could help increase the volume of river trade the city already had as well as restoring lost river trade. River lobbyists noted the great advances of railroads in extending trade and civilization westward, but also argued that the river was still the lifeblood of trade. The railroad, river interests argued,

[6] Reavis, *The Future Great* City, 38.

[7] Mississippi River Improvement Convention, *Official report of the proceedings of the Mississippi River Improvement Convention held in Saint Louis, Missouri, on October 26th, 27th and 28th, 1881* (St. Louis: Great Western Printing Company, 1881), 17.

was not able to furnish the cheap transportation that western agriculture desired. They noted that improvements to the Mississippi would cost the government far less than the amount of funds and land the government appropriated for railroad construction throughout the middle of the century.[8]

St. Louis businessmen hoped that the North Missouri Railroad and river improvements in Iowa would bring significant business to St. Louis. The St. Louis Merchant's Exchange believed that bringing a competing rail line to Iowa would siphon Iowa's business away from Chicago because its farmers had preexisting business relations with St. Louis and were "loud in their complaints against railroad monopolies."[9] Although these efforts gave St. Louis some standing in the Iowa, St. Louis's presence in the region failed to produce the expected results, as Chicago became firmly established in the region during the Civil War and after expanding its railroad system westward. Despite any inroads St. Louis made, Chicago retained a strong hold on trade in northern Missouri, Iowa, and to the north and west.[10]

Although St. Louis continued to look to the river and western railroad connections as the catalyst to expand its commerce, the most significant development in its transportation rivalry came in the form of the Eads Bridge over the Mississippi. Bridging the river before 1870s proved to be an unpopular task with St. Louis's business leaders. In 1856, the Chicago and Rock Island Railroad bridged the Mississippi. As the first railroad with a bridge across the St. Louis's most prized river, the bridge became a matter

[8] Mississippi River Improvement Convention, *Official Report*, 16.

[9] St. Louis Merchants' Exchange, *Annual Statement of the Trade and Commerce of St. Louis* (St. Louis, MO: R.P. Studley and Co.,1866), 9.

[10] Cronon, *Nature's Metropolis*, 302.

of contention among the city elite. When a steamboat crashed into the bridge shortly after opening, some St. Louis businessmen concluded that bridges across the Mississippi were bad for business. The boat's owners sued the bridge company for damages, but lost the case because the court did not declare that the bridge was hazardous to navigation. The bridge company's victory appalled St. Louis business leaders and caused them to speak out against further bridges over the Mississippi.[11] In 1860, the Chamber of Commerce declared that the addition of several bridges across the Mississippi "would render navigation extremely hazardous, if not impracticable; and the commercial position of St. Louis, which is now the pride and boast of her citizens, would be counted among the things that were."[12] Having evidence of the evils of bridging the Mississippi, many St. Louis businessmen sat content with the lack of bridges over the river.

The conservative attitude many St. Louis citizens harbored toward bridges across the Mississippi in the 1850s hamstrung their economy because it ensured that the Wiggins Ferry Company maintained a virtual monopoly over transporting goods across the river. Before the completion of the bridge, St. Louis merchants complained that the ferry bottlenecked shipping from East St. Louis. In addition to their dissatisfaction with the amount of time it took to get their goods across the river, they lamented that shipping goods fifteen hundred feet across the river cost half as much as shipping the same goods twelve hundred miles north from New Orleans.[13]

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[11] Cronon, *Nature's Metropolis*, 299; Quinta Scott and Howard S. Miller, *The Eads Bridge* (Columbia, MO: University of Missouri Press, 1979), 77.

[12] St. Louis Chamber of Commerce, *Fifth Annual Report* (1860), quoted in William Cronon, *Nature's Metropolis: Chicago and the Great West* (New York: W.W. Norton & Company, 1991), 299.

[13] Scott and Miller, *The Eads Bridge*, 77.

By the end Civil War, St. Louis businessmen moved to free themselves from dependence on the ferry by building a bridge across the Mississippi. Arguments for building a bridge had existed since 1839, but they failed to gain any ground because the building costs were too high. In 1855, several St. Louis business leaders incorporated a bridge company as the Ohio and Mississippi Railroad reached East St. Louis.[14] The project died, however, because of a lack of eastern investment. In 1864, interest in the bridge renewed, and prominent businessmen incorporated the St. Louis and Illinois Bridge Company. The new bridge company's charter dictated that it build a bridge across the Mississippi that did not interfere with river traffic. Later amendments stipulated that the bridge be built high enough to give steamboats clearance at regular water stages and that it be built to accommodate both rail and regular road traffic.[15]

In 1866, the St. Louis and Illinois Bridge Company acquired the rights in Illinois to build the bridge to East St. Louis. The charter required that all railroads terminating in East St. Louis be given bridge access. Also in 1866, Missouri Senator B. Gratz Brown introduced a bill in Congress for bridge authorization at various locations.[16] Although the bill did not specify the exact location or task a particular bridge company with creating the bridge, it laid out restrictive specifications on whatever bridge was to be built between St. Louis and Illinois. The law prevented the construction of a suspension bridge

[14] Among them were John O'Fallon, J.H. Lucas, John How, Andrew Christy, and J.R. Bissell; see Primm, *Lion of the Valley*, 279.

[15] Primm, *Lion of the Valley*, 279.

[16] These locations include locations on the Mississippi River both inside and outside of Missouri such as Winona, Minnesota; Dubuque, Iowa; Quincy, Illinois; Hannibal, Missouri; and St. Louis, Missouri. Additionally, a clause in the bill authorized construction of a bridge across the Missouri River at Kansas City, Missouri. See Robert W. Jackson, *Rails across the Mississippi: A History of the St. Louis Bridge* (Urbana, IL: University of Illinois Press, 2001), 18.

or a drawbridge and required that the bridge be at least fifty feet above the plane of the city and that it be made of at least one span of 500 feet or two spans of at least 350 feet.[17]

The spanning and height requirements ensured that the bridges presented the least amount of threat to river navigation possible. The exclusion of drawbridges came as a result of steamboat operators having experienced numerous difficulties passing through them, and the ban on suspension bridges was a result of them being unable to handle strenuous railroad traffic. Senator Brown pointed out in an interview with the *St. Louis Republican* after the completion of the bridge that opposition from river interests was so strong that these restrictions were necessary for the passage of the authorization bill.[18] Prior to the passage of the bill, no railroad bridge had been built in the United States with the spanning requirements laid out in Congress.[19] Brown stated that opponents of the bridge believed that the specifications required architectural "genius" that "did not exist in the country," and that requiring such an impractical design would effectively block construction of any bridge across the Mississippi. [20] St. Louis had once again found its railroad development hamstrung by a national debate; this time, rather than North versus South, it was river interests against railroad advocates.

Although the bill passed Congress in July of 1866, the controversy and competition over the bridge did not end there. In addition to the numerous architectural and political issues associated with the bridge, the law authorizing the bridge did not specify the party responsible for building it. As a result, a competition between rival

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[17]. Jackson, *Rails across the Mississippi*, 18; Primm, *Lion of the Valley*, 280.

[18] *St. Louis Republican*, July 5, 1874.

[19] Jackson, *Rails across the Mississippi*, 18.

[20] *St. Louis Republican*, July 5, 1874.

bridge companies, one from St. Louis and one representing Chicago, arose over rights to build and monetize traffic on the bridge.[21]

Time and money were not on St. Louis's side, as securing the funds necessary to construct a bridge proved to be difficult. There was not enough capital locally, and New York investors could not make up the difference. As a result, the St. Louis bridge company looked overseas, specifically to London, for capital. However, potential British investors refused to back the bridge's construction unless the bridge company secured amendments to the Illinois charter to make it more lucrative. These amendments included the removal of restrictions on where the bridge could be built, a twenty-five-year monopoly on bridging the river at St. Louis, and the completion of the bridge in no more than five years.[22] Negotiating these amendments proved problematic, and the St. Louis and Illinois Bridge company was unable to secure the appropriate funding to contract the construction of the bridge.

When the St. Louis and Illinois Bridge Company struggled to secure funding and the necessary amendments, Lucius Boomer, a bridge builder from Chicago, approached Missouri Senator Norman Cutter to negotiate an arrangement. Cutter promised Boomer the construction contract for the bridge in exchange for negotiating the amendments to the Illinois charter necessary to secure European funding.[23] In January of 1867, Boomer convinced Chicago politicians to introduce legislation to repeal the St. Louis and Illinois

[21] Scott and Miller, *The Eads Bridge*, 79.

[22] Jackson, *Rails across the Mississippi*, 19.

[23] Jackson, *Rails across the Mississippi*, 19.

Bridge Company's rights to build the bridge and give them to a newly incorporated Illinois and St. Louis Bridge Company, headed by Boomer and his Chicago interests.

After finding out about Boomer's maneuvering, many St. Louisans spoke out against the Illinois bridge company. James B. Eads, who later became the St. Louis bridge company's chief engineer, spoke at an emergency meeting of the St. Louis Merchants' Exchange in opposition to Boomer's actions. Many St. Louis citizens feared that letting the bridge fall into the control of Chicago would draw significant amounts of toll revenue and traffic control away from St. Louis. Rumors circulated throughout the St. Louis elite that Boomer had cut a deal with the Wiggins Ferry Company to block construction of the bridge by sitting on the rights for the next twenty-five years without building anything.[24]

At the meeting, Edgar Ames, a prominent St. Louis meatpacker, banker, and insurance executive, decided that sending a delegation to Springfield, Illinois under William A. Pile was the best course of action. Pile managed to convince legislators from southern Illinois that their interests were more closely aligned with St. Louis than with Chicago, and the efforts of the delegation were enough to defeat the repeal of the St. Louis bridge company's charter. Although St. Louis's bridge company managed to stay afloat, Boomer gained the rights to build the bridge and the twenty-five year monopoly.

[24] The truth of these rumors and Boomer's actual intentions remain unclear. The *Democrat* argued that the Wiggins Ferry stood to profit from losing its monopoly because it was predicted that the land it owned on either side of the river would drastically increase in value after the bridge was built. Additionally, the president of the company denied having anything to do with Boomer's company. Thus, it is likely that the company did not take the measures St. Louisans accused it of taking. Despite what the *Democrat* argued, if Boomer actually wanted to build the bridge, then the Wiggins Ferry had no real reason to support it over the St. Louis company. Most likely, the ferry company had little involvement with the politics of the bridge aside from attempting to block the authorization to build it. See Primm, *Lion of the Valley*, 281; Scott and Miller, *The Eads Bridge*, 279.

However, he still had to begin construction on the bridge within two years, and the bridge company had to allow access by all railroad lines terminating in both St. Louis and East St. Louis.[25]

Following the passage of the measures in Illinois, Boomer incorporated a bridge company in Missouri and consolidated it with his Illinois bridge company. Two companies then, the St. Louis and Illinois Company and the Illinois and St. Louis Company, existed for the exact same purpose and held charters in both states, but with different backers. To complicate matters, both companies disclosed opposing plans to build the bridge following the amendment of the Illinois charter. Boomer's plan included a popular lattice-girder truss design with six wrought-iron spans supported by shore abutments and river piers. Eads advocated an arch span design made up of steel tubes with two side spans of 497 feet and a center span of 515 feet. Eads's arch design allowed for the creation of larger and stronger spans relative to Boomer's more mainstream truss design, which allowed for Eads's concept to be built with fewer spans. Eads also had the advantage of choosing a site with a shorter distance across the river, while Boomer had the advantage of a more familiar design.[26]

Each side claimed that their bridge plan was superior, and the two companies became locked in a public relations battle. Steamboat interests supported Eads's bridge plans, citing their preference for the longer spans with only two piers placed in the

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[25] Primm, *Lion of the Valley*, 280-281.

[26] Many of the engineers Boomer had review the validity of Eads's design immediately dismissed the idea of an arch-span bridge. However, the group of engineers was made up largely of truss-bridge experts. See Primm, *Lion of the Valley*, 284; Scott and Miller, *The Eads Bridge*, 80.

channel.[27] Rumors of Boomer's intentions to build the bridge for the benefit of Chicago and the possibility that the Wiggins Ferry Company held some influence over him destroyed his reputation in St. Louis.[28] By the beginning of 1868, it became clear that Eads's plans were more popular in St. Louis and the Missouri-based company had won in the court of public opinion.

Construction began on both companies' bridges in 1867. Eads's bridge rested on particularly shaky legal grounds because the Illinois legislature gave the rights to Boomer's company in 1866. Both organizations still lacked the capital necessary to complete their projects because eastern and European investors awaited a resolution to the conflict, but the leaders of each company believed that beginning construction would give their company credibility and an image of legitimacy. Although Boomer joked that Eads's company would end up with a bridge that only reached halfway across the Mississippi, he took the threat of Eads beginning construction seriously.[29]

In November of 1867, Boomer resigned his position as president of the Illinois and St. Louis Bridge Company in an effort to end the standoff between the two companies, as both needed outside capital to finish their bridges. J.R. Stanford and Daniel Gillespie took the vacant spots on the board of directors and moved to make a bridge at Alton, but they never received the support they needed to do so. St. Louis businessmen Daniel R. Garrison, Charles P. Chouteau, and James Harrison also ended up on the

[27] C. M. Woodward, *A History of the St. Louis Bridge* (St. Louis, MO: G.I. Jones and Company, 1881), 22.

[28] Jackson, *Rails across the Mississippi*, 54.

[29] Primm, *Lion of the Valley*, 280; Jackson, *Rails across the Mississippi*, 50.

company's board of directors following a reorganization of the company's management to improve its relationship with St. Louis.[30]

The entire conflict came to a head when in 1868 the St. Louis Board of Trade appointed a ten-member committee for the purpose of lobbying in Congress to pass legislation granting Eads's company the rights to build its bridge. The Illinois and St. Louis Bridge Company responded by filing a writ of *quo warranto* against Eads's company, requiring that representatives from the company appear in St. Clair County Court in Illinois to defend their charter. Once the issue made it to court, Eads worried about his prospects of winning the case in Illinois, and both sides realized that the other had the ability to draw out the proceedings for an extended period of time, during which investors would continue to hold onto their money and neither bridge would be built. The inclusion of St. Louis businessmen on the Boomer company's board of directors made possible a meeting between the companies to compromise.[31]

The two companies merged under the Illinois and St. Louis Bridge Company name and creating a new board of directors consisting of five members from each company. The new board was responsible for deciding which plan, Boomer's or Eads's, would be built. Eads maneuvered to become the company's chief engineer, and his plan was adopted over Boomer's. The merger agreement allowed shareholders to sell their stock to the company if they disagreed with the final decision, and Boomer and most of his Chicago backers sold out of the company.[32]

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30 Woodward, *A History of the St. Louis Bridge*, 23; Jackson, *Rails across the Mississippi*, 54.

31 Woodward, *A History of the St. Louis Bridge*, 28; Jackson, *Rails across the Mississippi*, 54.

32 Woodward, *A History of the St. Louis Bridge*, 28; Jackson, *Rails across the Mississippi*, 54.

With most of the Chicago interests out of the game, and the merged company holding all of the necessary rights to build, Eads secured funding for the bridge. The company sold four million dollars in mortgage bonds and three million dollars in capital stock. Three-fifths of the stock sold in New York and the rest sold locally. With the necessary funds procured, construction of the bridge was completed in 1874. The Eads Bridge was not only a feat of unprecedented engineering for the time, it was St. Louis's first direct railroad link eastward across the river.[33] The trials St. Louis business leaders and politicians went through to complete the bridge represented a victory over nature and over Chicago. St. Louis citizens believed that the bridge promised them a continued place at the center of commerce in the Midwest.

The completion of the bridge, however, did not furnish all of the predicted results. It failed to destroy the Wiggins Ferry, as many of its proponents had anticipated. It did, however, lead to a drastic reduction in its shipping rates as the ferry and bridge companies competed against one another. The bridge opened during the aftermath of the Panic of 1873, and railroads all over the West defaulted on their bonds as the European demand for agricultural products crashed following the Franco-Prussian War. The bridge failed to make enough money to pay off its bond interest, and it fell into hands of J.P. Morgan, who later leased the bridge to the Missouri Pacific and Wabash Railroads owned by Jay Gould. The Eads Bridge no longer belonged to St. Louis; it belonged to New York interests.[34]

[33] Primm, *Lion of the Valley*, 285-288.

[34] Scott and Miller, *The Eads Bridge*, 133; Primm, *Lion of the Valley*, 292.

Although St. Louis had won a temporary victory over Chicago concerning control of the bridge across the Mississippi, St. Louis's size and importance relative to Chicago declined throughout the 1870s. The 1870 census revealed that Chicago had a population of 298,977, and St. Louis had a population of 310,864.[35] Chicago politicians claimed that the statistics were an unreliable fraud. A decade later, people continued to question the results, and some estimates existed that St. Louis's census returns deviated from the actual population of the city by as much as ninety seven thousand.[36] Many in St. Louis, including Reavis, used the faulty census returns to claim continued superiority in the Midwest, but the fact remained that St. Louis, faulty census returns or not, grew far more slowly than Chicago throughout the 1860s and 1870s.[37]

Although Chicago grew more quickly than St. Louis, the city did not go without setbacks and tests to its resiliency. On October 8 of 1871, the Great Fire broke out in Chicago. Urban legends circulated about the cause of the fire, the most prominent of which revolved around Catherine O'Leary unwittingly leaving a kerosene lantern in her barn where a cow kicked it over, starting the blaze. O'Leary managed to clear herself of responsibility in front of the Chicago Board of Fire Commissioners, and the official report attributed the start of the blaze to an unidentified spark. As most of its buildings were wooden structures and a drought had plagued the region, Chicago was particularly vulnerable to fire. A twenty-mile-per-hour southwest wind aided the fire in spreading

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[35] *Ninth Census of the United States*, 1872, I, 110 and 194.

[36] Primm, *Lion of the Valley*, 272; Belcher, *Economic Rivalry*, 177.

[37] Reavis, *The Future Great* City, 43.

rapidly throughout the city, and within a matter of hours, the flames had engulfed a large portion of the city's residential and business district.[38]

Damage totaled $190 million to an area more than 2100 acres in size. The blaze destroyed more than 17,400 buildings, and nearly 100,000 Chicago residents' homes were leveled. The fire consumed factories, stores, the Post Office, the Court House, banks, hotels, and the Customs House. By the end, almost 75,000 people, a quarter of the city's population, had no shelter. Upon reporting the massive damage of the fire, Chicago residents claimed that the fire could be compared to the London Fire of 1666 or the burning of Moscow in 1812, but total area destroyed was twice the size of either of these other fires.[39]

Aid came in from all over the United States and from several foreign countries. The brunt of restoring the city fell on Chicago citizens themselves, but the city underwent a fairly rapid recovery and managed to rebuild itself stronger than before. Although the many young businessmen were ruined, and poor workers experienced a harsh period when many were left homeless, Chicago displayed its resiliency in the 1870s.[40]

Reasons for Chicago's relatively quick recovery stem from a factors beyond outside investment in the city. Although the fire destroyed the central business district, the stockyards, packing plants on the South Side, a majority of the city's grain elevators, the lumberyards, and the significant railroad lines leading out of the city were mostly unscathed. As a result, Chicago's trade with the West did not decline; it actually grew

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[38] Karen Sawislak, *Smoldering City: Chicagoans and the Great Fire, 1871-1874* (Chicago, IL: University of Chicago Press, 1995), 29 and 43.

[39]Miller, *City of the Century*, 159-160, Sawislak, *Smoldering City*, 29.

[40] Miller, *City of the Century*, 167-169.

significantly throughout the 1870s. [41] Railroad companies continued to build throughout the Midwest to the benefit of Chicago. In 1872, Chicago's Union Stockyards handled twice as many hogs as it had in 1870 despite the destruction by the blaze. Chicago's businessmen had high spirits, were quick to recover, and began looking to reestablish their businesses. Marshall Field, for example, located a temporary site for his retail establishment within a few days of his business burning to the ground, and William Bross, a publisher of the *Chicago Tribune*, visited New York before rebuilding even began to secure new equipment for the newspaper. Bross proclaimed to interviewers in New York that Chicago was the perfect investment opportunity because it would be rebuilt in five years and continue its rapid growth.[42]

The fact that motivated businessmen like Field resided in Chicago was one of the results of Chicago's expansion as a transportation hub and center of manufacturing. One of the earliest, and perhaps most famous, examples of ambitious businessmen locating themselves in Chicago was Cyrus McCormick. Throughout the middle of the century, McCormick dominated the western market for farm technology with his mechanical reaper. McCormick's reaper greatly increased the efficiency of western farmers, and he chose Chicago as his base of operations. When McCormick started his business in the 1840s, he had to conduct most of his trade by river since his reaper was a bulky device that could not be easily shipped overland. After 1854, however, Chicago's railroad system expanded rapidly, and McCormick's business became increasingly profitable. The broad adoption of McCormick's reaper in the late 1850s and beyond not only proved that

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[41] Miller, *City of the Century*, 169 and 177.

[42] Miller, *City of the Century*, 169 and 177.

the West was in the market for cutting-edge manufactured farm technology, but that Chicago worked well as an industrial center with its large number of railroad connections. Chicago also became the center of other nineteenth century innovations. In 1872, Montgomery Ward started the first mail order company in the Chicago. Chicago proved to be the logical center for Ward's operation because its broad railroad system facilitated the shipment of wholesale items and urban manufactured goods to the countryside.[43]

St. Louis also developed manufacturing industries during the later parts of the nineteenth century. In the 1870s, the Anheuser-Busch company made use of refrigerated railroad cars and advertising to capture southern markets and turn Budweiser into a household name. By the turn of the twentieth century, St. Louis had developed other manufacturing industries as well. It ranked fifth nationally in the manufacturing of dresses, furniture, shoes, and lumber products as well as in the publishing of books.[44] Although St. Louis did not become the preeminent transportation hub of the Midwest, it still developed successful industry in the nineteenth century.

By the 1880s, the Great Fire was an afterthought, and Chicago continued its meteoric rise to the top. St. Louis faced serious competition from its northern rival and could no longer deny that Chicago was the largest and most influential metropolis in the Midwest. Chicago competed with St. Louis in the northern part of Missouri, in southern Illinois, Nebraska, Kansas, and Iowa, and in New Mexico. Everything north of those regions was considered to be exclusively in the control of Chicago. Additionally

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[43] Cronon, *Nature's Metropolis*, 313.

[44] Primm, *Lion of the Valley*, 329-331.

Mississippi River traffic, which was once the lifeblood of St. Louis, fell by more than thirty percent from 1871 to 1882.[45] Trade on the Mississippi fell not only as a result of steamboats becoming increasingly obsolete by the 1880s, but because the Illinois Central Railroad ran from New Orleans to Chicago about sixty miles east of the river. The existence of a more efficient year-round service cut directly into the profitably of the river and helped destroy the importance of the virtual monopoly St. Louis had over river trade in the Mississippi Valley.[46] The importance of a great meeting place between rail and water had diminished throughout the 1870s in favor of a location that could serve a wide variety of rail interests from all corners of the United States. Chicago was that location.

Although St. Louis made an effort to reorient its economy and increase its railroad connections throughout the late nineteenth century, it could not keep pace with Chicago's growth. By 1880, Chicago's population according to the census had reached over 500,000 while St. Louis's was around 350,000.[47] These figures placed Chicago as the fourth largest city in the nation and St. Louis as the sixth. Despite the dominance of St. Louis in river trade throughout early nineteenth century, Chicago had overtaken St. Louis by a resounding margin. St. Louis continued to grow in population and commercial importance, but the gap between St. Louis and Chicago widened as time moved forward and the two cities entered the twentieth century.[48]

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[45] United States Treasury Department. Bureau of Statistics, *Report on the Internal Commerce of the United States, for the Fiscal Year 1881-1882* (Washington: Government Printing Office, 1882), 12-13.

[46] Thomas, "Decline of St. Louis," 124.

[47] *Tenth Census of the United States*, 1883, 132 and 246.

[48] Belcher, *Economic Rivalry*, 206.

An illustration of the scope of Chicago's hold on trade comes in the form of regional banking linkages. In the mid-nineteenth century, an urban hierarchy of banks developed, in which banks from smaller, less economically powerful communities opened accounts with more powerful banks in urban metropolises. Having correspondent relations with larger banks allowed smaller banks to redeem banknotes, access credit, and process out-of-town checks.[49] New York City was far ahead of any other city in terms of importance in the banking hierarchy. In 1876, ninety-six percent of banks in the nation's twenty four largest cities had accounts in New York banks. By 1881, 49.6 percent of the twenty four largest cities' banks had accounts in Chicago, and by 1910, this figure rose to 63.8 percent. [50] In 1881, Chicago had banking linkages as far east as Cleveland, Ohio and as far south and west as central Colorado. By 1910, Chicago's banks had financial links reaching as far west as Los Angeles, San Francisco, and Seattle. As early as the 1880s, it was clear that Chicago was a major financial center for the American West.[51]

St. Louis's banking hinterland was much smaller than Chicago's. In the 1880s, St. Louis's banking linkages stretched westward across Missouri into eastern Kansas and eastward into southern Illinois. By 1910, St. Louis had lost that which lay west of central Missouri, while gaining connections in Arkansas, eastern Oklahoma, and eastern Texas. The southward shift of St. Louis's banking linkages after 1880 indicates that St. Louis was no longer able to compete with Chicago in its traditional economic hinterland.[52]

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[49] Cronon, *Nature's Metropolis*, 305.

[50] Michael P. Conzen, "The Maturing Urban System of the United States, 1840-1910," *Annals of the Association of American Geographers*, Vol. 67, no.1 (March, 1977): 96.

[51] Cronon, *Nature's Metropolis*, 305.

[52] Conzen, "The Maturing Urban System," 97.

Although St. Louis made remarkable strides in expanding its transportation, the city was unable to maintain its superior standing over Chicago in the second half of the nineteenth century. The Eads Bridge represented a great victory for St. Louis at the time of its completion, but it, along with much of Missouri's railroad system, fell into the hands of eastern capitalists. Despite the best efforts of St. Louis's businessmen to secure their future through railroad construction and river improvements, St. Louis's inability to outpace Chicago's growth became an increasingly recognizable reality. Chicago persevered through the tragic losses of the Great Fire and the constant competition with St. Louis to become the largest and most financially powerful metropolis in the Midwest. St. Louis, however, did not simply fade into obscurity. The city continued to grow and thrive throughout the late nineteenth-century and into the twentieth. Being outgrown by Chicago did not mean that St. Louis ceased to be an important city. It meant that St. Louis was unable to fulfill the vision of its most ambitious boosters.

Conclusion:

The rivalry between St. Louis and Chicago started out as a battle for river trade in the Upper Mississippi and Illinois River Valleys. Both cities had their roots in the water trade routes and evolved into powerful metropolises. The lake and river trade formed the economic basis upon which each city grew, and it established important financial relationships with various trading cities and investors. Profitable river trade made funding large-scale railroads possible.

Both St. Louis and Chicago experienced a need for railroads in the mid-nineteenth century. The benefits were all too appealing. Railroads offered faster and more efficient service, flexibility in choice of location, greater safety and versatility, competition with river trade that drove shipping prices down, and year-round operation. Although railroads initially lacked durability and a widespread network of trade, rapid expansion and the development of technology throughout the mid-nineteenth century offset these shortcomings. Seeing the benefits of railroads, visionaries expected a great railroad between Pacific and Atlantic by the middle of the century, and a Midwestern metropolis stood to benefit as a great transportation hub, serving as the heart of the country.

The completion of a vast railroad network decided the victor in the competition between St. Louis and Chicago. Being the central transportation hub of the country provided assurance that vast amounts of goods and capital would flow through the city’s boundaries each day. The people living in the victorious city could take pride in the fact that they not only filled a role of central importance to the country, but that they also could profit from it. For the elites of St. Louis and Chicago, there was no greater feeling than the sense of accomplishment that came from garnering profit while fulfilling a civic duty to a growing nation.

St. Louis and Chicago both filled the role of gateway city in the mid-nineteenth century. Chicago formed a gateway between east and west while St. Louis formed a gateway between west and south. Although both cities were seen as gateways to the West, from where they formed gateways was just as important as to where they tried to form them. St. Louis's business relationships and entire trade network were formed on an economic linkage down the Mississippi River to New Orleans. For several decades, this strategy worked well. New Orleans was a powerful financial center of great national importance with links to the east and a foothold in European markets. The port city, however, faced stiff competition from New York by the middle of the century. New York, with links to Chicago via the Great Lakes and Erie Canal, created an east-west trade relationship that was highly competitive with the St. Louis-New Orleans partnership. The flow of commerce between east and west over time proved to be of greater importance than the west-south flow of commerce, and Chicago began to outpace St. Louis's growth.

St. Louis attempted and, for a significant amount of time, failed to redirect its flow of commerce to the East. The lack of a railroad bridge across the Mississippi at St. Louis hamstrung efforts to create eastern connections until the mid-1870s. By that point, St. Louis had already lost a significant portion of its trade to Chicago and its position as the premier gateway city with it. As river trade declined further, so did the importance of St. Louis as a transportation hub. The nation no longer needed a central meeting place of the great waterways; it needed a meeting place of the great railways, and Chicago was that railroad meeting place.

In many ways, the story of the economic rivalry between St. Louis and Chicago is not so much a story of complacency as it is a story of poor timing. While on the verge of creating a large and important railroad system to connect it with the Pacific Coast, St. Louis fell victim to the sectional politics and shifting political climate of the antebellum period, and its leaders could do little to remedy the issue. By the 1850s, St. Louis, which would have worked well as a compromise location for a transcontinental railroad ten to twenty years earlier, failed to please interests in both the North and the South. Northerners preferred a location like Chicago, which provided a more direct link to their interests, and Southerners wanted the road to benefit them, or not be built with land and money provided by the national government. As such, progress came to a standstill and the lack of a direct St. Louis railroad link to the Far West limited the city’s growth. The fact that Congress approved the northern route benefitting Chicago during the Civil War only exacerbated the issue.

St. Louis’s poor timing was once again illustrated with the Eads Bridge across the Mississippi River. The bridge project was stalled, at least in part, by the Civil War. Discussion of building the bridge and getting the rights to do so actually started beforehand, but St. Louis had neither the resources nor the desire and ability to build such a complicated structure during the war. Its inability to construct a bridge by the time the Civil War broke out allowed Chicago to dominate trade relations with the East for several decades, cementing Chicago’s hold on east-west trade relations. Even when the bridge was finally completed, it opened during a sharp economic downturn that caused it to be unprofitable. As a result of this poor timing, the ownership of the bridge, for which St. Louis businessmen had fought so hard, fell into the hands of northeastern capitalists who cared little about St. Louis's future in relation to the amount of money they could earn by making decisions for their own benefit.

Chicago's story was one of being in the right place at the right time. The city was born at the end of an age when rivers were the chief transportation route, when investors and politicians looked to create artificial water routes with canals that could improve the economy of the interior of the country for the benefit of well-established cities in the East. Chicago's rise came as a result of the speculation surrounding this era, and open-minded, ambitious businessmen flocked to the city to make their fortune. The canal period, however, was a brief one. To the benefit of Chicago, the canal era lasted just long enough for the city to get its start and become established without becoming too heavily vested in river trade. This reality allowed Chicago to form the financial base and relationships required to build an extensive railroad system with minimal backlash from city elites and water interests.

Chicago's growth also occurred during several decades of rapid expansion in the American West. The result was Chicago's railroad system developed rapidly as its eastern backers looked to establish direct links with goods in the West and foreign trade in the Far East. Its location served it well during a period of increasing intolerance between the North and the South over sectional issues involving slavery and state's rights. The northern location caused even more backers from the northeast to support the economic growth of Chicago.

In the end, the timing of the railroad boom could not have been any more perfect for Chicago or any worse for St. Louis. Events in the middle of the century and the decline of river trade caused St. Louis to lose its spot as the key gateway city of the Midwest. St. Louis continued to expand in size and influence into the twentieth century, but the declining importance of St. Louis's river network and the poor timing of its railroad system paved the way for Chicago's expansion. St. Louis's northern rival profited from St. Louis's misfortune on multiple occasions without experiencing many lasting disruptions its trade network. By the end of the nineteenth century, Chicago had surpassed St. Louis in both size and economic importance, and there was little St. Louis could do but be content with second place.

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