Building the Meat Packing Industry in South Omaha, 1883-1898

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BUILDING THE MEAT PACKING INDUSTRY
IN SOUTH OMAHA, 1883-1898

A Thesis

Presented to the

DEPARTMENT OF HISTORY

and the

Faculty of the Graduate College
University of Nebraska

in Partial Fulfillment
of the Requirements for the Degree

MASTER OF ARTS

UNIVERSITY OF NEBRASKA AT OMAHA

by

Gail Lorna DiDonato

August, 1989
THESIS ACCEPTANCE

Acceptance for the faculty of the Graduate College, University of Nebraska, in partial fulfillment of the requirements for the degree Master of Arts, University of Nebraska at Omaha.

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An article by Gregory R. Zieren was brought to my attention as I was completing this study.¹ Dealing with recently published works on the packing industry, it critiques books that have been my constant companions over the last two years. Zieren writes,

Despite the local focus [Chicago], none of the works is parochial in its scholarly concerns, and all of them broaden our understanding of the urban and social history of one the nation's quintessential working-class districts.²

Chicago was the environment for the development of the modern industry and, for almost a century, was the world's leading packing center. But other locales such as South Omaha were part of the industry as well. As the refrigerated dressed meat trade gained in importance, this new livestock and packing center on the Missouri River emerged as a major participant in the building of the packers' powerful business empire. While South Omaha's emergence provided a rich and colorful story of local development, it also demonstrated the big packers' all-encompassing presence in the industry.

But little attention has been paid to the packers' role in the early years of this community. Local histories record the activities of Omaha entrepreneurs in establishing South
Omaha and bringing the packers here. Most rely heavily on the pioneer works of Counsel Butterfield and Alfred Sorenson, while Minnie Ferguson's 1934 thesis, "South Omaha Packing Industry," offered an overview of the local topic. But no through study of the packers' role in this community has been undertaken, and as a result, South Omaha has been neglected by historians of the packing industry. Yet all the big packers were there in some capacity in the late nineteenth and early twentieth centuries. Each "carved their piece" out of Nebraska, where they had come to dominate both the local industry and much of the local economy. In the pages that follow, I examine the emergence of South Omaha as a major packing center in the late nineteenth century.
NOTES


2Ibid., 693.
ACKNOWLEDGEMENTS

I wish to acknowledge those individuals who have offered me their encouragement and expertise while I worked on this thesis. They include Barbara Monico, Marilyn Hutala, Diane Shapland and the late Marilyn Covault in the UNO Interlibrary Loan Department; Diane Rockhold, Barbara O'Dell and Debbie Lange, "down in Microforms;" Andrew Wodder who drew my maps; Dr. Harl Dalstrom and Dr. James Dick who served on my thesis committee and showed me patience, understanding and good direction; and Michael Gendler of the College of St. Mary who "opened the door" to the study of history for me and Dr. William Pratt who was always there to "show me the way."
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TO MY CHILDREN:

THIS IS WHAT YOUR MOTHER DID.
ONE

LAUNCHING THE NATIONAL INDUSTRY

Meat packing emerged as the nation’s leading industry in the early 1900s.¹ Technological and entrepreneurial innovations accounted for this development. Perhaps more than anything else, the utilization of refrigeration transformed what had been a local trade into a dynamic industry. At the same time, the efforts of four men—Nelson Morris, George Hammond, Gustavus Swift, and Philip D. Armour—shaped the industry which they soon dominated. The powerful companies that they built were instrumental in the development of western livestock markets and the communities that grew up around them. Within this context, South Omaha became the nation’s third largest packing center in the late nineteenth century.

Livestock production and the meat packing trade followed the westward movement. But the seasonal nature of packing continued, as meat’s perishability restricted its processing to cold weather months. The trade was concentrated along major rivers in the pre-Civil War era, with slaughtering and packing facilities clustered around inland ports. At this time, packing houses dealt primarily in cured pork, since the
nation's consumers apparently had little appetite for packed beef. The export trade and urban centers provided commercial outlets for packers, while butchers supplied fresh meats to local customers. By 1848, Cincinnati had become the nation's leading packing center and was popularly known as "Porkopolis, the grand emporium of hogs." 2

But other midwestern cities—Louisville, St. Louis, Chicago, and Indianapolis—also emerged as packing centers. All of them were located on major transportation arteries, though none approached Cincinnati's dominant position. Despite the concentration of packing facilities, very few of them became large operations. The trade remained "in the hands of all-purpose traders who were sufficiently flexible to adapt to seasonal variations and to conditions peculiar to their locality." 3

But economic hard times often threatened individual packers. While improvements in communications "helped . . . predict business conditions more accurately," wide fluctuations in the trade still existed. 4

Chicago's importance as a rail center grew with the development of the national railroad system. This city had close ties with eastern financial interests, which gave it an edge over other urban areas vying for terminal locations. Through the influence of eastern
investors and local businessmen, Chicago became the terminus for both eastern lines running west and western roads heading east. Now the nation's rail center, it expanded its trade alliances with the East, and soon became the leading livestock center as well. 5

Chicago's pork packers increased their production, surpassing that of Cincinnati by 40,000 hogs in 1862. 6 Three years later, the city's stock yards were consolidated. Choosing a site outside the city limits, entrepreneurs located the new yard in the Town of Lake, close to many of the area's packing houses. Most of Chicago's smaller yards were eliminated as a result. 7

Combined interests--railroads, packers, and livestock shippers--assured the success of Chicago's new centralized facility, the Union Stock Yard. 8 Within five years, it expanded its volume from 1.5 million to over 3 million head of livestock. 9 This increase came in part as a result of the introduction of western range cattle in 1869. 10 Ultimately this development had a significant impact both on the city's future and the meat packing trade.

Expansion of the railroad system accelerated the shipment of western livestock and meat to eastern wholesalers. But it was the utilization of refrigeration technology in packing operations that created the modern industry. Early attempts to
transport fresh meat had not been successful. Then, packers had attempted to ship perishable dressed meat in uninsulated boxcars filled with ice, much as if they were "ice boxes on wheels." Later, however, by modifying crude refrigerated cars used to haul fish, they developed a practical way to transport dressed meat. They added containers to hold the melting ice and provided for circulation of air throughout the enclosure. As a result, they solved the problems of preserving the meat and preventing its discoloration.

But natural ice refrigeration had its own problems. Acquiring and maintaining large quantities of ice became a critical issue in the industry. Mechanical means of circulation were required to make efficient use of the refrigerant. In order to accommodate the new technology, cumbersome galvanized iron fittings had to be constructed and installed. The packers had other problems such as the difficulty of maintaining temperature control. For example,

[b]efore loading the perishable items the car was allowed to stand for some 20 hours, until the temperature reached about 33 degrees, after which time another 1,000 pounds of ice was added and the meat loaded for shipment. A 2,500-mile trip required yet another re-icing along the way.

The packers found it advantageous to locate plants close to abundant sources of ice which were stored in
specially constructed ice-houses. But the availability of refrigerated cars also was a problem. Since railroads feared a drop in revenue as the dressed beef trade supplanted livestock shipments, they declined to cooperate and refused to provide the special cars. As a result, most big packing firms built and maintained their own fleet of refrigerated vehicles. Ironically, it was because of the railroads' stance that packers took the initial step toward the integration of their industry.15

Prior to the introduction of dressed meat, "slaughtering, butchering, and packing activities were disintegrated" or separate processes. But refrigeration technology changed the trade drastically and encouraged consolidation. Now it was possible to process meat throughout the year. Between 1872 and 1880, annual hog production rose 86 percent, and in Chicago, packers doubled the number of cattle they slaughtered in the five years after 1875. The increase in livestock consumption also led to vast quantities of butchering refuse. In order to utilize this material, further diversification took place, as packers incorporated by-product manufacturing into their operations. Thus the firms recovered larger portions of their initial expenditure on livestock. They also increased their line of products, again adding to their income.16
Earlier packing efforts had produced insufficient quantities of refuse to make this activity feasible. But once the large Chicago packing operations began to deal in dressed meats, by-product production became more attractive. Packing houses no longer sold the refuse to renderers but processed it on site themselves; in order to supplement their own supplies, they often purchased slaughtering by-products from smaller companies as well.17

But "the key" to the ascent of the big packers in the mid-1880s was a new systematic marketing arrangement. The larger packing firms added branch-house networks to their operations to supply wholesalers in eastern urban centers. They were located along major rail routes, and coordination between them and the production plants was essential, as profits depended on the prevention of both glutted markets and shortages. Branch-houses made it possible for western meat to compete in eastern urban markets. As a result, Chicago packers’ brand name products such as "Armour Star," "Morris Supreme," and "Swift Premium" became household names.18

Cost-saving measures were taken to maintain profits. The rapid expansion of facilities required additional expenditures, and the packers reinvested their financial gains in their operations. Fixed costs,
such as livestock prices and wages, varied only slightly and profit-margins remained low. Though the utilization of labor-saving devices led to "important economies," the complete mechanization of the slaughtering and butchering process itself was impossible. To reduce their costs, the packers implemented an "[a]ssembly--or rather, disassembly--line operation" and further extended the division of labor.\textsuperscript{19}

The slaughtering process had been divided into a number of specific functions since the late 1830s. Prior to mechanization and mass production, "20 men [dressed] 620 hogs in an 8-hour period." But in order to meet increased demand for dressed meats, "continuous flow production" became necessary. As a result, butchers were replaced by laborers who performed particular, "more minute" operations.\textsuperscript{20} By the late nineteenth century, animal carcasses had been "surveyed and laid off . . . like a map, apportioning to each workman a tiny part of the total operation."\textsuperscript{21}

The skilled worker's job in the modern plant was greatly reduced, as "two-thirds of the work [was put] into the hands of common labor. . . ." Division of labor and the assembly-line method resulted in efficiency and increased production. As David Brody pointed out in \textit{The Butcher Workmen}, "[t]here were
further savings to be gained by the proper use of labor under the conveyer system. Since plant management set the work pace, a speed-up increased production and provided additional income. 22

A small number of firms soon dominated the industry. Pioneer packers--Morris, Hammond, Swift, and Armour--emerged as the pace setters and came to be known as the "Big Four." Until the mid-1880s, competition among these packers had little effect on their earnings. They set their own prices to maximize their profits, but were able to undercut small regional firms. By 1887, the Big Four "were supplying approximately 85 percent of the nation's supply of dressed beef." 23

But there was resistance to refrigerated western meat. Initially railroads had employed discriminatory freight rates to impede dressed beef shipments. Then, in 1886, retail butchers formed the National Butchers Protective Association in an attempt to discourage the western meat trade. Labor organizations joined the attack, and legislation was passed in some states banning dressed meat products. 24 It was in response to this organized opposition and what the Big Four viewed as a destructive level of competition that they began to cooperate with each other. These firms formed a pooling combination similar to the earlier railroad
"evener system." Chicago shipper and packer Samuel Allerton also participated in the arrangement, and it was known as the "Allerton pool." Initially it was only concerned with the shipment of meat on a "pro-rata basis." 25

The Allerton pool and its successors limited competition. Through a "test cost system," the Big Four systematically fixed prices and strictly regulated meat supplies to urban markets. In the language of the economist, the big packers had formed an "oligopoly," in which a few firms regulated supply and demand and restricted competition, so as to maximize profits. But in the popular language of the nineteenth century, they had formed the "Beef Trust." 26

Nelson Morris, a participant in the pool, had been in the Chicago livestock market since 1859. He was an important livestock shipper, but approached the innovation of dressed beef cautiously. "A cattleman to the core," he reputedly could determine the regional source of a piece of beef simply by tasting it. 27 He was the first major packer to "cater" to the European trade, though his cattle exports were on a small scale. Morris took an early interest in dressed beef and made his first eastern shipment of western meat during the winter of 1874. Leaving the "technical aspects" to others, he sent frozen beef from Chicago to Boston in
an ordinary boxcar. The experiment succeeded and launched him on a new venture. He soon acquired a small Chicago packing plant and began processing both dressed beef and pork. By 1881, he became the third largest and the most diversified packer in Chicago. At the turn of the century, his holdings included packing houses, a canning company, western cattle ranches, and related operations.

Detroit packer George Hammond, another member of the Allerton pool, had shipped dressed beef five years before Morris' experiment. A carload of his meat reached Boston in the fall of 1869. Hammond had secured the patent rights to an "ice box" rail car built by a Detroit fish market owner and adapted the car to accommodate fresh beef carcasses. Encouraged by the product's reception in the East, Hammond and three partners formed the George H. Hammond and Company. By 1886, this firm owned 800 refrigerated cars. Hammond had a monopoly in the dressed beef trade in the East after his business established an outlet in New York. His firm built a packing house in northwestern Indiana, thirty miles from Chicago's Union Stock Yard, in the early 1870s. And after only two years, this operation had sales of $2 million annually. In 1879, the firm expanded into the export trade. But despite success, Hammond's less aggressive business
philosophy of letting his product sell itself enabled others to cut into both his European and domestic markets. At the time of his death in 1886, his firm exported "three ship-loads weekly" to Europe. His widow sold her majority ownership in the company in 1890 to foreign investors. Subsequently the firm emphasized the export trade.32

Gustavus Swift had arrived in Chicago in 1874. He already was a partner in the family's wholesale and butchering business, and hoped to establish a foothold in the nation's premier livestock center. Seeing the possibilities of refrigeration, he experimented with dressed beef shipments to New England while working as a cattle buyer. Swift soon discovered that his future was in meat packing and not cattle shipping. In 1877, he organized the G. F. Swift Company. Initially he paid the Hammond firm to slaughter and dress beef for him and used ordinary box cars to ship the product to the East. Though successful, he found it too costly to operate under those conditions. After acquiring his own packing plant, Swift turned his attention to perfecting year-round refrigerated rail transportation. In 1878, he hired Andrew Chase, an engineer, who worked with the packer to modify and "perfect plans for an insulated and ventilated car." The result of this collaboration
was the Swift-Chase car, which circulated "pure dry air" through the refrigerated compartment. 33

Swift's success in this venture soon made him the "largest dressed beef shipper" in the domestic market. 34 With economical production and transportation now available to him, he turned his attention to distribution costs. The solution he devised eliminated the middleman by organizing a broad network of branch-houses along routes to eastern markets. As demand for western meat increased, additional distribution points were established. In 1885, Swift reorganized his firm as a corporation under the name Swift and Company. 35

"Peddler cars" serviced areas not on the major routes. They were refrigerated rail cars providing a full line of dressed meat products for sale. They functioned as a "branch-house on wheels," servicing areas not on the main rail lines. In order to establish an effective distribution operation, Swift used an experienced staff to manage the network. Armour and Morris quickly adopted the new sales and distribution arrangement, establishing their own branch-houses. But Swift's firm retained the dominant position in the industry well into the twentieth century. 36

P. D. Armour also made a fortune in packing. His entrepreneurial interests had led him into a variety of
ventures before becoming recognized as the nation's premier "pork baron." In 1859, Armour arrived in the Midwest, settling in Milwaukee. After three successful years in the produce and commission business, he joined the Plankinton-Layton Packing Company. In 1863, Armour replaced Layton as a partner in the firm. Anticipating the end of the Civil War, the young packer "sold pork short at $40 a barrel" and delivered it after the price had plummeted to $18. Armour and Plankinton made nearly a million dollars on the transaction. In 1869, their company built a Chicago plant, the first Armour and Company facility. Two years later, they established a packing house in Kansas City which later diversified to include dressed beef. Armour moved to the Chicago facility in 1875, bringing Michael Cudahy along as his new production manager.

Armour's extensive pork packing operation gave the firm a "head start" in by-product manufacturing. New ways to utilize packing refuse were found through chemical analysis and experimentation. Armour established a pharmaceutical laboratory in 1885 to explore ways to utilize inedible animal glands for medicinal purposes. While Swift and Morris soon followed suit, "Armour and Company was the pioneering firm in the vertical integration of by-products." Its profits soared, for according to Philip Armour, "the
by-products of a steer are worth more to us than the beef we get from the animal." 

The growing concentration in this industry attracted unwanted attention. In the late nineteenth century, both the public and the federal government began to scrutinize the big packers' activities. A U.S. Senate investigation concluded in 1889 that they had acted in combination. Senator George Vest of Missouri, chairman of the investigating committee, reported that the big packers had fixed prices and divided markets among themselves. This finding, however, had little effect, and the Big Four continued to act in concert with one another. But the Senate report did play a part in the passage of the Sherman Anti-Trust Act of 1890.

In the same year, the U.S. Congress passed legislation that had a major effect on the packing industry. Several European nations had banned the importation of U.S. pork products, allegedly in response to reports of diseased livestock and contaminated meat. The packers eventually encouraged government action that would restore confidence in their exports. To meet European objections, Congress passed a meat inspection measure which required federal inspection of bacon and salted pork. The 1890 Act did not provide for the identification of diseased animals and was amended the following year. Now it stipulated
that ante-mortem and post-mortem inspection of all animals "intended for shipment in interstate or export commerce" required federal inspection. In addition, it provided that pork processed for that trade undergo microscopic examination as well. While the packers welcomed legislation to protect their export business, they were opposed to state regulation involving their domestic dealings.  

Some inspection had been in effect since 1865 but was neither stringent nor effective. The inadequacy of the various state and federal laws had been a subject of long debate. The amended 1890 legislation did not end the controversy, and reformers launched an attack on the packers in the early twentieth century. The earlier inspection laws had not dealt with sanitation in packing plants, but that became a big issue at this time. In 1906, with the publication of Upton Sinclair’s novel, The Jungle, public outrage led to demand for effective inspection legislation that would regulate the industry. That year a more comprehensive inspection law was passed that did much to restore confidence in the nation’s meat supply. Among its provisions was the establishment of a permanent, federally-funded inspection service. One of its basic responsibilities was to monitor health and sanitation in the packing plants.  

15
Western livestock producers often had complained about the Beef Trust and its control of livestock prices. But the growing demand for refrigerated dressed meat, particularly beef, encouraged these same producers to seek out ways to attract big packers to western livestock centers. Thus western stock yard companies sought to entice major packing firms to their locations. Their incentives included stock in the yard company, free land, or even a complete packing house. As a result, livestock producers and local investors reaped the dividends of reduced transportation costs, and businessmen benefited from a stimulated local economy through the increased livestock trade. The packing industry benefited as well, as it had better access to livestock. But the incentives that were offered to the outside packers proved to be a local undoing, as they often provided these firms with the means of gaining control over the local stock yard. With control or outright ownership, the packers dominated commission firms, banks, and producers.

Large packing plants created lucrative businesses wherever they were located. Their arrival at a particular livestock center seemingly encouraged a more competitive market for cattle, hogs, and sheep. Acting as "a hotel for stock," a stock yard earned income for
a variety of services, such as providing feed, water, weighing, and holding. The areas immediately adjoining the yard also fared well, as related industry sought to locate near the facility. Their population increased, resulting in urban growth and new business opportunities.

St. Louis and Kansas City became packing centers in the 1870s. Local entrepreneurs there saw their cities as rivals to Chicago and hoped for the day when they would overtake the nation's leading packing center. But investors and promoters in other western communities saw the possibilities of the livestock and packing industries as well. In the 1880s, stock yards were organized in South Omaha, Denver, Fort Worth, St. Paul, Sioux City and other locales, all of them probably with the idea of becoming "the new Chicago." But each needed the presence of at least one major packing firm before it could prosper.

What follows is a study of the development of South Omaha as a major packing center. It treats the formation of its livestock market and the methods local entrepreneurs utilized to attract the big packers to the site. In addition, it discusses the establishment of major packing facilities in this community and the various challenges which confronted this city's new industry in its formative years.
NOTES


2Margaret Walsh, The Rise of the Midwestern Meat Packing Industry (Lexington: University Press of Kentucky, 1982), 11, 20, 37; Louise Carroll Wade, Chicago’s Pride: The Stockyards, Packingtown, and Environrs in the Nineteenth Century (Urbana: University of Illinois Press, 1987), 11. "In the early 1800s the term packer referred specifically to those who literally 'packed' meat into containers." The cut-up portions had been preserved in some manner, usually by salting, but often secret recipes for curing were used. By "the mid-nineteenth century, packers also frequently performed related activities of slaughtering, curing, and marketing the meat as well, depending upon local conditions." After the introduction of refrigeration, they included both the processes of curing and dressing meats. Eventually distribution also was implied by the term. Mary Yeager, Competition and Regulation: The Development of Oligopoly in the Meat Packing Industry (Greenwich, Conn.: JAI Press, 1981), 18, n. 1. Prior to refrigeration, only 10 percent of the nation's beef supply was used for packed beef. Charles B. Kuhlmann, "The Processing of Agricultural Products After 1860," in The Growth of the American Economy: An Introduction to the Economic History of the United States, Harold F. Williamson, ed. (New York: Prentice-Hall, 1944), 433.

3Walsh, Rise of Midwestern Meat Packing, 37.

4Ibid., 13-14.

Before consolidation, the distances between the small yard facilities created problems for the city and those in the trade as well. It was not unusual to find herds of livestock being ushered down city streets to their final destination. Business activities also were hindered to some degree, for it virtually was impossible to make accurate determinations or comparisons as to quality, volume, or price. Ibid., 47. Morris said that the modern market system owed its inception to Chicago's Union Stock Yard. Nelson Morris, "Personal Reminiscences of the Chicago Market," Breeder's Gazette 46 (2 December 1904): 1156.

Eight packers and eleven railroad executives incorporated the new stock yard company in the fall of 1864. Ibid.

The Burlington Railroad completed its bridge across the Missouri River at Kansas City in 1869. It gave the Texas Longhorn cattle trade direct access to the Chicago market. As a result, the cattle drives soon became obsolete. Thomas M. Davis, "Building the Burlington Through Nebraska--A Summary View," Nebraska History 30 (December 1949): 317-18.

Discoloration of fresh meat occurred when it was placed in direct contact with ice for an extended period of time. Skaggs, Prime Cut, 91.

Modern Packing House (Chicago: Nickerson and Collins Company, 1905), 54-55.

14 Yeager, Competition and Regulation, 52.

15 Cummings, American Ice Harvests, 66; Aduddell, "Location and Collusion in Meat Packing," 93.


17 Yeager, Competition and Regulation, 18, 68.


19 Brody, Butcher Workmen, 4.


21 Brody, Butcher Workmen, 4.

22 Ibid., 4-5.


Whitaker, Feedlot Empire: Beef Cattle Feeding in Illinois and Iowa, 1840-1900 (Ames: Iowa State University Press, 1975), 49.

25Kujovich, "Dynamics of Oligopoly," 204. The Allerton pool was crude and voluntary; the packers involved were not required to uphold the agreement as later pools required. Allerton was instrumental in organizing and regulating the arrangement. He and Nelson Morris had been two of the three "eveners" employed by the railroad companies to distribute livestock shipments after rate wars had created chaos in the 1870s. Ibid.


29Nelson Morris, "Personal Reminiscences," 1146; Whitaker, Feedlot Empire, 53; Wade, Chicago's Pride, 28, 99, 203. Morris owned extensive cattle ranches in the West. His holding in Lake County, Indiana, and Tekamah, Nebraska, were 30,000 acres each while his Texas ranch had 300,000 acres. His son recounts that Morris never set foot on the Texas ranch. Paul Wallace Gates, "Cattle Kings in the Prairies," Mississippi Valley Historical Review 35 (December 1948): 405; Morris, Heritage from My Father, 16, 24.

30Detroit News, 19 July 1951, Mrs. George Hammond File, Burton Historical Collection, Detroit Public Library, Detroit, Michigan.


32Grosse Point [Michigan] News, 15 October 1961, Mrs. George Hammond File; Wade, Chicago's Pride,
105–06; Burton, History of Detroit, 554; Yeager, Competition and Regulation, 76.

33 Yeager, Competition and Regulation, 59.

34 Kujovich, "Dynamics of Oligopoly," 147.


36 Chandler, Visible Hand, 393. Though in 1900 Armour had 200 branch-houses compared to Swift’s 193, Armour did not "surpass Swift in volume and assets" until 1917. Ibid., 392–93.

37 Yeager, Competition and Regulation, 64; Swift-Echrich, np; Kujovich, "Dynamics of Oligopoly," 140.


39 Meat for Multitude, Vol. 1, 56; Yeager, Competition and Regulation, 65.

40 Yeager, Competition and Regulation, 68; Kujovich, "Dynamics of Oligopoly," 150.


42 Ice and Refrigeration 10 (February 1900): 124. Armour drew a parallel between modern packing and the cattle trade when speaking before the National Live Stock Association in Fort Worth, Texas. He said, "to the modern packing house, coupled with modern refrigeration[,] may be traced the marked recent development and creation of the great cattle markets." Ibid.


See chapter two.


Ibid., 107-8; Harmon Mothershead, "The Stockyards, a Hotel for Stock or a Holding Company," Nebraska History 64 (Winter 1983): 512.

TWO

BEGINNING OF

SOUTH OMAHA'S MEAT PACKING INDUSTRY

South Omaha became part of the meat packing industry in the mid-1880s. Omaha entrepreneurs, encouraged by the growing number of livestock in the hinterland, had attempted to establish a market center, but they only succeeded in providing a small regional facility. It took men of vision, entrepreneurs in the burgeoning livestock trade, to do what the others could not. In 1884, they began transforming almost two thousand acres of marginal farmland into what would become the thriving livestock center and city of South Omaha. Within three years, the Union Stock Yard attracted Chicago packers who recognized the opportunity there, but they only came after receiving incentives which minimized their risk. The new city at the gateway to the West ultimately provided opportunities for men of wealth to increase their fortunes.

I

Construction of the western rail network encouraged entrepreneurial activity. As competition
among lines increased, it became clear that success hinged on maintaining and expanding the western livestock business. The Union Pacific Railroad (UP), which had a route through the nation’s greatest cattle country, initially failed to anticipate the extent of the trade’s growth. But when Jay Gould took control of this financially distressed road in March of 1874, he asserted that it could not "pay too much attention to stock development on the west end of the road." 1 Others shared this view. Grenville Dodge, a former UP promoter and now a director of the line, had "impressed Gould" when he noted that livestock accounted for "three times" more business than grain shipments. 2 Gould, hoping to promote the "long haul" from the western end of the line to Omaha, offered revised rates and facilities for livestock as "encouragement [and] inducements to get it started." 3

The UP constructed cattle pens along the route to its eastern terminus at Omaha. 4 Since the mid-1860s, livestock had been both bought and sold there. Then, the stock had grazed in open fields or was confined in small pens while business was transacted. Feeders, sellers, and government buyers tolerated these conditions because they had no alternative. 5 When important Texas cattlemen approached the UP to
investigate the possibility of shipping on the line, the lack of local facilities became a critical issue. 6

Dr. George Miller, publisher of the Omaha Herald newspapers, saw the potential of Texas cattle; he held that any increase in the UP’s livestock business would affect his city as well. He called for the establishment of a stock yard to handle the increased volume. In repeated editorials, he urged Omaha businessmen to induce eastern capitalists to invest in the city’s cattle market. 7 Once established, according to his argument, the cattle trade would attract packing and related industries. Miller believed that such development would foster a healthy economy. 8

Others in the community also hoped to revitalize Omaha’s economy through exploiting the region’s agricultural resources. With completion of the UP in 1869, new economic expansion became necessary to pick up the slack. 9 The livestock trade seemingly presented this opportunity. Some local entrepreneurs turned to the cattle business. Edward Creighton, builder of the Overland Telegraph Company and co-founder of the First National Bank of Omaha, had extensive ranching interests. While laying telegraph lines through western Nebraska, he had noticed that his team oxen thrived when allowed to graze on the Plains’ native grasses. 10 Creighton had attempted grazing cattle as early as
1859. His first attempts at ranching (near Mud Springs, Nebraska) failed when Indians stole the entire herd. But three years later, Creighton's cattle operation ran vast herds as far as the Big Laramie River in Wyoming. When he died in 1874, his brother John bought out his share of the livestock business, adding it to his own ranching interests. 11

Cattle traffic through Omaha doubled between 1875 and 1876, causing local promoters to take note. George Miller continued his editorial campaign calling for a stock yard. He observed that a substantial yard facility could be erected for between $10,000 and $20,000. In addition, he pointed out that Kansas City had "availed herself of the opportunity in regard to the stock trade of Kansas and Texas," and said, "[i]t rests with Omaha to put forth the same energies, and it is time for her to make the move in the right direction." 12

The Omaha Board of Trade responded by organizing a Livestock Committee in 1877 to explore ways that the city could most benefit from the increased cattle volume. Passing a resolution, it supported Miller's contention that Omaha needed "extensive stock yards and packing and slaughtering houses." 13 According to the committee, livestockmen, packers, and dealers felt Omaha would meet their needs if suitable accommodations
for livestock were provided. The approval of this resolution, however, did not in itself lead to the construction of a central stock yard. 14

Jay Gould and UP president Sidney Dillon pledged to establish a facility in Omaha later that year. After the committee’s initial report, it was revealed that Gould and Dillion planned to build "stock yards on a scale commensurate with the magnitude and growing importance of the cattle trade of Omaha." Encouraged, the committee waited for the men "to secure the necessary franchise and privileges..." Those with interest in the trade placed great hope in the railroadmen’s "[f]air promises... [and] verbal pledges." But nothing "materialized under this plan." 15

John A. Smiley had attempted to open a stock yard in 1876. He planned for his Union Stock Yards to be located north of the city limits on 80 acres that he owned. 16 Confident because of the interest expressed by P. D. Armour and other Chicago capitalists, he moved ahead with his plan, even to the point of acquiring lumber for construction. The Chicagoans tentatively agreed to invest in the yard, but only with the condition that the Omaha Board of Trade endorse and support the project. When the Board "declined any official aid," the Chicago group withdrew its offer, and Smiley abandoned his plans. 17
As the city's economic outlook improved, local entrepreneurs became more venturesome. On April 27, 1878, two groups of investors filed incorporation papers on separate stock yard companies. Immediately a problem arose, since both groups organized as the Omaha Stock Yards Company. According to Nebraska corporation law, only one could claim this name, and the first to submit the application was awarded the "franchise." Thus A. P. Nicholas and four other investors acquired the council's approval. They proposed a complete livestock center. A site was leased from the UP, and their plans called for the construction of a packing house. 18

The UP now seemingly had an advantage over the other railroad lines into Omaha. But within months, the situation changed. Apparently the Nicholas group did not live up to the UP's expectations. The railroad always "search[ing] for the right man" to further its interests, offered William Paxton the opportunity of establishing another stock yard in the city. He was one of Omaha's most successful businessmen and had extensive cattle holdings in several ranches. After the April episode, he had joined with the unsuccessful group of investors who had not abandoned their hope of building a stock yard. Paxton accepted the UP offer. 19
He and his associates named the new venture the Union Stock Yards Company. (Smiley earlier had designated the same name for his proposed yard.) The group insisted that their new facility use part of the property leased to the Nicholas firm. In response, the UP acquiesced and divided the tract between the two operations. Paxton, serving as general manager, opened the yard on May 4, 1879. The railroad's concessions and special rates assured its success. Gould had made a similar agreement in 1877 with W. A. Carter at Fort Bridger, Wyoming. There, the UP reduced rates on all cattle shipments, while giving Carter's operation special consideration.\(^2\) During the winter of 1879-80, Paxton transferred the Union Stock Yards Company across the river to Council Bluffs. Once again, the UP had offered him a lucrative arrangement. Later, in the spring of 1880, the railroad company assumed ownership of the Omaha Stock Yards.\(^2\)

II

Omaha's future as a livestock center also depended on the hog trade. Centrally located between the nation's new corn and livestock belts, the city had potential importance to the growing meat packing industry. Prior to 1870, local butchers and farmers cured and packed pork products for western travelers
and railroad construction workers. Provisions companies expanded during this period and, by the time the UP’s main line was completed, had developed into successful businesses. Hog producers eyed the possibility of selling their livestock to local butchers who supplied the provisions dealers. Small packing operations, hoping to corner this market, started in Omaha by 1871. Most pork packing took place in the Mississippi Valley, but Kansas City and Omaha also had a share of the business. In 1877, Omaha’s pork packing trade "gained nearly 100 per cent" over the previous season.22

Locally, pork packers predicted that their success would soon lead other packing firms to move west of the Mississippi.23

F. H. Giesselman and A. J. Potter opened Omaha’s first packing house in October of 1871. Discovering that Nebraska produced an insufficient supply of hogs to meet their needs, they bought a large portion of their livestock in Iowa. The firm processed 5,200 hogs by its second year of operation, but Giesselman’s death in 1873 forced it to close.24 David Cook also began a small packing operation at Omaha in 1871. With O. H. Ballou as a partner, Cook’s business steadily increased in volume in 1873. Shortly after the partnership dissolved in 1877, fire destroyed a portion of the
operation. Cook, however, rebuilt and expanded his business.25

James E. Boyd operated a larger pork packing operation. Boyd Packing began in 1872 and expanded its production to an annual capacity of 40,000 to 50,000 hogs in three years. In 1876, when the firm obtained a contract to deliver 1,100,000 pounds of cured meat, some wondered if Boyd could do it. In order to "pack" that large an order, they believed he would have to purchase all the hogs that came Omaha’s way.26 Fire destroyed his facility on January 18, 1880, but Boyd rebuilt it. The new $50,000 structure processed 112,000 hogs annually.27

Local butchers also sought to develop successful packing operations. Joseph F. Sheely branched out from Sheely Brothers Butchers into a packing establishment, and R. A. Harris followed suit, starting the Harris and Fisher packing house. Both firms were successful, but never approached Boyd's volume of business. The Harris and Fisher plant, completed in late 1878, had a daily capacity of 300 to 400 hogs and employed from 20 to 50 men. When Sheely expanded his operation and bought the Cook packing house in January of 1880, he employed 15 workers and handled 15,000 hogs, 1,200 cattle, and 5,000 sheep annually.28
Omaha's packing house district had been located in or near to the downtown area. But after the opening of the Nicholas and Paxton stock yards, several of the local packing houses moved to be closer to the new facilities at the southern limits of the city. Harris and Fisher and the Cook firm relocated before the end of 1879. Once Sheely took over the Cook operation, his firm soon dominated the packing business there.\textsuperscript{29}

By 1880, the city's packing district centered around two stock yards, the UP's "Upper Yards" or the Omaha Stock Yards and Cornelius Schaller's Bridge Stock Yards. Both remained in operation until mid-decade (the UP's yard closing in 1884 and Schaller's in 1886).\textsuperscript{30} Paxton's Council Bluffs yard operated primarily as a feeding and resting facility for livestock shipments to the East. It demonstrated the railroad's interest in promoting the "long haul" livestock trade along its line.\textsuperscript{31}

UP officials had instigated the move to Council Bluffs. Paxton reportedly had been dissatisfied with rail rates and bridge tolls at Omaha, and his business partner, Alexander Swan, also found the railroad's proposal attractive. Paxton and Swan believed that the area would best be served with a transit yard located across the Missouri River, providing easier access to the three "Iowa pool" railroads to Chicago. In
transferring its facility, the Paxton firm received a generous lease on railroad property as well as UP stock.\textsuperscript{32} Investors in the yard, notably Chicago packers Nelson Morris, Samuel Allerton, and Issac Waixel, favored this move as well.\textsuperscript{33}

Though the transfer yard met the railroad's needs, it did little to encourage the development of a livestock center in the area. During 1882-83, the facility received 224,150 head of livestock. Although the stock was unloaded and watered, none was slaughtered or purchased locally. At this time adequate terminal facilities did not exist on either side of the river. Chicago remained the leading livestock market center, with Kansas City a distant second. Swan, determined to create a terminal market closer to his cattle operation, recognized that the Omaha area could suit his purposes. To him, it offered the best prospect to serve cattlemen and their trade. He was a successful rancher and the co-founder and president of the Wyoming Stockmen's Association since 1876. Consequently, he appreciated the problems of livestock producers. They were forced to pay high rates and fees at railroad-controlled stock yards when shipping to Chicago.\textsuperscript{34}

A proverbial gambler, Swan sought to develop a central stock yard in Omaha. Past local attempts had
floundered. But the difference with Swan’s idea from earlier ones was that he proposed it in conjunction with a real estate venture. In this way, the yard company would own its own land free from railroad involvement. In 1882, he made plans to visit Scotland to complete negotiations with prospective Scottish investors in his Swan Land and Cattle Company. In addition to these financial arrangements, he also hoped to interest them in his plans for an Omaha stock yard. Swan saw these investors as the solution to western cattle producers’ problems. 35

Before leaving for Scotland that fall, Swan set his plan into motion. He arranged with his brother-in-law, Leverett M. Anderson, and Cornelius Schaller to secretly purchase as much land as possible just south of Omaha’s city limits. But Swan had limited success in recruiting foreign capital. Even his suggestion to name the new town "New Edinburgh" produced meager results. Once back in Omaha, Swan faced the problem of how to attract additional investors. Anderson and Schaller had used $10,000 of their own funds to purchase the land, and more was needed to complete the deals. 36 Swan then recruited William Paxton for the venture, who in turn convinced five other Omaha businessmen to join him. With this
increased capital, Swan and his associates were able to pay for the land purchases. 37

The first directors’ meeting of the Swan Land and Cattle Company was held in Edinburgh, on August 3, 1883. Colin J. MacKenzie spoke of Swan’s Omaha venture. He was the board chairman and had been in Nebraska on an inspection tour of the new cattle company’s holdings, visiting Omaha with Swan. Already a substantial investor in the project, MacKenzie reported if the scheme is carried out, and proves successful, it may be a considerable advantage to our new Company, and to others who hold cattle in the country west of Omaha. 38

Investors in Swan’s other new enterprise, the Union Stock Yards Company of Omaha (USY), held their first organizational meeting on December 1, 1883. Subscribers, now numbering twenty-eight, already had purchased $700,000 worth of shares in the company. According to the Omaha Daily Bee, investors clamored to secure more stock while other potential stockholders could not buy any. 39 Among the initial local investors were businessmen with ties to the cattle trade. They included John McShane, cattleman and part owner of the Bay State Cattle Company; his cousin John Creighton, a rancher and local businessman; Peter Iler, owner of the Willow Springs Distillery in
Omaha who also had cattle feeding interests; and Frank Murphy, founder and president of the Nebraska State Bank. Outsiders such as B. F. Smith of Boston and John H. Donnelly of Chicago also took a great interest in the business and actively participated in the board’s decisions. In addition, Allerton, Morris, and Waixel were stockholders and predicted success for the new yard. 40

A separate company—the South Omaha Land Company—had been formed to hold the acquired land. Schaller had turned over the deeds to Anderson for the more than 1800 acres he had purchased for Swan. Thus Anderson and his wife held title to the property for the land syndicate. All but 464 acres laid within Douglas County. In some ways, Swan’s scheme resembled what had occurred in Chicago almost twenty years before. There, the consolidation of a central stock yard located close to established packing houses created an “instant suburb,” at the Town of Lake. 41

The Daily Bee called Swan’s venture “[t]he New Chicago.” Allerton, an initial investor in Chicago’s Union Stock Yard as well as a stockholder in the Council Bluff’s transfer yard, believed that South Omaha’s facility would succeed. He announced that he consider[ed] Nebraska and Dakota the greatest country in the west. . . . If Chicago can pack
pork & beef for Europe cheaper than New York, then Omaha can do the same thing. 42

In addition, he stated, "I do think Omaha is destined to become one of the best business points in the West and in a few years will walk away from Kansas City." 43

USY officials began to develop the area immediately. Paxton as president initiated the purchase of over 156 acres from the land syndicate, and the USY's ground-breaking took place on April 8, 1884. Within four months, the yard was opened for business and South Omaha began to take form. The Council Bluffs Globe claimed that the new facility would not disrupt its livestock transit trade. 44 But on May 1, 1884, after the grading at South Omaha had been completed, building material for the USY was obtained by dismantling a portion of the Council Bluffs' yard. 45 Paxton had sold his interest in it to USY for $110,000. Then, on July 25, 1884, the board authorized the purchase of the remaining interest. Stockholders in the Council Bluffs operation received $350,000 of USY stock which was added to their individual holdings in the company. 46

Council Bluffs' loss became South Omaha's gain. The reduction in the size of the small transit yard concerned the Iowa city's business community, despite its earlier show of confidence. It feared that future
prospects for Council Bluffs now had been reduced. Visions of one day being the important local urban center with Omaha as her satellite disappeared with its cattle trade. The long-standing rivalry between the two cities was reignited but offered no real contest. 47 Western Iowans may have looked disparagingly upon the new stock yard, but Nebraskans saw only a bright future. The Omaha Board of Trade predicted that the USY was "destined to exceed . . . expectations." 48 A 1884 USY study showed that Omaha cattle shipments were three times greater than those at any other terminal west of Chicago. 49 Thus many anticipated immediate success for the new facility.

The USY opened for business on August 1, 1884. John F. Boyd, earlier of the Council Bluffs' yard, assumed the position of general manager. But high expectations turned to disappointment, for it took almost two weeks until the first livestock arrived on August 13. On that day, twenty-five rail cars containing 531 head of cattle were unloaded at the yard. The next day, however, the entire consignment left for transfer to the Rock Island Railroad, destined for Chicago. On August 17, the Council Bluffs Nonpareil reported that the USY had not been well received by western stockmen since only one train load of livestock had stopped at the yard since it opened. On the other
hand, according to this account, several train-loads of livestock were unloaded and fed at the Council Bluffs yard daily.\textsuperscript{50}

It took thirteen more days until the first hogs arrived at the South Omaha facility. Again the livestock was unloaded, fed, and watered, and left the next morning for Chicago.\textsuperscript{51} In the first five months, 98,371 head of livestock passed through the USY: 88,603 head of cattle, 3,686 hogs, 5,593 sheep, and 489 horses.\textsuperscript{52} But 88 percent simply stopped for rest, water, and feed. Though it had an adequate volume of transit business, the new facility had not attracted many dealers and traders. This situation showed that until packing houses complemented the yard, little more could be expected.\textsuperscript{53} Swan, attempting to inject some optimism, said that "in time they'll come."\textsuperscript{54} Something else, however, needed to be done. At this stage, his venture seemed to be no more than a rest-and-feeding depot.

\textbf{III}

USY board members had attempted to interest Chicago’s big packers in South Omaha well before their yard opened. In February of 1884, two months after its organization, the new board of directors met in New York City. There, Joseph Sterns, Issac and David
Waixel, and Charles Kaufman proposed establishing a packing house at South Omaha. Their plans called for the construction of a plant at the yard company's expense and access to $50,000, to be used if necessary for the operation. But at this time, the USY board members opposed the idea and turned it down. 55

When it became apparent that no packing firms intended to come to South Omaha, however, the USY decided to take steps to lure them. It authorized the construction of a packing house which would be leased to any packer willing to move to the site. Built at a cost of $60,000, this facility was equipped only to handle hogs. Then, before its completion in late 1884, USY president John McShane approached several potential packing tenants. He finally traveled to Detroit to make the offer to George Hammond, a leading pork packer with a plant near Chicago. Though at first skeptical, Hammond agreed to take a chance on the new site. On November 15, 1884, the USY held a special board meeting in Chicago to ratify the contract with the packer. Hammond's rent-free lease ran for three years. According to this contract, the yard company was obliged to furnish an adequate supply of water and a completely stocked ice house. When the lease expired, Hammond could purchase the property for $500 an acre or
negotiate a new five-year lease at "eight per cent per annum on [the] appraised value." ⁵⁶

The George H. Hammond Company began operations in its red frame structure in early 1885. H. H. Meday, the local plant's manager, "gave the signal, and the first porker was 'stuck'" the afternoon of January 29. Hammond and McShane were among other dignitaries who witnessed the historic trial run. When the plant shut down at the end of that first day, the "disassembly line" had dressed 200 hogs, which was 300 to 400 short of the projected daily capacity. ⁵⁷

Hammond soon began to process beef as well as pork. One USY investor, while pleased with this expansion, felt that not enough was being done to develop the market center. John Creighton told a Daily Bee reporter that he would not feel satisfied until three or four such slaughtering houses as the one now there, had been erected and supplied with enough business to keep them running the year round. ⁵⁸

Though Hammond's beef operation quickly expanded, its pork production continued to fall short of its capacity. Assessing the situation, the firm discovered that Omaha's Boyd Packing purchased most of its hogs at the "stock yards at the bridge" in Omaha which did not charge "yardage" fees. Many producers brought their
livestock to that facility, enabling Boyd to process 1600 hogs daily. USY's President McShane handled the problem by "obliging" Boyd to do business at the South Omaha yard. Whatever persuasion he used, it corrected the situation and Hammond's daily volume increased to 1,000 hogs.

Hammond was responsible for much of South Omaha's growing success. During 1885, 114,163 head of cattle and 130,867 hogs were received at the USY. Of that number, 30,930 cattle and 58,948 hogs remained at South Omaha for processing, with most of them going to the Hammond plant. This increase in packing operations not only represented increased profits for the firm, but also provided additional income to the area. Increased packing business meant more jobs, which in turn circulated more dollars in the economy, benefiting local businesses.

Another packer moved into a South Omaha plant in the fall of 1886. This time, the USY negotiated a contract with Fowler Brothers, a Chicago packing firm. The Fowlers, who were from Northern Ireland and partners in a British commission company, had gone to Chicago to establish an export packing operation. This plant—the Anglo-American Provision Company—employed 1800 workers. But growing business and the desire to
reduce costs led the firm to expand into the Kansas City market and then into South Omaha. 62

The USY contract with Fowler provided a more lucrative arrangement than that made with Hammond. It called for a packing house to be built according to the packer’s specifications. While agreeing to equip the building with "proper machinery and appliances according to their [Fowler Brothers] plans and under their superintendence," the USY limited its investment to $100,000. 63 The yard company also agreed to a five-year lease, paying all taxes and assessments and furnishing an adequate water supply. But unlike the Hammond agreement, this contract required an annual rental fee amounting to five percent of the cost of the facility. In addition to a larger building, the USY gave Fowler 1,000 shares of its stock. This arrangement, along with a $135,000 bonus, raised the incentives to more than $200,000. 64

The Fowler packing house, operated as the Anglo-American Packing Company, began slaughtering on November 9, 1886. Within a few weeks, it announced plans for a $175,000 expansion. 65 But two years later, the firm transferred half of its interest in the South Omaha plant to P. L. Underwood, a Chicago packer, and its name was changed to the Omaha Packing Company. Underwood himself previously had indicated an interest
in locating in or near South Omaha. His earlier negotiations to purchase Boyd Packing in Omaha had been discontinued, however, in the face of local complaints against this packing facility.66

Pork packing made significant gains in South Omaha by early 1887. Though Hammond and Anglo-American were relatively small operations, they had been joined by a third packer at the end of the previous year. Thomas J. Lipton, the Scottish tea and provisions merchant, opened his packing house at South Omaha in late 1886. Dealing primarily in pork production for export, he also was enticed by USY incentives.67

Lipton had become involved in packing in Chicago in 1883. But he sold his plant almost three years later and sought a new location elsewhere. According to his autobiography, he learned that "good land was going a-begging at South Omaha, Nebraska, simply for want of a pork packer with enterprise to develop it." He contacted the USY directors and later recounted how William Paxton and Benjamin Gallagher offered to build me a large packing-house free of all charge whatever if I would agree to start operations in their town and on their land! Confronted with such a magnificent and sporting offer, I agreed to accept it on the spot.68

But the USY agreement with Lipton was less generous than that made with Fowler. It provided a
$50,000 packing house and did not offer any USY stock. Though the Lipton facility was modest, its projected daily capacity was 2,000 hogs. Unfortunately, it was unable to acquire the lean hogs in South Omaha that Lipton desired for his pork export business. The fatter animals available at this market, however, did meet the needs for his domestic Johnstone brand. Later Lipton reported that soon after the South Omaha plant opened, it supplied 1,000 dressed hogs per day to Armour. 69

Though he lived in London, Lipton made frequent trips to the United States. He visited with Michael Cudahy, P. D. Armour's partner at the Chicago plant, on one of these trips. Cudahy suggested that Lipton sell the South Omaha facility to Armour. At first, the Scottish merchant "found no disposition to sell." A few months later, however, Armour renewed the offer, and this time Lipton agreed. 70

But John McShane, then USY president, remembered the circumstances differently. According to his account, when he initially approached Armour in 1884, the Chicago packer had said that he would not come to South Omaha as he already had enough business. Then, in early July of 1887, McShane received an urgent wire from Armour requesting a meeting in Chicago. At the packer's office, Armour indicated that he wanted to accommodate his partner's younger brother, Edward
Cudahy, who desired to be taken into the firm as a partner. Since Armour planned for his sons to move into the business, he did not want to further dilute the family holdings. Thus there was no place for his partner's brother. According to McShane's recollections, he responded by offering the Lipton plant to Armour, so Cudahy could be included as a partner and Armour could retain his existing Chicago holdings. 71

On August 25, 1887, the USY Board ratified the transfer of the Lipton packing house to Armour. The agreement between the USY and the Chicago packer provided for a $250,000 expansion at the yard company's cost, a $50,000 bonus given to the Armour company outright, and 1500 shares of USY stock. In addition, the stock yard gave P. D. Armour the option of purchasing an additional 1000 shares of USY stock, which he exercised at that time. 72

The transfer of ownership from Lipton to Armour caused great excitement in the South Omaha community. Armour's operation promised additional opportunities for an expanded market and more jobs. Expectations ran high, as John McShane told a Omaha Herald reporter

It is the greatest thing that has happened for Omaha since the packing business first inaugurated here, and it means that this city is to become the greatest hog killing center in the west. 73
Lipton himself said that Armour's "transferring a large part of his colossal business here necessarily means great things for Omaha." The South Omaha Daily Stockman welcomed the new company to the city, asserting that "from this day South Omaha is to be classed third on the list of the world's hog centers--Mr. Armour predicts ... it will be a leading market."  

South Omaha's newest packing operation constituted a new Armour-Cudahy partnership. It included Edward Cudahy and provided the opportunity for him to become one of the nation's leading packers. Both he and his older brother, Michael, distinguished themselves as talented, hard-working meat packers. The younger Cudahy had entered the Armour operation in Chicago at his brother's urging and rose quickly through his own talents.

Edward Cudahy became the general manager of the South Omaha plant. Immediately after the transfer of ownership, he supervised the $250,000 expansion of the facilities. The Omaha Herald reported that the new plant, "when finished[,] will represent more money than it would take to buy many an inland town of 2,000 inhabitants." These improvements included a new six story brick structure that became the tallest building in South Omaha at that time. Prior to this
construction, no packing plant in the city was higher than three stories. In October of 1888, the new firm opened its beef packing facility that it claimed had a daily capacity of 1500 head. 78

The new operation had an impact on the entire South Omaha livestock market. USY receipts increased, as more producers brought their livestock to this facility, and a growing number of commission men applied for permission to deal there. By the end of 1887, USY receipts rose to 1,325,443, more than doubling those of the previous year. Approximately 700,000 more animals remained in South Omaha for slaughtering the year the new company began operations. 79

But the Armour-Cudahy arrival was not the only big packing story in 1887. Months before, Swift and Company had announced its decision to locate here. The Daily Stockman proclaimed on February 24, 1887, "Yes, Chicago is moving to South Omaha," and asserted, "[t]he permanent boom is here." Again USY incentives explained the move. 80

Gustavus Swift received 1000 shares of USY stock along with the agreement to build and equip a packing house on eleven acres of land for the firm's use. In addition, he received cash payment of $135,000 and the option of purchasing an additional 1000 shares of USY
The USY board ratified the agreement on March 22, 1887, and construction of the plant began in mid-May much to the relief of many people. Evidently the [town] croakers [had] been saying all sorts of discouraging things about South Omaha and the stock yards. The principal theme on which they harped was that Swift had given up the idea of coming here.

Actually, Gustavus Swift was anxious to come to South Omaha. He had called it a good market, one that could become "the central and leading live stock market of the United States." But despite his encouraging comments, the new plant was merely a trial operation. The company had not invested any of its capital in the venture and, with the generous bonuses, it stood to make money regardless of the results. Starting up partial operations in November of 1887, the plant then closed down at the end of the year. But the results from the short run proved satisfactory, and full operations resumed on April 4, 1888.

Swift began with the production of beef and soon added a pork operation. Prior to this time, Hammond had been the only other South Omaha plant killing cattle. By the end of the 1888, however, Armour-Cudahy also began a beef operation. Earlier predictions of success seemed warranted, as South Omaha's livestock market thrived. Hammond, Omaha Packing, Armour-Cudahy, and
Swift demanded more hogs and cattle to maintain their growing production. Between 1889 and 1890, daily slaughtering totals rose more than 34 percent; as more livestock arrived at the market, new records were set which in turn were quickly broken. 85

On December 3, 1890, the Armour-Cudahy partnership was disbanded. Michael Cudahy divested his financial interest in Armour's Chicago plant, while Armour turned over complete ownership of the South Omaha operation to the new Cudahy Packing Company. The firm, now valued at $750,000, continued to prosper with sales increasing by $4 million the next year. 86

The South Omaha population grew from 1,500 residents in 1886 to more than 8,000 by 1890. As packing houses were built and expanded, new workers swelled the population. It then became evident that some type of municipal government was needed. Rumors that the USY was considering the establishment of its own town prompted action by local residents. In October of 1886, a committee petitioned the Douglas County board to incorporate the community as a village. 87

Then on April 5, 1887, South Omaha's three wards elected their first mayor, E. P. Savage, and six councilmen. By this time, the town had acquired second class city status. In the following three years, residences and businesses "clustered on the neighboring
hills," while more and more head of livestock arrived at the South Omaha stock yard pens. The new city provided paved streets, a sewer system and schools, while ten churches and many saloons opened their doors to serve the growing community. 88

From its beginnings, South Omaha's USY was dependent upon the major packers in the industry. It was their decision to expand their operations to secondary livestock centers closer to western livestock. Local entrepreneurs in Omaha, such as William Paxton and John McShane, recognized the need to attract big packers to their livestock market. Without them, South Omaha's USY would have remained a small transit yard, with no possibility of exploiting the vast resources provided by the western ranges and corn belt. Local investors had risked their fortunes on the establishment of the livestock and packing industries there. Over the years they grew and prospered, but this success was the result of the contribution of outside interests as well.
NOTES


3Klein, Life and Legend of Gould, 156.


6Mahnken, "Early Nebraska Markets," 15–16; Omaha Weekly Herald, 30 November 1870. Judge William Fant, Texas' leading cattle rancher, approached the UP after failing to obtain satisfactory rates from railroads serving Abilene. Omaha Weekly Herald, 30 November 1870.

7Omaha Weekly Herald, 23 November 1870; 5 April 1871; Omaha Daily Herald 30 January 1876. Miller published the Omaha Weekly Herald as well as the Omaha Daily Herald.

8Omaha Weekly Herald, 7 September 1870; 7 December 1870; 5 April 1870; Omaha Daily Herald, 20 March 1878.


Pioneer Period and the Omaha of Today (Omaha: D. C. Dunbar, 1888), np.


12Omaha Daily Herald, 30 January 1876; 6, 15 February 1876; Walker D. Wyman, "Omaha: Frontier Depot and Prodigy of Council Bluffs," Nebraska History 17 (July-September 1936): 143-55.

13Consul W. Butterfield, "History of South Omaha," in History of the City of Omaha Nebraska and South Omaha by James W. Savage and John T. Bell (New York: Munsell and Company, 1894), 593.

14Omaha Republican, 3 January 1877. The estimated daily volume was 5,000 head of cattle. Butterfield, "History of South Omaha," 593-94. The projected spring market promised nearly 350,000 head of Texas cattle. Fully three-fourths of that number could have been handled through Omaha if it had had a central stock yard. Omaha Republican, 6 May 1876.


16Butterfield, "History of South Omaha," 593.

17Ibid.; Omaha Daily Herald, 23 April 1878.

18Omaha Daily Herald, 28, 30 April 1878; Butterfield, "History of South Omaha," 594; page from Mayfield, Backbone of Nebraska, in William Paxton File. Investors in the Omaha Stock Yard Company were Joseph F. Sheely, C. F. Goodman, S. R. Johnson, H. K. Smith, and A. P. Nicholas. The unsuccessful Omaha Stock Yard proposal also involved Omaha businessmen, including James L. Lovett, W. J. Broatch, and W. C. B. Allen. They had planned to locate their facility on the north side of the UP tracks, one mile from the Court House.
This proposal called for a smaller facility than the Nicholas yard. Butterfield, "History of South Omaha," 594.

19Klein, Life and Legend of Gould, 156; hand-written note, F. T. to Bill [Paxton?], William Paxton File. This note concerns the brands used on Paxton’s ranches, and the information was hand-copied from the Wyoming Stock Growers Association Brand Book, 44.

20Klein, Life and Legend of Gould, 156; Wakely, Omaha: The Gate City, 234. Klein says that Gould greatly encouraged Carter who, in addition to "expand[ing] his yards, put up a hotel for buyers" at the site. Gould told an associate that "we ought to have plenty of buyers on hand to buy & ship. We ought not to let any cattle be driven farther east for shipment. The more of a center we can make ... the more buyers will be attracted to it & the more cattle will be brought in for sale." Evidently Gould’s plan worked, for within five months Carter had more cattle at his yard than the UP could accommodate. Klein, Life and Legend of Gould, 156.

21Butterfield, "History of South Omaha," 594; "South Omaha, Neb.," National Provisioner 4 February 1893. Omaha lawyer and U.S. Senator Charles F. Manderson remembered William Paxton asking his advice in 1880. Paxton "said that a great opportunity had been offered him. ... He said that Sidney Dillon, the then president of the Union Pacific railroad, had sent for him and told him that if he and his associates would form a stock yards company the Union Pacific road would give them the use of all the ground needed on the Iowa side of the river ... and would give advantageous shipping facilities." Charles F. Manderson, "Inception of the Stock Yards," South Omaha Daily Drover Journal—Stockman, 27 August 1909.


23Omaha Daily Herald, 11 March 1876.
24 Alfred Sorenson, History of Omaha from the Pioneer Days to the Present Time (Omaha: Gibson, Miller and Richardson, 1889), 316. The largest single purchase the partners made from a Nebraska producer was 42 hogs. Ibid.

25 "South Omaha, Neb.," National Provisioner 11 February 1893.

26 Omaha Daily Herald, 20 January 1880; 4 May 1880; South Omaha Daily Stockman, 19, 21 July 1887; Omaha Republican, 4 November 1876.

27 "South Omaha, Neb.," National Provisioner 11 February 1893.

28 Omaha World-Herald, 23 April 1976; Omaha Herald, 21 May 1880; 30 December 1882; H. W. Becker, "Sheelytown had 2 Stockyards," Sun Newspapers, 8 September 1982. Sheelytown butchers packed between 1,000 to 2,500 hogs annually. Ibid.

29 "South Omaha, Neb.," National Provisioner 11 February 1893.

30 Ibid., 4 February 1893; Butterfield, "History of South Omaha," 594.

31 Arthur Wakely, Omaha: The Gate City, 235; Omaha Daily Bee, 1 January 1885; Council Bluffs City Directory 1882-1883 (J. B. Bushnell and Company, 1883), 26

32 South Omaha Daily Stockman, 28 June 1887; Maurice Frink, Cow Country Cavalcade: Eighty Years of the Wyoming Stock Growers Association (Denver: Old West Publishing Company, 1954), 46. Frink notes that Swan was no stranger to the cattle trade. He had extensive ranch holdings in Iowa before branching out into Nebraska and Wyoming. On different occasions, he also had been a cattle inspector in Kansas City, and in Clinton, Iowa, and Council Bluffs. He and Paxton were associated in an Ogallala, Nebraska, cattle operation. Swan was also a stockholder in Paxton’s yard in Council Bluffs. Ibid. See also Mothershead, Swan Land and Cattle, 44-56.

33 South Omaha Daily Stockman, 28 June 1887. Allerton and Morris both held vast cattle ranches in the western U.S. Among Morris’ holdings was a ranch near Tekamah, at Herman, Nebraska. Omaha World-Herald,
18 March 1896. Issac Waixel, a long-time associate of Morris, was well versed in the livestock trade. Wade, Chicago’s Pride, 28.


35 Mothershead, Swan Land and Cattle, 53-54, 19-43; Butterfield, "History of South Omaha," 597-600. It was reported that the Swan deal was one of the largest cattle and land sales ever made. This sale involved a large land holding and 88,000 head of cattle that were sold for $2,588,825. Cheyenne Democratic Leader, 24 February 1884.


37 Wakely, Omaha: The Gate City, 235; Larsen and Cottrell, The Gate City: A History of Omaha, 72; Gene M. Gressley, Bankers and Cattlemen, 1966 Reprint (Lincoln: University of Nebraska Press, 1966), 108. F. W. Lafrentz, a business associate, later described Swan’s casual attitude about the Omaha project. "Mr. Swan and I were sitting on the baggage truck in the Union Pacific Depot at Omaha one evening waiting for the train to pull in over the bridge from Council Bluffs, when he said to me in a casual way: 'I have authorized my brother-in-law, Lem Anderson, to obtain options on about 2,000 acres of land south of Omaha,' and in answer to my 'What for?' he replied: 'I am going to start a town there, to be known as South Omaha.' Well, shortly thereafter the options were in and titles transferred to a corporation formed to take over. The land was plotted and the lots put on the market. The venture was successful from the very start. We persuaded William A. Paxton to remove his stockyards from Council Bluffs to this new location. The Railroads which served the two terminals of Council Bluffs and Omaha laid tracks to it as soon as the Chicago Packing Houses concluded to establish branches in the new town." Ibid., 108, n. 2.

38 Swan Land and Cattle Company, "Limited Report to the Directors," 2, Omaha Livestock Market Inc., Omaha Union Stock Yards (USY) Collection, Nebraska State Historical Society, Lincoln, Nebraska. The Swan Land
and Cattle Company suffered financial reverses in 1887 due to Swan’s mismanagement. He may have had "too many irons in the fire," and his reputation as an entrepreneurial gambler was a fitting description. Louis Pelzer, "A Cattleman's Commonwealth on the Western Range," Mississippi Valley Historical Review 12 (June 1926): 31-32.

39 Omaha Daily Bee, 10 December 1883; Butterfield, "History of South Omaha," 597.

40 Omaha Daily Bee, 10 December 1883; Biography File Index, W. Dale Clark Public Library, Omaha, Nebraska. For the South Omaha Land Company, see Butterfield, "History of South Omaha," 613-20.

41 Omaha Daily Bee, 10 December 1883; Omaha World Herald, 24 May 1959; Wade, Chicago's Pride, 69-74. The Omaha Herald referred to South Omaha as "Our Big Suburb." Omaha Herald, 1 January 1888.

42 Omaha Daily Bee, 13 December 1883.

43 Ibid.

44 Council Bluffs Globe, 26 December 1883. "South Omaha dates its founding" to the day of the ground-breaking, April 8, 1884. Butterfield, "History of South Omaha," 600.

45 South Omaha Daily Drovers Journal-Stockman, 27 August 1909. In this commemorative issue of the twenty-fifth anniversary of the USY, James L. Paxton gave his early recollections of the transit yard and the USY. A nephew of William Paxton, he was well aware of the happenings at both sites. He began as a time-keeper with the South Omaha facility during its earliest days, moving back across the river to Council Bluffs a short time later to run that facility. Ibid.

46 Butterfield, "History of South Omaha," 598, 600. Paxton's investment had been $100,000, so he made a $10,000 profit on the sale. Minutes, 25 July 1884, USY Collection.

47 Walker, "Omaha: Frontier Depot," 143-55; Council Bluffs Globe, nd., Council Bluffs Stockyards File, Free Public Library, Council Bluffs, Iowa; South Omaha Stockman, 19 July 1887.

48 Omaha Daily Bee, 8 January 1884.
49 Minnie Eliza Ferguson, "South Omaha Packing Industry" (M.A. thesis, University of Nebraska, 1934), 25-26; Butterfield, "History of South Omaha," 594.

50 Omaha World-Herald, 27 January 1892; Council Bluffs Nonpareil, 13 August 1884.


53 Omaha Daily Journal Stockman, 2 June 1939.


55 Minutes, 1 February 1884, USY Collection; Omaha Sun Newspapers, 29 September 1982; Omaha Daily Stockman, 2 June 1939.

56 Minutes, 1 February 1884; 14 November 1884, USY Collection; Sorenson, Story of Omaha, 604-05; "Simpson vs. Union Stock Yards of Omaha (Limited)," 6 May 1897, legal brief, USY Collection.

57 Butterfield, "History of South Omaha," 623; Omaha Republican, 30 January 1885; Omaha Daily Herald, 30 January 1885; Minutes, November 14, 1884, USY Collection.

58 Omaha Daily Bee, 25 May 1885.


60 Butterfield, "History of South Omaha," 623-24; Sorenson, History of Omaha, 317.


“Simpson vs. Union Stock Yard,” USY Collection; Minutes, 19 April 1886, USY Collection; Sorenson, *Story of Omaha*, 604-05.

“Simpson vs. Union Stock Yard,” USY Collection; Minutes, 19 April 1886, USY Collection.

*Omaha Daily World*, 31 December 1886.

*South Omaha Daily Stockman*, 28 January 1888; 19, 21 July 1887. Boyd’s plant was located on Omaha’s South Sixth Street at the river’s edge. The citizens complained primarily about the odor. Ibid., 21 July 1887. P. E. Iler, another principal investor in USY, earlier had attempted to purchase the Boyd plant to convert it into a brewery. *South Omaha Daily Stockman*, 7 May 1887.

*Omaha Daily Herald*, 1 January 1887; *South Omaha Daily Stockman*, 10 July 1886; 26 January 1887.

Thomas J. Lipton, *Lipton’s Autobiography* (New York: Duffield and Green, 1932), 144-64, 181-84. Lipton tells that there was "poorly-developed railroad service" to Omaha from Chicago. Evidently he also "wasn’t over-impressed with the possibilities of South Omaha. . . ." The Scotsman said that when he arrived in South Omaha "his first inclination was to take the earliest train back to" Chicago. On a later visit, he commented on the employees in his plant carrying fire arms and the Wild West atmosphere of South Omaha. Ibid., 182-84.

“Simpson vs. Union Stock Yard,” USY Collection. Lipton, *Autobiography*, 145, 181-82. The Johnstone brand of pork products had a lucrative market in Alaska. *South Omaha Daily Stockman*, 2 June 1886. Perhaps Lipton was unable to acquire sufficient quantities of hogs at South Omaha. An abundant harvest in 1886 which brought low prices and led farmers to feed their stock the excess grain and corn. Consequently, when Lipton arrived at South Omaha, producers offered well fattened hogs and very few of the type he desired. *Omaha World-Herald*, 23 April 1976.

Lipton, *Autobiography*, 185; W. Kane, *The Education of Edward Cudahy* (Chicago: Privately Published, 1941), 125. Lipton purchased another packing house in 1903 at the Chicago Union Stock Yard that was adjacent to the Armour plant there. Four months later, he sold the facility to the Armour firm for $250,000.

71 Sorenson, Story of Omaha, 600; Butterfield, "History of South Omaha," 627.

72 "Simpson vs. Union Stock Yard," USY Collection.

73 Omaha Herald, 7 July 1887.

74 Ibid.

75 South Omaha Daily Stockman, 7 July 1887.

76 Kane, Education of Edward Cudahy; Patrick Cudahy, Patrick Cudahy: His Life (Milwaukee: Burdick and Allen, 1912). But the Cudahys' desire to start their own firm may have involved disenchantment with Armour. Reportedly they disagreed with Armour's way of dealing with his workers during an 1886 packing house strike in Chicago. According to Wade, the Cudahys had sympathized with the workers and considered Armour's treatment of them as a betrayal. Armour initially had agreed to the 8-hour work day but he reversed his decision along with the other Chicago packers to reinstate the 10-hour day. He also allegedly promised not to penalize the striking workers once work was resumed but after the strike was settled, he refused to rehire them. Wade, Chicago's Pride, 218-26. Yet other evidence indicates a warm relationship always existed between the Cudahys and Armour, claiming that the brothers merely desired their own business. Cudahy, Patrick Cudahy, 60-117.

77 Omaha Daily Herald, 25 April 1888.

78 South Omaha Daily Stockman, 24 April 1888; 8 September 1888; 16, 19 October 1888.

79 "Simpson vs. Union Stock Yard," USY Collection. Commission men were the "middle men" in the livestock markets among cattle producers, shippers, and buyers. Wood, Kansas Beef Industry, 43.

80 South Omaha Daily Stockman, 24 February 1887. In January the Omaha Daily Herald claimed that "the die was cast." Swift would be coming to South Omaha and that its entire operation would be locating there. The later part of this prediction was incorrect. Omaha Daily Herald, 16 January 1887.
81 "Simpson vs. Union Stock Yard," USY Collection; Minutes, 22 March 1887, USY Collection; Unfer, "Swift and Company," 61.

82 South Omaha Daily Stockman, 11 May 1887.

83 Ibid., 14 May 1887.

84 "Swift . . . 1887 Trial Plant to Firm's 3rd Largest," South Omaha Sun, 18 October 1951.


86 Omaha World-Herald, 30 September 1950; South Omaha Daily Stockman, 14 November 1890; Milwaukee Sentinel, 16, 19 November 1890; Butterfield, "History of South Omaha," 627. After twenty-five years of active outside work in the industry, Michael Cudahy said he wanted a change. His partnership with P. D. Armour had allowed both of them to work in concert while pursuing their own interests in the business. Armour provided financial leadership, while Cudahy "hustled among the butchers with the dexterity of a man who knew every iota of the trade." Armour, in discussing the end of partnership, had only praise for his partner. According to this account, Cudahy was concerned that the break occur without causing a "perceptable rupture and without hurting the interest of the senior partner himself." Milwaukee Sentinel, 16, 19 November 1890.

87 Omaha: The Western Metropolis, 94; Omaha Republican, 10 April 1887; E. O. Mayfield, "Early Days in the City of South Omaha," 2, typed copy of article in Nebraska Daily Record, 17 July 1915, South Omaha Files, South Branch Library, Omaha, Nebraska.

88 Butterfield, "History of South Omaha," 651-53. South Omaha's first home was built in 1884 by Martin Spoettle. Located at 25 and M Streets, it housed a saloon. In the early days drinking establishments out numbered provisions stores five to one. Sun Newspapers, 13 April 1967. By 1899, there were 80 saloons in South Omaha. Omaha Labor Bulletin, 5 September 1899.
ESTABLISHING THE LOCAL INFRASTRUCTURE

The infrastructure of the South Omaha packing industry was established in the 1880s and 1890s. It included the introduction of advanced technology in refrigeration and by-product manufacturing. But not all of its innovations were part of the manufacturing process. For example, the packers also needed access to large quantities of water and specialized banking. Consequently, the building of the local industry's infrastructure had wide-spread if unintentional impact upon the South Omaha community. Urban development resulted from attempts to meet the packers' needs, while the growth of related industries provided the city with a solid economic base. But community gains were incidental to the South Omaha packing industry, as the introduction of refrigeration technology, by-products processing, and specialized banking represented industry-wide trends adapted to the local environment.

I

South Omaha packers incorporated new refrigeration technology into their operation; the industry had made
great strides in the area of preservation through refrigeration after the mid-1870s. Innovations in cooling systems and ice-making machinery gained in significance when two consecutive mild winters between 1888 and 1890 created serious ice shortages. As a result, the packing industry became more receptive to artificial ice-making technology to supplement its natural ice supplies. In 1892, Hammond installed two 75 ton capacity "Arctic Ice" machines and, within the next year, purchased another for $50,000. Cudahy followed suit and had a 150 ton capacity ice-making system built. This firm previously had installed three Arctic machines, and the new one increased its ice-making capacity significantly.

Yet despite these improvements, the industry was reluctant to abandon completely the use of natural ice. It still represented an attractive bargain to cost-conscious packers. Ice houses and access to ice fields were among the incentives that the South Omaha Union Stock Yards (USY) had offered the big packers. When the yard itself was under construction, the grading of the main access road led to the damming of a creek. This backed-up water formed Pivonka Lake, which provided an ice field in the winter. Initially it was considered a convenient source to supplement the packers' needs. By 1887, however, real estate had
become more expensive, and ice harvesting was curtailed to make the area available for development. 4

Cut-Off Lake, located in north Omaha, provided the area with its most abundant source of ice. Hammond had been the first South Omaha firm to purchase a waterfront site there. But competition for this ice created a crowded situation, as packers, brewers, and commercial ice dealers all vied for the best locations. 5 The uncertainty of conditions at the lake forced some South Omaha packers to find alternative sites.

Swift acquired 145 acres near Ashland, Nebraska, in 1890. With the construction of an ice-house, this firm increased its harvesting and storage capacity. Then in 1892, it expanded its facility at Cut-Off Lake, increasing its ice storage capacity to 80,000 tons. Swift now was able to meet its own ice needs as well as supply Omaha Packing and Cudahy. 6 In 1895, Cudahy bought out the Artesian Ice Company at Seymour Lake and immediately added another ice-house to the existing facility, doubling its storage capacity. 7

A number of ice dealers went out of business the following year because of a rate war, and the South Omaha Ice Company absorbed several of those that remained. This firm reportedly was controlled by Cudahy's Seymour Lake Ice Company and two other
independent dealers. At this point, some people began to complain of a local ice monopoly. But it was not until December of 1899 that that fear became a reality. The Seymour Lake Ice Company now had been combined with three other ice firms to form the Reservoir Ice Company. By early 1900, it was apparent that a virtual monopoly existed in the local ice business. Increased prices and lack of competition provoked an irate public and led to court action. As a result, the ice monopoly was disbanded in August of 1900.

Access to an adequate water supply was also a problem for the South Omaha packing industry. Modern plants required unrestricted amounts of clean water, and the new ice-making machines also consumed great quantities. The growing needs of the community compounded the problem. In 1886, the Daily Stockman claimed that South Omaha's 3,000 residents were "clamoring for water for fire protection and personal use."

The USY had organized the South Omaha Water Works in response to this situation. This operation utilized a direct pumping system to draw water from eight 180 foot deep wells which were capable of furnishing 6,000 gallons an hour. Local promoters optimistically stated that the water works would provide the daily 800,000 gallons that the packers and the town required. Its
operation began on November 3, 1886 and furnished water to the packing houses and stock yard through eight-inch mains. But service to residential and business areas still had not been completed. According to the Daily Stockman, this delay reinforced its contention that "the town proper [would] receive no benefit from this source." At this time, South Omaha residences and businesses were serviced only by a limited water system built by an Omaha syndicate. It did not provide adequate water pressure, thus creating inconvenience as well as adding to fears that fire protection was compromised.

By mid-1888, it was clear that the existing arrangement had failed to fulfill expectations. The city then contracted with Omaha's American Water Works to meet its additional needs. Subsequently this firm connected South Omaha's water mains to its pumping station at Florence. But due to both the long distance from the pumping station and the narrow pipes, the system often had inadequate water pressure.

The USY reported that it had an adequate water supply in its 1890 annual report. Each livestock pen was supplied with "a trough and hydrant" so that stock did not have to be moved to be watered. At this time, the packing houses supplemented the city's system with water from their own individual artesian wells. The
community, however, had no alternative but to rely upon the present system, and its water needs increased as additional by-product manufacturing became incorporated into packing operations.14

William Paxton and John McShane proposed a partial solution to South Omaha's water problem in the spring of 1894. Acting for the USY, they approached the city council with a new water works venture. On May 21, 1894, the council passed an ordinance granting the McShane group the right to lay mains and pipes through the city's streets, alleys, and other public places. Its plans called for an arrangement similar to the city's first water works. Wells would be drilled and a reservoir constructed. Businesses and residents would be able to apply for service from the new water works, though its organizers reported it would be some time before bids were taken for "city patronage." The primary objective of the new venture apparently was to supply the USY and the packing houses.15

But work did not begin immediately on the project. Apparently the big packers had "not take kindly to the scheme."16 By August of 1895, the USY had entered into a contract with the new water works "which contemplate[d]" placing mains through the yard to service the packing companies and city. This agreement prohibited any other company from laying mains on USY
property. But a new city ordinance already had authorized the American Water Works to lay new mains from the near-by Poppleton Street pumping station throughout the city. Then the superintendent of this firm convinced the packers to enter into a new nine-year contract at a lower rate. His water company was in the process of laying a new water main to the Cudahy plant when trouble broke out. 17

Workmen had began to dig a ten foot deep trench across USY property. The Cudahy and Omaha Packing plants were "practically isolated," since USY holdings surrounded them on all sides. If the new water main could not cross stock yard property, these firms would be forced to do business with the new water company. As digging commenced, USY officials called in the police to stop the trespassing and obtained an injunction against Cudahy and the American Water Works. 18 By late September, however, a court ruling allowed the Omaha company to resume its work. Apparently the South Omaha Water Works project never was completed, and the successor to the American Water Works provided the service. 19

The problem of low water pressure accentuated fears of packing house fires. Late nineteenth century urban conditions made fires a real concern, and the concentration of the packing industry in South Omaha
greatly increased the threat. Grease and fat produced by butchering activities could fuel minor fires into blazing infernos which might spread to the surrounding community.20 In November of 1894, a Hammond beef house fire could have been devastating, for a smoldering fire had gone unnoticed for hours. When the fire fighters finally arrived, the entire building was engulfed, destroying the structure's interior. A combined effort of several fire departments saved the entire complex from going up in flames. The packing district's close proximity to the USY, with its vast stores of hay and grain, presented an additional threat.21 Inconsistent water pressure made fighting the blaze difficult. Earlier reports had indicated that fire hydrants throughout South Omaha had different degrees of water pressure.22

Each packing firm and the USY maintained its own volunteer fire department. Though fully equipped, they relied on the city's paid department for assistance in handling large and dangerous fires.23 Electric alarm systems throughout the plants were connected directly to the city department. But the lack of water remained a pressing concern. The entire community knew that "nothing was so dreaded as a packing house fire."24

Fire hydrants at each plant were connected to the city's water main. The packing firms installed their
own as well. In some cases, additional hydrants at plants out-numbered those of the city twelve to one. Buckets filled with sand or water were located on plant roof tops and throughout their interior. This fire-fighting equipment and other items—hoses, shovels, picks, and axes—were necessary accessories in a modern packing plant.  

Insurance companies recognized the growing risk at South Omaha. In late summer of 1893, residents and businesses were notified of a 20 percent rate increase. It was claimed that the premium hike was due to the problem of low water pressure. One of the city’s packers responded quickly, as South Omaha’s major packers already paid $155,000 in annual insurance premiums. On October 20, 1893, the *World-Herald* reported that Edward Cudahy proposed laying an additional water main as a solution. The fire chief of South Omaha commented that there had been little loss to fire in the past, but was "strongly in favor" of Cudahy’s idea.  

II

Packers diversified their operation through the salvage and processing of refuse material. In the industry’s earliest days, "the meat, the hide and the fat . . . summed up the value" of livestock.
Rendering—the melting down of animal flesh, bones, and fat to release oils—had always been associated with packing. Now local plants also collected and dried blood for fertilizer additives and sugar refining, and continued the traditional processing of hides and hair. Glue and soap manufacturing also provided the packers with a profit-making opportunity. 27

Lard rendering had been part of South Omaha’s packing industry from its beginning. Local plants also had used tankage and dried blood in the making of fertilizer. The packers treated "green hides" in their plants' cellars, while fertilizer materials were processed in separate buildings often 50 to 300 feet away from the slaughtering and packing rooms. This separation was necessary since the dried tankage presented a dust problem and an added fire risk. They rendered lard in separate refrigerated buildings as well, so as to avoid contamination. 28

Other important products resulted from the rendering process. Tallow, a low grade grease and an ingredient in soap and candle-making, was among them. This product took on a greater importance when it was discovered that other edible products could be manufactured from it. In 1892, the Hammond plant produced 3,442,834 pounds of tallow, over twice the
amount produced by all four major South Omaha packing houses in 1887.29

Oleo oil, which was derived from cattle fats, also became a valuable product. It was used in the manufacture of butterine and oleomargarine, two inexpensive butter substitutes. By mid-1892, the South Omaha Cudahy firm produced 150,000 pounds of butterine a week and also had a large scale oleomargine operation.30 Lard, either "leaf" or compound, was another important packing house product. Pure lard was rendered from the leaf portion of a hog, which was the deposit of fat surrounding the "rib walls," and was the preferred variety. These products accounted for a substantial amount of the packers' income in both their domestic and export trade.31

Before the 1880s, independent rendering houses were located at or near packing centers. Often referred to as the industry's scavengers, renders were paid to remove the "nuisance," or butchering refuse. They produced a variety of lubricating greases and oils and a poorer quality of lard. But as the packing industry began to integrate rendering activities into its operations, many independent renderers came to rely more and more on stock yards for their materials. The yards often received animals that had died in transit or were diseased and unfit for packing. These in turn were
sold to small rendering firms which produced inedible oils and greases.32

Nelson Morris, the Chicago packer, had organized the Union Rendering Company in that city in 1869. Apparently he later established a similar firm in South Omaha. Morris had obtained a lease and a contract to dispose of all the dead animals at the stock yard from the USY directors in 1886.33 The following year, however, the directors decided that the Union Rendering Company was a nuisance on their property. As a result, they arranged to buy this firm for $7,484, and then sold a one-fourth interest each to Morris, Robert Fowler, and Gustavus Swift. After these transactions, the facility was relocated eight miles from the yard.34

The Union Rendering monopoly was challenged in 1893. John B. Smiley, a commission man at the yard, formed a new rendering firm in South Omaha that year. The outbreak of "[t]he 'Dead Stock' War" between the two firms attracted public attention.35 Smiley argued "that as this was an open market for live stock it must also be an open market for dead stock. . . ." Trying to undercut his rival, he offered one-fourth to one-half cent more per pound for the dead animals at the yard.36

Livestock shippers responded to Smiley's offer. But when he bought over 50 percent of the available carcasses, Union Rendering also increased its prices.
The USY (though it still owned one-fourth interest in Union Rendering) seemingly maintained a neutral stance, expressing interest only in the swift removal of dead animals from its property. It claimed that the shippers owned the carcasses, and that it was solely their problem.\textsuperscript{37} By 1898, however, Smiley’s rendering operation was no longer in business, as he now was associated with his former rival, Union Rendering.\textsuperscript{38}

Reclamation of grease and oils from packing house refuse provided packers with additional income. It also relieved the load on local sewers. Although packers tried to make the fullest gains possible, some waste was inherent in their operations. In 1896, a trade journal reported that one enterprising South Omahan had been skimming the sewers leading from the packing houses to the Missouri River. The grease that he obtained through this operation was sold at a good price. He reportedly earned a $10,000 yearly income.\textsuperscript{39}

South Omaha packers enlarged their plants to handle rendering and by-product operations. Prior to 1890, however, they sent much of this production to other locations for further processing. Local fertilizer departments dried blood and tankage, then transported it to Philadelphia or Baltimore for fabrication into commercial fertilizers.\textsuperscript{40} Company-owned tank cars transported liquids, usually to
Chicago, where they were manufactured into a variety of products. 41

Each South Omaha plant produced by-products, but the Cudahy operation was the most extensive. It had a canning department, a soap factory, a glue-making facility, and a pharmaceutical department. In 1891, it had added oleomargarine and chemical manufacturing. The following year, Cudahy produced 20,000 pounds of oleomargarine daily, while its beef extract and pepsin departments' annual production was 125,000 and 15,000 pounds respectively. 42

III

Livestock purchases could not be made on credit. Consequently packers needed daily access to cash. Since they often waited weeks or even months for returns on their products, they had to rely on local arrangements for short-term loans. Thus it was important for them to have a close relationship with financial institutions that could provide loans and lines of credit. 43

Packers also needed additional funds to meet the costs of the rapid expansion of their industry. Once again, bank loans provided the solution. In the 1870s, the big packers and their representatives had become influential in Chicago banking circles, both through stock holdings and as directors. Samuel Allerton had
been one of the co-founders of the First National Bank of Chicago, and Nelson Morris had an interest in it as well. In addition, P. D. Armour held directorships at the Continental National Bank and the Commercial National Bank. 44

Eastern financiers originally had invested in western livestock and packing trades. But as the region developed, it became apparent that conservative New York and Boston banking circles had little patience or understanding of the packing industry's western practices. 45 Western banking institutions soon replaced them and became critical to the industry. As early as 1867, Edward Creighton and the five Kountze brothers established the First National Bank of Omaha, which was "the first territorial national bank organized in the United States." 46 This institution played an important role in the livestock trade, but when South Omaha emerged as a livestock and packing center, it became apparent that it needed its own banks.

Specialized banks became an important adjunct to livestock and packing centers. They offered easy access to financial arrangements for cattlemen and packers. Liberal lines of credit and favorable interest rates were major concerns of their customers. Intent on keeping their "capital profitably employed" and their interests protected, packers invested and participated
in the local livestock banks. Two Omaha banks—the First National Bank of Omaha and the Omaha National Bank—initially had provided services to USY traders. Messengers were sent to the yard daily, bringing cash for payments and returning with bank notes.

The First National Bank took the initiative to meet South Omaha’s needs. On November 24, 1886, Herman Kountze of First National and a group of USY investors organized the Union Stock Yards Bank. Beginning with capitalization of $200,000, its directors included William Paxton, John Creighton, both of whom had large holdings in First National, John McShane, Peter Iler, Robert D. Fowler, and Samuel Allerton. The Omaha National Bank then established the South Omaha National Bank, thus continuing the rivalry begun in Omaha.

Packing interests and USY officials organized the Packers’ National Bank in late June of 1891. Apparently they felt a need to establish an institution free from the Omaha banking establishment’s influence. A. C. Foster, Swift’s local general manager, served as the its first president, and Edward Cudahy, Hy H. Meday, Hammond’s general manager, and W. N. Babcock of the USY were on its board.

The packers became even more visible in South Omaha banking during the remainder of the decade. By 1893, Edward Cudahy and P. D. Armour, Jr. sat on the
board of the Union Stock Yards National Bank, while Foster became a director of the South Omaha National Bank. But despite active packer involvement in these financial operations, at least one of them seemingly was dissatisfied with some of the services they provided. In 1893, the World-Herald reported that "there is bad blood between Cudahy and the banks of South Omaha." This firm had established a small savings bank for its employees, and the city's other financial institutions apparently resented this move.

The Omaha Cattle Loan Company was formed in 1895. Catering solely to the livestock trade, "it was organized by Omaha capitalists who had not only money of their own, but access to that held moneyed men of the east." The new lending institution was welcomed by farmers and western cattlemen. Many of them weathered the economic crisis of the 1890s with assistance from the loan company as well as the local banks. In addition, the USY and local packers also were served by these institutions.

The building of the local packing industry's infrastructure began in the mid-1880s. Numerous innovations were required to sustain the efforts of the big packers. In some cases, the industry itself made the improvements. Individual firms expanded their
facilities, developed sources of ice, and introduced
the manufacturing of by-products. Some improvements and
services, however, required the assistance of others.
The growth of the industry placed increased demands on
the community, which in turn, benefited from the
improved water system, the banks, and the new allied
businesses that were drawn to the city. In some
respects, South Omaha itself was a by-product of the
packing industry.
NOTES


3The lake had this name because Frank Pivonka, South Omaha's first saloon owner, cut ice there. Breen, Pioneer Historical Society [of] South Omaha Nebraska, np.

4South Omaha Daily Stockman, 14 January 1887; Omaha World-Herald, 23 April 1976; South Omaha Sun, 13 April 1967.

5Omaha Republican, 12 January 1887; Omaha World-Herald, 6 February 1895.

6Omaha World-Herald, 11 February 1896; Butterfield, "History of South Omaha," 631.

7Omaha World-Herald, 2 May 1954; 8 November 1895. In 1892, a group of local men attempting to drill for oil or mineral water made an artesian well instead. It gushed "thousands of gallons of clear water an hour" and was the source of this lake. Ibid.

8South Omaha Daily Stockman, 6 February 1895; 8 November 1895. At least three ice companies went out of business. Those that continued in business in 1896, in addition to the Cudahy firm, were South Omaha Ice, Lamoreaux Brothers and the Arctic companies. Omaha World-Herald, 21 February 1896; Robert S. Kittell, "The Omaha Ice Trust," Nebraska History 54 (Winter 1973): 633-46.

9South Omaha Daily Stockman, 11 November 1886.

10Ibid., 23 September 1886; Omaha Republican, 2 January 1887.

11Omaha Republican, 2 January 1887.

12Omaha World-Herald, 2 July 1888; 24 February 1898.
13 Ibid., 24, 25 April 1895; 20 September 1894, 13 August 1895. The American Water Works obtained its water from the Missouri River. Ibid., 13 August 1895.

14 Seventh Annual Union Stock Yard Live Stock Report: for 1890 and Summary for Years 1884-1890, USY Collection.

15 Omaha World-Herald, 13 August 1895; 20, 24 September 1894; 24, 25 April 1895. On one occasion when Paxton and McShane were inspecting sites, an official of the Armour firm accompanied them. He was P. A. Valentine, personal assistant and a partner of P. D. Armour, who showed great interest in the new utility. Though Armour no longer had a plant at South Omaha, he retained an interest in the USY, and the World-Herald found it understandable that he should have a good deal to say about the water works. It was later widely rumored that P. D. Armour actually owned the proposed facility. Ibid., 24, 25 April 1895; 22 September 1895.

16 Ibid., 24 September 1895; 25 April 1895; 13 August 1895.

17 Omaha Daily Bee, 14 August 1895; Omaha World-Herald, 2 August 1895.

18 Omaha World-Herald, 13 August 1895; Omaha Daily Bee, 14 August 1895; 25 September 1895.

19 Omaha World-Herald, 25 September 1895; 4 February 1898; 3 December 1903; Omaha Daily Bee, 8 January 1896.

20 South Omaha Daily Stockman, 23 February 1889; 13 March 1889; Omaha World-Herald, 9 October 1893; 2 November 1894; Omaha Daily Herald, 1 January, 1888.

21 Omaha World-Herald, 2 November 1894. One Hammond fireman was killed and another fatally injured while fighting the blaze. Ibid.

22 Ibid., 20 January 1893.

23 Ibid., 6 December 1895; 22 June 1896; Daily Stockman 23 September 1886; 11 March 1889. By 1893, South Omaha’s fire fighting force consisted of five paid firemen and a chief. It was equipped with two engine houses and thirteen fire alarm boxes that were situated throughout the city. At the end of 1893, the
department reported that it fought 56 fires amounting to $11,775 in losses. U.S. Congress, House, Public Building At South Omaha, Nebr., 53rd Congress, 2d Session, 1894, H. Doc. 474, 1.

24Omaha World-Herald, 11 August 1893; 6 October 1897; Daily Stockman, 2 November 1894.


26Omaha World-Herald, 20 October 1893. The Cudahy plant was insured for $2,750,000 which provided for 80 percent coverage. The yearly premium was $55,000. Butterfield, "History of South Omaha," 629.


28Omaha Daily Bee, 4 October 1886; Ice and Refrigeration 11 (April 1901): 195; (October 1901): 145; (November 1901): 207; (December 1901): 231; R. C. Howe, "Marvelous Growth of the Packing and Live Stock Industry in America," 2-3, typed copy of a Nebraska Daily Democrat article, 7 July 1915, South Omaha File.

29"What Happens to Packinghouse By-Products is Important to All of Us," Armour's Analysis 7 (April-August 1958): 5; Butterfield, "History of South Omaha," 625; Omaha Herald, 1 January 1888. In 1848, one beef-packing firm produced 40 barrels of tallow a day during its 60-day season. Whitaker, Feedlot Empire, 37.

30Butterfield, "History of South Omaha," 628.


32Omaha Daily Herald, 1 January 1887; Omaha Daily Bee, 30 January 1885; 4 October 1886; South Omaha Daily Stockman, 15 April 1890.

33Wade, Chicago’s Pride, 27-28; Minutes, 19 April 1886, USY Collection; South Omaha Daily Stockman, 21
June 1886. Union Rendering processed carcasses and sold the resulting oils and axle greases. Lard or other edible products were not produced. The firm was the city’s third rendering facility and would employ 30 men under the supervision of Andrew "Andy" Haas. Omaha Daily Herald, 1 January 1887.

34Minutes, 17 May 1887, USY Collection. New officers of the company were elected soon after this transaction took place. They included Edward Cudahy, president; Andrew Haas, vice-president; James Howe, secretary-treasurer; and A. C. Foster, director. Apparently all of South Omaha’s major packing firms had an interest in the rendering company. South Omaha Daily Stockman, 23 May 1888.

35South Omaha Daily Stockman, 15 November 1893.

36Ibid.

37Ibid. In 1894, Union Rendering was confronted by 50 farmers living near its new location in Sarpy County. They sought to enjoin the rendering house because they suspected that animals with cholera were being processed there. National Provisioner, 11 August 1894.

38Omaha World-Herald, 4 February 1898. Smiley’s career as a render can be traced in the Omaha city directory. In 1895, his occupation was listed as "rendering works 204 Stk Yds exg." Two years later, he was associated with Union Rendering. But in 1900, he was employed as the manager of this firm. McAvoys Directory: Omaha City Directory (Omaha: Omaha Directory Publishers, 1895, 1897, 1900).


40Omaha World-Herald, 1 January 1893; South Omaha Daily Stockman, 13 December 1886; Howe, "Marvelous Growth of Packing," 2.

41The Meat Packing Industry in America (Chicago: Swift and Company, 1937), 62; Omaha World-Herald, 10 October 1896; Omaha Daily Bee, 30 January 1885; 4 October 1886.

42Butterfield, "History of South Omaha," 628-29.

43Omaha World-Herald, 8 August 1893; Whitaker, Feedlot Empire, 43.
The five Kountze brothers—August, Luther, Charles, Herman, and William—were instrumental in Nebraska's banking history. Their first bank was established in 1857, but they operated it without a charter until 1863. They received the state's first national charter that year. Edward Creighton invested heavily in the bank that same year and became its president. He held that position until his death in 1874. In addition, he held directorships in two Kountze Brothers' banks in Colorado. Gerome Walton, A History of Nebraska Banking and Paper Money (Lincoln: Centennial, 1978), 106-07; Alfred Sorenson, "Biographical Sketch of Edward Creighton," Nebraska History 17 (July-September 1923): 163-69.


South Omaha Daily Stockman, 29 November 1886.

Ibid., 24, 29 November 1886. Among the directors of the Union Stock Yards Bank were M. C. Kieth of North Platte, Nebraska, and F. H. Davis of Chicago. Ibid., 3 December 1886. John Creighton was the president of the First National Bank of Omaha from 1897 to 1906. Walton, History of Nebraska Banking, 107.

South Omaha Daily Stockman, 29 November 1886. Both the Stock Yards Bank and South Omaha National Bank touted their convenience to the yard, but the Union Stock Yards Bank occupied a small office in the USY Exchange Building, while its rival was located several blocks away. Each institution also served the general community, offering a full range of services. By 1892, the Union Stock Yards Bank became a national bank. South Omaha Daily Stockman, 6 June 1887; Omaha Republican, 1 January 1888; Omaha World, 1 January 1888; Butterfield, "History of South Omaha," 605; South Omaha Daily Drovers Journal-Stockman, 27 August 1909.

South Omaha Daily Stockman, 23 July 1891; 26 June 1891.

Omaha World-Herald, 11 June 1893.


The South Omaha packing industry faced major challenges in the 1890s, weathering a depression and repeated labor strife. In retrospect, however, the economic crisis was not as serious a problem here as it was in many other cities. The labor challenge was a different matter. Workers organized unions to improve their wages and working conditions, and, despite a serious setback in 1894, met with success by 1898. The same year, Armour returned to South Omaha, building a new modern plant which encouraged its rivals to expand their local operations as well.

I

In July of 1890, much of the United States enjoyed economic prosperity. But for regions dependent on agriculture, it was considered by some observers the "most unsatisfactory" in agricultural history. Yet the South Omaha Union Stock Yards (USY) handled 80 percent more cattle and 89 percent more hogs than the previous year. Economic distress for livestock producers actually benefited the South Omaha market, as many of them sold their stock to cut their loses. But drought
conditions had affected the quality of the stock and that affected the packers as well. Overall, however, the early 1890s were good years for the South Omaha packing industry. Money had been invested, "labor [was] employed and the great energies of business [were] rapidly maturing and strengthening" during the area's "hard times."  

The Wall Street Panic of May 3, 1893 triggered a five-year depression. In the following months, many businesses and banks failed, due in part to the suspension of cash payments. The optimism of the past now gave way to the pessimism of the present, as the nation witnessed a "sudden and striking cessation of industrial activity." As a result, unemployment reached unprecedented levels.  

At the onset of the depression, South Omaha packing houses sought to reduce expenses. In June, they "let out hundreds of men," and Swift had "laid off all of their hog men." The following month, however, the World-Herald claimed that the bottom had been reached and better times would soon return. But the newspaper was wrong. Limited supplies of currency caused area banks to delay payments on checks and to revise their usual loan procedures, creating a hardship for workers and those on pensions as well. The provisions trade also was affected adversely due to lower values on
products. The anticipated quick recovery failed to materialize by the end of the summer. Government officials also were wrong in their belief that stock market panics could no longer cause economic chaos.

Local observers continued to look for signs of recovery. In December of 1893, the World-Herald reported that "the steady improvement in the general business situation has been maintained the past week," thus revealing an almost desperate attempt to find some hope. When a "large block of cheap money" was made available at Omaha banks in the fall of 1893, it was anticipated that it would stimulate business activity. Local financial institutions offered low interest rates hoping to attract the packers' business.

The livestock and packing industries were the basis of South Omaha's economy. Both continued to expand during 1893, and this performance stood in contrast with those elsewhere. Here, stock yard cattle receipts rose 14 percent, while hog receipts only decreased 11 percent. Chicago and Kansas City had not done as well. This fact was not overlooked by USY promoters. They interpreted the figures as indication that "at no distant day ... [South Omaha] will rank second [and] then it will forge to the first place."
congratulate themselves over as they found in the years of prosperity and growth." The local packing industry seemingly played an important role serving as a buffer against the economic crisis. 9

South Omaha packers had purchased 1.6 million head of livestock at the USY market in 1893. Yard receipts had risen to 2,530,494 that year, although the packers had reduced their consumption by 100,000 head. But despite this decrease, "the business of the Hammond company . . . increased 100 percent," doubling its hog kill totals over those of the previous year. In addition, its cattle and sheep consumption also increased substantially. The World-Herald noted that this firm's performance was "indeed a remarkable showing." 10 At the same time, Hammond also had made plant improvements. Additional coolers were installed and its artificial refrigeration capabilities were upgraded. The firm also built a main engine-room to furnish increased power and dug two artesian wells. 11

On the other hand, the Omaha Packing, Swift, and Cudahy operations seemingly had not experienced as successful a year.

As many as 4,515 were employed at the South Omaha plants during 1893. But production cutbacks reduced this figure. And for those employed, the uncertainty of the economy led to job insecurity and lower wages. The
usual fluctuation of packing house work was
accentuated, causing additional lay-offs. Although
these were short in duration, the matter of wage cuts
had a more lasting effect. 12

In an effort to reduce costs, South Omaha packers
decided to cut wages, announcing that decision in
mid-August of 1893. They claimed that these cuts
brought the local wage scales in line with those of
Chicago. At the Cudahy firm, its office staff was pared
down. The World-Herald reported

There had been no wholesale discharge or even
reduction in wages of employees. However in
several departments such reductions have been
and are being made as will equalize the pay of
employees with salaries paid for like service
in other cities. 13

Nationally, unemployment was on the rise. But in
South Omaha, the number of "idle men [was] not near so
many as was expected six months ago, or as there were
one year ago at this time." In November of 1893, South
Omaha businessmen reported that their "dull times"
appeared to be coming to an end. Yet the packers
claimed that their business year had been unprofitable,
as they had operated at a loss. But in most cases,
since local profit statements were incorporated into
those of the parent firm, these comments may not have
accurately reflected the packers' performance in South Omaha. 14

The year 1894 began with local optimism and ended "with a general feeling of distrust and uncertainty." 15 By summer, the depression had reached its lowest point, and unemployment now had some impact on South Omaha. In August, South Omaha packing house workers went out on strike. But their demands for the return to pre-1893 wages and reinstatement of all striking workers were disregarded, and their efforts ended in defeat. The newly established Associated Charities, the Federated Labor Union, and city officials made requests that "only home laborers be employed" at the South Omaha packing houses. Then a fire at the Hammond beef house in early November added further evidence to claims that 1894 was a "bad year." 16

Drought conditions had caused a glutted livestock market, but at the same time the depression had reduced consumption of meat. Reportedly, the packers' "only chance [was] to make it back on the jobbing trade," but hard times had also reduced that source of demand. 17 Rain finally ended the drought in the late spring of 1895, restoring confidence to livestock producers and packers alike. Earlier in January, P. D. Armour had announced that he planned to build a new plant at South Omaha, a step which brightened the USY's business.
outlook. But despite these reasons for optimism, 1895 ended on a sober note. USY receipts fell one million head below those of 1894. Another significant downturn in the national economy started in January of 1896 and lasted well into the following year. But USY receipts increased after the sharp decline in 1895, and the local packing houses increased their production. At the same time, however, the packers' work force was approximately 3,200, significantly lower than it had been two years earlier.

In the mid-1890s, the local packers also turned their attention to politics. This interest included efforts to influence their employees' political activity and voting. An example of this practice grew out of a local Democratic convention which occurred in October of 1895. Edward Cudahy called the company's superintendent, Daniel Cameron, "in on the carpet" for supporting a district court candidate over his choice. He then told Cameron to discharge those men who had worked for the nomination of that individual. Thus his superintendent was compelled to discharge seven employees because of their political activity. The men were reinstated five days later, however, with the unspoken understanding that they would abandon support for their candidate and use their influence to elect Cudahy's choice. The World-Herald reported that other
Cudahy workers feared that once the election had been decided, those men would be discharged permanently, regardless of the results.  

South Omaha packers also were very interested in the 1896 election. Nationally, the big packers enlisted in the Republican cause. The World-Herald reported that the "dressed beef and provisions trust" had made the largest single contribution to the McKinley campaign with a check for $665,000. Locally, the packers distributed Republican leaflets and McKinley buttons at their plants. Many packing house employees, however, may have sympathized with the worker quoted in the World-Herald who had said, "I wear a McKinley badge while at work in the packing house and a Bryan one when at home." They did not want to "take any chance on losing their situation." But the World-Herald (which was a Democratic newspaper) was also quick to point out that the workers took the attitude "just wait till we get in the booth and then we can vote as we see fit."  

The packers expanded their production in 1896. That year, they processed 288,647 cattle, 821,976 hogs, and 173,372 sheep, which represented substantial increases over 1895. USY receipts also increased significantly, showing a 55 percent rise. By April of 1897, livestock receipts had risen by 235,746 head over
1896 totals, and the trend continued throughout the year. But South Omaha still awaited Armour's decision to begin construction of the new plant. In May of 1897, the USY became the center of a controversy in which Armour was involved. W. N. Babcock, one of Armour's strongest supporters, resigned as general manager of the yard. But according to the World-Herald, the USY secretary said, "Whoever [his] successor may be, you may rest assured that Armour will have much to do with the appointment." One observer interpreted Babcock's resignation as the result of friction with major local stockholders, namely John McShane and William Paxton. The issue was resolved in the weeks that followed. W. J. Kenyon, most recently "general freight and passenger agent for the Chicago, Burlington [and] Northern [rail] road" was appointed as the USY's new general manager. Then, on June 25, 1897, it was announced that the Armour firm would begin construction immediately on its new plant. In the eyes of the World-Herald, this step demonstrated Armour's recognition of

the importance of . . . South Omaha as a stock center and distribution point, and [his] arrival . . . with all the powerful interests he controls is considered to be a trump card. . . .
The estimated cost of the new facility was $1,000,000, and it was touted as the most modern facility in the industry. According to the *World-Herald*, it would provide as many as 2000 more steady jobs, thus promising to increase the packing work force "to about 6,000 persons."32

II

South Omaha workers challenged the packers in the 1890s. Here, the skilled butchers in the city's packing houses had organized in an attempt to improve their wages and working conditions; but the packers refused them formal recognition and continued to deal with them on an individual basis. In July of 1894, when a packing strike broke out in Chicago, many South Omaha workers went on strike as well.33

Local union beef butchers walked off the job on July 30, 1894. The next day they were followed by the hog butchers. Wage cuts of the previous year had created hardships, and local observers had anticipated that the skilled butchers would ask for an increase. But they were surprised when the unskilled laborers joined the striking butchers.34 At its height, the strike involved over 1800 packing house workers, who were organized into five different unions. 35
The initial action by the beef butchers seemed spontaneous; but in fact, the strike was not as unplanned as it appeared. At least ten days before, representatives of the Journeymen National Butchers Union in Chicago had come to South Omaha to enlist the city's union butchers in a sympathy strike. In an effort to strengthen their position, the Chicago butchers tried to recruit workers in western packing centers to their cause. 36

The local strikers demanded the reinstatement of the pre-1893 wage scale. But convinced they were "part of a national movement," they also sought the resolution of the disputes in St. Louis, Kansas City, and Chicago. Their statement to the packers read, "We as a part of the Butchers National [U]nion, do refuse to work..." Later they added a third condition which called for the reinstatement of workers without prejudice after the strike was settled. 37 The packers, however, were not responsive to their demands and refused arbitration. The Hammond plant manager, A. H. Noyes, stated

There is no possibility of arbitration... so far as our company is concerned... Our men tell me they have no grievances, so of course there is nothing to arbitrate. 38
South Omaha packers were in agreement on this matter. Even after the strike committee had withdrawn the condition concerning other packing centers, the plant managers refused to consider raises. They remained steadfast in their position that the Chicago scale would remain in place.\(^{39}\) On August 3, Edward Cudahy had reported that "a number of his hog men had promised to go to work at noon." But when none arrived, the firm's managers "proceed[ed] to fill their places and run their plant just the same."\(^{40}\) The next day, South Omaha packers published a notice in local daily newspapers announcing that any employee who did not return to work on Monday, August 6, would be considered "permanently discharged and their position filled." And when only a small number of workers showed up for work on Monday, others were hired in their place. The packers recruited some local retired butchers and brought in a large number of strike-breakers from outside the Omaha area as well.\(^{41}\) But some of the replacement workers soon quit because of a dispute over wages. At the Hammond firm, the new men were only being paid $1.50 a day.\(^{42}\)

As a precaution, the packers housed the new workers in their plants. This arrangement required setting aside areas for sleeping and eating, and some local men still on the job used the facilities as well.
It was rumored that Cudahy had deducted $4.50 from the wages of the employees in payment for room and board in its plant. But Cudahy managers denied any such practice.43

The strikers became more aggressive in their attempts to persuade those who remained at work to join the strike. Incidents also occurred between the replacement workers, who were denounced as "scabs," and the strikers. The "dummy trains" that brought workers in from Omaha and Council Bluffs were stoned, often injuring some of the men. As the attacks escalated, the packers complained that many of their old employees wanted to return to work but the harassment and risk of physical harm at the hands of the picketers kept them away. Edward Cudahy urged having "at least 200 specials [police] for a while until this excitement abates."44

A number of Bohemian workers of Brown Park remained on the job. They were a source of "great sport" for some strikers, who would "yell and brandish clubs" as the men walked to the plants. As the tension mounted, the World-Herald reported that "bad blood is being shown more freely." Adding to the threat of continued violence was a reported increase in sales of handguns since the beginning of the strike.45
The packers hired additional guards, and the city increased the number of its police as well. By August 9, there were almost 500 security people on patrol in the packing district. Perhaps the example of strikers’ violence at the Chicago yards had made the South Omaha managers aware of what angry striking workers could do.46

But the South Omaha packers still feared striker reprisals despite the added protection. State officials met with packers, union representatives, and local officials on August 8, 1894. Acting governor T. J. Majors and Adjutant General James D. Gage of the state militia heard the packers’ complaint of the lack of adequate protection of their property. But Douglas County Sheriff John C. Drexel argued that the situation was well under control. Still, the unions’ position that it was a peaceful strike was questionable in view of the many skirmishes reported. 47

Initially it was decided not to call out the militia. The reaction to this decision was mixed. Many local residents had been against the use of the state troops, while industry officials saw the militia as the only hope of protecting their property. The South Omaha Livestock Exchange held a special meeting on the situation and issued a resolution calling for the militia. It held that a "condition of lowliness and
riot exists . . . endangering life and property." Some Exchange members believed that the "the Sheriff of Douglas County has refused to furnish sufficient protection."48

The packers' threat to shut down the packing plants appeared to escalate striker violence. Strike-breakers received the brunt of the hostility. Trouble that some saw as "rioting" had begun on August 7 with reports of fights occurring throughout South Omaha. "Indian Hill," where many of the single men's boarding houses were located, appeared to be the site of the greatest turmoil. A report in the morning edition of the World-Herald, on August 8, described a "riot" that began the evening before. It told of 200 strikers led by "one of their number carrying a red flag on pole," who had marched to the site of the disturbance but turned away when injured rioters "begged them not to go on."49 But no mention of either the red flag or the riot was found in the other local newspapers.50 The South Omaha Daily Stockman and Daily Bee accounts told of Italian strike-breakers brandishing knives and assaults on Bohemian and French workers. A policeman was injured in an incident involving an attack on black strike breakers on August 7, and one striker was arrested. These episodes reinforced the belief that "riot conditions" existed.51
Violence continued over the next two days, and Majors remained appraised of the situation. Then, on August 9, after a quiet day, problems arose again. At 10 o'clock that evening he made the decision to call up the militia after concluding that the sheriff could not control the situation. Five militia companies, totalling approximately 500 men, were sent to South Omaha. All of them were equipped with "bayonet and repeating rifles, "and a gatling gun [or machine gun] was stationed at the foot of N street." When the five o'clock whistle sounded at the plants on August 10, almost 2,000 people assembled, expecting to witness a confrontation between the "citizen soldiery" and the strikers. But order was maintained except among the spectators. The militia, in fact, had little to do or observe while in South Omaha. 52 While the Daily Bee denounced using tax dollars to protect "the dignity of the packers," the Daily Stockman maintained that there was "no question but what the troops have quelled all trouble for the time being." 53

Meanwhile, the strike committee went into "executive session" in response to the arrival of the militia. Some of the committee reportedly were satisfied with the militia being called out, but "the men on the street did not take as kindly to it. . . ." 54 By August 15, at least 1000 strikers had returned
to work, and a meeting of the Federation of Labor was called to end the strike. For many of the strikers, there was nothing to be accomplished by holding out any longer. Chicago and St. Louis had settled their disputes with no gain to the workers, while Kansas City had not gone out at all. Plants in those cities now operated at almost full force as were those in South Omaha.  

The beef butchers and beef boners held out two more days. But by August 18, everything in South Omaha was reported back to normal. Packing house wages remained at the pre-strike scale. Those who were allowed to return to work came back unconditionally, while many others remained unemployed. The Daily Stockman described the plight of most common laborers who had gone on strike as "untenable." They had walked out in "sympathy with the butchers" but their positions had been quickly filled, "and [they were] now looking for jobs."  

The South Omaha packing strike of 1894 had ended in defeat. Wages were not increased and many workers lost their jobs. The same result occurred in other major packing centers as well. While South Omaha residents and businessmen welcomed the end of the dispute, the city now faced the task of providing relief to a large number of unemployed family men, and
local resources were not sufficient to handle the need. The city council passed a resolution urging the packers to rehire their former workers, and Mayor Edward Johnston made a personal appeal to each packing house manager. In response, the packers claimed that the old men would be rehired as production increased, but they also explained that they felt duty-bound to respect the rights of those who worked during the strike. 

By the end of September of 1894, South Omaha's packing house workers appeared reconciled to defeat. A boycott against Cudahy products was lifted, and the union coopers who struck at Swift earlier in the month also were back to work. Only a small South Omaha contingent marched in Omaha's annual Labor Day parade in early September. According to the World-Herald, increased production at the packing plants kept most workers occupied that day.

Another result of the strike occurred later that month. South Omaha unionists, at a Federation of Labor meeting, denounced the political candidacy of T. J. Majors who had ordered out the militia. Their resolution charged him as being dishonest and corrupt. During the strike, they claimed that he had "shown himself to be the subservient tool of corporate power and the enemy of labor and the laboring people."
Despite occasional work stoppages, it was not until 1898 that local workers were able to mount a second challenge to the packers. Talk of a packing house butchers' strike circulated throughout South Omaha in the spring of 1898. Workers were dissatisfied with short work hours and "too little pay." According to the World-Herald, they claimed that they could not "keep even with the world on the wages now paid them." But a Swift employee was quoted as saying, "We fear a strike at Swift's but not unless the employees at other house[s] will take a hand. At Cudahy's, I am told the men refuse to have anything to do with a strike."  

A strike deadline of May 1 was postponed until "sentiment had become unanimous." But the feeling of many skilled workers was that although "there may be grievances or cause for grievances," the 1894 strike had taught them that "the strike is one of the last weapons" to be used. As a result of such sentiment, the butchers decided not to go out.  

Later, however, the unskilled laborers took the initiative and walked off the job. One hundred unskilled workers went on strike at the Cudahy plant on July 11, 1898. One of them said that the strike had developed like "a thunderclap from a clear sky." Wages were at the heart of the controversy, and strikers
demanded a 2.5 cent increase or 17.5 cents an hour. Initially the walkout had little effect; work at the plant was not delayed, and the men were quickly replaced. Many unskilled men recently had come to South Omaha to obtain work at the new Armour plant, which was scheduled to open within days. Apparently some of them became strike breakers at the Cudahy facility. 66

But packer hopes that this work stoppage was an isolated situation were dashed the next day. Another 500 workers "drew their time, took their working clothes with them and went away." Cudahy superintendent Cameron had attempted to reason with the laborers by sympathizing with their complaints of low wages. He appeared to regret the fact that he could not unilaterally grant the raise and said he would if the other packers did the same. After the second wave of men walked off, however, Cameron announced that there would be no pay raise. Four days later, the Western Laborer, a local labor publication, called the strike "one of the most remarkable ... in recent years--5,000 men will be idle without the assistance of a union." 67

Swift and Hammond workers soon joined the strike. Now the situation became serious. The South Omaha packing houses, though not shut down, were crippled and normal production was curtailed. 68 Though apparently
unschooled in the methods of union organization, the unskilled had led the way for over 3,000 working men to walk off their jobs.\(^69\)

The Daily Bee now reported that the men were "quietly organizing and that as soon as the Armour plant opened a new scale of wages [would] be presented to the packers." They anticipated a "scarcity of labor and consequently an increased demand" for workers when the plant opened and saw that as a benefit to those on strike.\(^70\) The strikers selected a committee to meet with the packers and also held nightly mass meetings. Union organizer "Mother" Mary Jones, then visiting in the area, spoke to the strikers several times, "[urging] the men to stand firm and act honorably."\(^71\)

The walk-out led to a great deal of concern throughout South Omaha. Local businessmen hoped that a general strike could be avoided, for they had "no desire for a repetition of the experience of ... August, 1894."\(^72\) Those involved with the opening of the new Armour plant seemed anxious that the dispute be settled. J. C. Sharp, the USY board secretary, wrote

It was Mr. Armour's intention to open up their house today [July 18, 1898] but owing to the strike which seems somewhat serious it has been deferred until all matters are straightened up.\(^73\)
Hammond's general manager A. Noyes felt that "this matter could have been adjusted the first day." But he clarified his position by stating that his company would only deal with the employees, and not an "executive committee of a dozen men some of whom we know to have been unemployed by any packing establishment in South Omaha." Noyes' position was unsympathetic to any manner of labor organization, a stance shared by the city's other packers. 74

The strikers remained steadfast in their position that only their committee would negotiate for them, and the plants were virtually closed down because of the strike. Edward and Michael Cudahy finally agreed to meet with the committee on Sunday, July 17. Apparently the other South Omaha packers had agreed to comply with their decision. The Daily Bee reported that the relations between the Cudahys and the committee "appeared to be of the most friendly nature." Approximately 2,300 of their workers were out on strike, and they decided to grant the raise. 75

As a result of this meeting, the strike appeared to be settled. But the Swift and Hammond strikers refused to return to work until managers G. M. Price of Swift and Noyes of Hammond gave their committee official notification. Once that recognition was
accorded, the striking workers agreed to return to the plant the next day, July 19. 76

The Western Laborer congratulated the committee's efforts and recognized the Cudahys' concern for their employees. Earlier, the World-Herald had commended the strikers on "the gentlemanly manner in which they [had] conducted themselves" during the strike. 77 Local packing house workers enjoyed their first major victory over the packers. They gained an increase in wages and at least some recognition of their loose organization. A more extensive unionization effort at the packing houses soon was undertaken. 78

The previous year, the American Federation of Labor had chartered the Amalgamated Meat Cutters and Butcher Workmen as the union in the packing industry. It grew quickly and two Amalgamated locals--Local No. 28, Beef Butchers, and Local No. 33, Pork Butchers--were chartered in South Omaha, both of which had been organized by the spring of 1898. Later, in December of that year, South Omaha sheep butcher Michael Donnelly was picked as the Amalgamated's president. Over the next several years, Donnelly and his union successfully organized the major packing centers. Labor's greatest challenge to the packers in the early twentieth century came in 1904, with South Omaha workers taking part in that struggle. 79
III

The Armour plant opened following the settlement of the 1898 strike. It was a big event for South Omaha and seemingly justified the USY efforts to attract the big packer to return. In keeping with their earlier practice, the stock yard directors had given Armour substantial incentives to locate the new facility at their site. The stock yard had purchased the land for the new plant and then deeded it over to the firm. In addition, P. D. Armour personally received 7500 shares of USY capital stock as a bonus for locating at South Omaha. According to J. C. Sharp, USY board secretary, "Everybody is highly elated over this deal and feels that it is the best move ever made by the yards." Armstrong and his family already controlled the largest block of USY stock. But these additional shares later allowed the packer and his firm to gain control of the stock yard company. Even before then, however, Armour had a great deal of influence at the South Omaha market center.

The original announcement to build a new Armour plant coincided with the start of the economic upturn of 1895. But its construction did not begin until two years later. Commission men at the USY Livestock Exchange were among the most vocal in touting the
benefits that the firm would add to the market. The prospect of other packers coming to South Omaha added to the optimism. In the fall of 1897, the World-Herald reported,

Nelson Morris of Chicago has decided to build an immense packing house. . . . The decision of Phil Armour to locate here was what prompted Morris to enter the field in order to reap some market benefits. But the report was unfounded at the time. Still, it was clear that the Armour announcement had led to heightened expectations.

The first of the new Armour plant's estimated 12,000,000 bricks was laid on November 17, 1897. All phases of the construction were followed by local newspapers, from the initial grading to the bricklayers' progress. After the plant was completed, P. D. Armour claimed that it was his favorite among the firm's facilities since it was "modeled after his own ideas." It was, in fact, the largest and most modern plant in the city and once the new ten-story cold storage building was completed in 1899, it also could boast of having South Omaha's tallest building. The complex contained five buildings. In addition, Armour constructed an ice house and ice harvesting facilities at Memphis, Nebraska, which was approximately thirty
miles southwest of South Omaha. A boarding house for 300 ice house workers also was located at this site. 88

The new plant opened on July 19, 1898. "A large crowd of interested spectators" witnessed the start of the hog slaughtering operation, and within a few hours, 1,000 hogs had been slaughtered. These facilities had been designed to accommodate 13,000 carcasses in the hog chilling rooms. The following day, the plant began slaughtering cattle and sheep. 89 Within five months, Armour had slaughtered 85,261 cattle and 553,654 hogs, and, due to the greater availability of sheep from the western ranges, the plant handled 5,000 head daily. 90

Real estate values immediately had risen 25 to 50 percent throughout South Omaha, following the announcement of Armour's return. Those properties closest to the site of the proposed plant doubled in value "or estimated value at least." 91 Rents also increased significantly due in part to the housing shortage. Thus the building of cottages took on added importance. 92 Six months prior to the initial Armour announcement, 200 rental houses were available, but by the fall of 1897 every suitable cottage and business structure was occupied. It was estimated that 1,500 new residents would need homes and that 100 new dwellings already were required to meet present needs. Armour responded to the scarcity of family dwellings with
plans to construct "a large number of homes for [its] employees." 93

Cudahy had had the largest packing operation in South Omaha until the new Armour plant opened. Perhaps in response to its competitor, Cudahy expanded its local operation. New buildings were constructed to house a new soap factory, a sausage plant, and an expanded butterine facility capable of producing 50,000 pounds a day; an additional oleo oil house was planned as well. 94

Swift also expanded its South Omaha packing operation. This expansion included the purchase of the old Oberne slaughtering house and an adjacent four acres, both of which abutted its plant. 95 It was also reported that Swift acquired an additional thirteen acres for the purpose of expansion. But the Daily Bee claimed that Nelson Morris had purchased this land because "[e]ver since Armour located here it has been thought that Nels Morris would follow shortly. . . ."

Swift's local general manager may have encouraged the Morris rumor when he said that his firm "had all the land it needed in case it was deemed advisable to enlarge the plant." 96 Although Morris had purchased this land, he never built a packing house in South Omaha. (In 1912, however, the Morris firm did take over sole ownership of the Omaha Packing facility.) 97
All of South Omaha’s packing houses were operating at full capacity by 1899. But in spite of that, Armour’s activities drew much of the public attention, while Hammond and Omaha Packing continued in their steady operations. By the end of 1898, Omaha Packing announced expansion that included major renovations to its beef department. Hammond’s earlier improvements facilitated increased production as well. The South Omaha packers now employed close to 7,000 workers, and the city’s population approached its 1900 census figure of 24,000.

South Omaha packers had weathered the depression of the 1890s. Taking advantage of the agricultural crisis, they increased their production levels while attempting to hold down costs. One of their cost-saving steps was to cut wages in 1893. But the workers responded the following year with their own challenge to the packers. No longer complacent, the packing house workers in South Omaha and elsewhere organized to gain reasonable wages and better working conditions. While they lost the 1894 strike, they regrouped and walked out four years later. This time they were successful and won a modest wage increase. The 1898 re-entry of Armour to the South Omaha market center was an important development to the overall success of the
city's industry. Not only did this large firm stimulate the growth of the USY, but it also encouraged its rivals to expand their local operations. By the late 1890s, the South Omaha packing industry had "come of age."
NOTES


2 South Omaha Daily Stockman, 3 December 1890. In 1890 the Union Stock Yard (USY) receipts totaled 606,699 cattle, 1,673,814 hogs, and 156,068 sheep. Sheep receipts had decreased by 2 percent. South Omaha Daily Stockman, 3 December 1890. Producers had stopped feeding cattle in 1892 due to high corn prices. As a result, markets were glutted, but once the initial sell-off had run its course, stock yard receipts fell to low levels. In South Omaha, however, the packers' production totals increased, as consumption for the year rose by 88,000 head. The value of their production rose from $46 million in 1891 to $60 million in 1892. Omaha World-Herald, 30 December 1892; 6 January 1893. The poor quality of livestock caused a reduction in the packers' yield. Consequently most of the South Omaha packers refused to purchase underweight hogs. Only Edward Cudahy took all the hogs "he could get," while the other houses would not "touch them." Ibid., 15 December 1890.

3 Omaha World-Herald, 1 January 1892.

4 Alan Trachtenberg, The Incorporation of America: Culture and Society in the Gilded Age (New York: Hill and Wang, 1982), 5; Hoffmann, Depression of the Nineties, 9, 61-66. Hoffmann describes the depression as having two cycles: 1893-1895 and 1895-1898. But he also points out that the initial downturn in 1893 was so severe that complete recovery did not occur until 1907. Ibid., 3-4.

5 H. Roger Grant, Self-Help in the 1890's Depression (Ames: Iowa State University Press, 1983), 3; Hoffmann, Depression of the Nineties, 5, 63-7; Sheldon, Nebraska: The Land and the People, 733, 737.

6 Omaha World-Herald, 12 June 1893; 13 July 1893; 8, 30 August 1893; 31 December 1893.
7 Ibid., 19 July 1893.
8 Ibid., 11 December 1893.
9 Ibid., 31 December 1893.
10 Ibid., 1, 31 December 1893.
11 Ibid., 31 December 1893.
12 Ibid.
13 Ibid., 15 August 1893.
14 Ibid., 18 November 1893. This paper reported that "[r]eal estate men never expected so much business . . . but this season they say they are making some very satisfactory trades. . . ." They explained that so few real estate deals had been transacted in the past months that investors, responding to the apparent return of "confidence," were "making up for lost time." Ibid.

15 Omaha Daily Bee, 1 January 1895; Omaha World-Herald, 4 October 1894. Conditions in Nebraska had been disastrous, as drought and the subsequent crop failures had forced many to leave the state. Bruce Munson Raymond, "A Study of Political and Economic Conditions in Nebraska in the Early Nineties" (M.A. thesis: University of Nebraska, 1923), 37-42.

16 Omaha Daily Bee, 1 January 1895; Omaha World-Herald, 31 August 1894; 4 October 1894; 18 December 1894. The Hammond fire occurred on November 1, 1894. Insurance covered 80 percent of the $350,000 loss and made it possible to begin rebuilding immediately. While construction took place, however, 350 employees were without work. Two days after the initial fire, another was reported at the Hammond box factory building. The watchman who reported the fire was arrested for arson. A day later he confessed to starting the fire just for "deviltry." They beef house was ready for operation by January of 1895, with an expanded capacity of an additional 1000 head. Ibid., 2, 5, 6 November 1894; 1 January 1895.

17 Omaha Daily Bee, 1 January 1895; South Omaha Daily Stockman, 1 May 1895, 29 August 1894.

18 Omaha World-Herald, 1 January 1896; 4 March 1896; Omaha Daily Bee, 19 January 1895. P. D. Armour
commented that he was coming to the South Omaha market because he could build for less money there. *Omaha World-Herald*, 18 January 1895.


20 *Omaha World-Herald*, 31 December 1896.

21 Ibid., 10 October 1895.

22 Ibid., 16 October 1895.

23 Ibid.

24 Ibid., 2 April 1896.

25 Ibid., 18 September 1896.

26 Ibid., 12 September 1896.

27 Ibid., 1 April 1897; 22 January 1898.

28 Ibid., 28, 29 May 1897; 10 June 1897.

29 Ibid., 28 May 1897.

30 Ibid., 25 June 1897.

31 Ibid.

32 Ibid.

33 Ibid., 14 July 1894; Daniel J. Swinarski, "South Omaha and the Packing House Strike of 1904" (M.A. thesis, University of Iowa, 1987), 35. An officer of one of the local unions was quoted as saying, "If an order should come to strike I feel sure that all of the members would do so, yet what effect it would have on the general result I cannot see. In fact, a goodly percent of the members are men that are working only about half time, and some of them are not working at all." *Omaha World-Herald*, 14 July 1894.

34 *Omaha World-Herald*, 31 July 1894. In a letter to the editor, Henry McKendry had described the organizational meeting of the American Federation of Labor in South Omaha and also claimed that at that time, it had been agreed not to go on strike. The executive committee of the striking union denied McKendry's version and only agreed with his statement that he was a member of the union. Ibid., 15, 16 August
1894. It was reported that since the start of the Chicago strike, "there [had] been an unsettled feeling" among local workers. Omaha Daily Bee, 30 July 1894. At a pre-strike meeting the evening before, the butchers selected a three-man committee, made up of one man from each plant, to present their demand that wages be increased from the present 40 cents to 45 cents. Omaha World-Herald, 30 July 1894; Omaha Daily Bee, 30 July 1894.

\[\text{Source: Omaha Daily Bee, 15 August 1894; National Provisioner, 25 August 1894. The identification of these five unions is somewhat vague in the sources. Apparently they included the Beef Butchers Union, the Hog Butchers Union, a Bohemian Lodge identified as Magic City Federated Labor Union No. 6354, and the Coopers Union. Later the Beef Boners were mentioned as well, suggesting that it was a separate union. The Omaha Daily Bee also reported that "even the girls who work in the canning department at Cudahy's are out." Omaha Daily Bee, 1 August 1894. According to a recent study, women employed by the South Omaha packing industry amounted to "only three percent of the total workforce" in 1900. Swinarski, "South Omaha and the Packing House Strike of 1904," 18.}\]

\[\text{Source: John T. Joyce, "Butcher Workmen Pioneers of the American Labor Movement," Butcher Workman, February-May, 1933. The Journeymen National Butchers Union had hoped to become affiliated with the AFL. Ibid., March, 1933.}\]

\[\text{Source: Swinarski, "South Omaha and the Packing House Strike of 1904," 35; Omaha World-Herald, 3 August 1894; Omaha Daily Bee, 31 July 1894; 1 August 1894.}\]

\[\text{Source: Omaha Daily Bee, 6 August 1894. The packers made their position very clear. The scale of wages being paid in South Omaha was the same as in Chicago. Though claiming to be unaware of labor problems in other packing centers, local industry spokesmen stated that any trouble in the Chicago and Kansas City plants was of no concern to them. Ibid., 31 July 1894.}\]

\[\text{Source: Omaha World-Herald, 6 August 1894; Omaha Daily Bee, 1, 2, 3, 6 August 1894.}\]

\[\text{Source: Omaha World-Herald, 3 August 1894.}\]
41 Omaha Daily Bee, 3, 4, 6 August 1894; Omaha World-Herald, 4 August 1894; South Omaha Daily Stockman, 4 August 1894.

42 Omaha World-Herald, 7 August 1894.

43 Omaha Daily Bee, 3, 8 August 1894; Omaha World-Herald, 13 August 1894. It was reported that those men who went home to sleep at night had found it impossible to get back to the packing houses because of the strikers' harassment. Omaha Daily Bee, 3, 8 August 1894.

44 South Omaha Daily Stockman, 8, 6 August 1894.

45 Omaha World-Herald, 7 August 1894; 3 August 1894.

46 Omaha Daily Bee, 3 August 1894; Omaha World-Herald, 7, 9 August 1894.

47 Omaha Daily Bee, 9, 10, August 1894; Omaha World-Herald, 9 August 1894. The violence that occurred was blamed on overly enthusiastic strikers whose actions were not sanctioned by the strike committee. In an attempt to forestall violence, the mayor ordered early closings for South Omaha's saloons, but later the governor ordered them all closed. Omaha Daily Bee, 6, 8, 9, August 1894. The National Provisioner, the organ of the packers, reported that deputy sheriffs, "armed with buggy spokes and not permitted to carry fire arms," were ignored by the strikers. As a result, "troops were sent in." National Provisioner 11 August 1894.

48 South Omaha Daily Stockman, 10 August 1894.

49 Omaha World-Herald, 8 August 1894.

50 Omaha Daily Bee, 8 August 1894; South Omaha Daily Stockman, 8 August 1894.

51 South Omaha Daily Stockman, 8 August 1894; Omaha Daily Bee, 8 August 1894; Omaha World-Herald, 8 August 1894.

52 South Omaha Daily Stockman, 11 August 1894; Omaha World-Herald, 11 August 1894; 4 May 1898.

53 Omaha Daily Bee, 11 August 1894; South Omaha Daily Stockman, 11 August 1894.
On August 30, 1894, Johnston authorized the city’s street commissioner to select twenty family men from the unemployed to hire to repair sidewalks and streets. 

The coopers’ strike was against Swift. Two non-union men had been retained after the end of the strike, and, although they did not take jobs from union men, the coopers resented their presence. Several acts of violence were directed toward these men during the strike.

On August 12, 1896, the 30 skilled tinners at the Cudahy plant went out on strike over the issue of wages. The loading gang had walked off the job over low wages, and the unskilled truckmen, car loaders, and "round-abouts" soon followed. A second group included the sheep butchers, the ice gang, the lugging gang, the salt pork and the dry salt curing gangs.
Omaha World-Herald, 14 July 1898; Omaha Daily Bee, 13 July 1898; Western Laborer, 16 July 1898. Omaha Packing was not involved in the strike, but its manager was willing to talk to the committee and the packers in order to help settle the dispute. Omaha Daily Bee, 15 July 1898.

Omaha Daily Bee, 13 July 1898; Omaha World-Herald, 13 July 1898. The Western Laborer stated that no union was involved in the instigation of the strike. Western Laborer, 16 July 1898. By July 14, 1,200 men at Cudahy, 580 at Swift, and "between 80 and 90" at Hammond had already walked off the job. Omaha World-Herald, 15 July 1898.

Omaha Daily Bee, 13 July 1898.

Omaha World-Herald, 15, 16 July 1898; Omaha Daily Bee, 15 July 1898; William C. Pratt, "'Union Maids' in Omaha Labor History, 1887-1945," in Perspectives: Women in Nebraska History (Lincoln: Nebraska Department of Education and the Nebraska State Council for the Social Studies, 1984), 199. At the strikers' first mass meeting, a committee was selected to represent the demands to the packers with John Fallon, a packing house laborer, chosen as chairman. Fallon's first plan was to invite the packing house managers to meet with the committee to discuss the issues. But any hope for a productive session were dashed when only the general manager of Omaha Packing showed up. Daily Bee, 15 July 1898. Mother Jones was in Omaha soliciting subscriptions to a Socialist publication. According to a local account, she was "a close friend of Eugene V. Debs." Her advice concerned "how strikes ought to be carried out and labor troubles adjudicated." Omaha World-Herald, 15 July 1898.

Omaha Daily Bee, 13 July 1898.

J. C. Sharp to B. F. Smith, 18 July 1898, USY Collection. P. A. Valentine, P. D. Armour's personal assistant, announced that the plant would not open until the labor trouble was settled. Omaha Daily Bee, 14 July 1898.

Omaha World-Herald, 19 July 1898; Omaha Daily Bee, 17 July 1898. Edward Cudahy reportedly made a similar statement concerning the agreement of the wage scale paid by South Omaha packers. Omaha World Herald, 14 July 1898.
Meat for the Multitude, Vol. 1, 72, 74. Five months after the strike was settled, workers at Cudahy struck because "[c]olored men were put to work." The Western Laborer attacked this action, saying, "It will take a long time to make the public believe that a white man who shovels guts at $1.50 a day is any better than a black man who shovels guts at $1.50 a day." Western Laborer, 1 October 1898.


J. C. Sharp to B. F. Smith, 30 June 1897, USY Collection. The USY paid $50,000 for the Armour land. Minutes, 11 June 1897, USY Collection.

Omaha World-Herald, 2 October 1895; South Omaha Daily Drovers Journal-Stockman, 24 August 1909. These shares, when combined with those previously obtained in 1887, gave Armour a majority of the USY stock. By 1898, the Armour name controlled more than 9,000 shares. Minutes, 11 June 1897, USY Collection.

Omaha World-Herald, 26 June 1897; 23 April 1897.

Ibid., 26 June 1897.

Ibid., 11 October 1897.

Ibid., 17, 18 November 1897; 9 March 1898.
86 Ibid., 7 January 1901.
87 Ibid., 3 August 1899; Omaha Daily Bee, 6 January 1899.
88 Omaha Daily Bee, 6 January 1898; Insurance Maps of Omaha, Vol. 3; National Provisioner, 30 April 1898.
89 Omaha World-Herald, 19, 20 July 1898.
90 Ibid., 1 January 1899; South Omaha Daily Drovers Journal-Stockman, 2 January 1899.
91 Omaha World-Herald, 25 June 1897.
92 Ibid., 10 September 1897.
93 Ibid., 11 October 1897; 23 July 1898.
94 Ibid., 1 January 1898; National Provisioner, 9 July 1898.
95 Omaha Daily Bee, 24 July 1898.
96 Ibid.
98 Ibid., 22 January 1898; 12 December 1898; South Omaha Daily Drovers Journal-Stockman, 23 December 1898.
99 Omaha Daily Bee, 1 January 1899.
South Omaha became part of the packing industry in the late nineteenth century. At that time, Chicago was the nation's major packing center. But technological and entrepreneurial innovations had led to the establishment of packing operations closer to western livestock resources. This development was the result of the combined efforts of railroads, big packers, and local entrepreneurs, and the emergence of the South Omaha packing industry was part of this bigger story.

On August 1, 1884, the Union Stock Yards (USY) opened for business southwest of Omaha's city limits. It provided the core for an "instant suburb" that grew up as a result of the development of the meat packing industry. But in order to exploit the regional livestock bounty and establish a market center, USY investors such as William Paxton and John McShane had to induce the big Chicago packers to come to South Omaha. They offered a variety of incentives, including rent-free facilities, land on which to build USY-financed packing houses, and cash and stock bonuses. Gustavus Swift and P. D. Armour, the largest packers, also were offered the option to purchase large
blocks of additional USY stock. As a result, the big packers acquired a substantial amount of stock, and by 1897, "the stock yards had ceased to be a locally owned and operated institution." The Armour family, which was the majority stockholder in the USY, took control of the company in 1907.

South Omaha in some respects was a by-product of the modern packing industry. All facets of its activity intruded on the local community; from the odor in the air to the city's economic climate, the industry's influence was evident. The livestock center prospered as a result of the packers' increasing demand, and the city's population soared as more and more workers were employed to maintain production. By 1890, South Omaha was a town of 8,000; eight years later, it had grown to more than 20,000. Rapid plant expansion required new city and financial services, such as water systems, sewers, and local banks, which in turn played a role in the development of South Omaha. While these innovations were necessary for the growth of the community, it often seemed that the primary motivation was provided by the packing industry. Businesses related to packing such as rendering firms and specialized financial institutions were established in South Omaha, in an attempt to capitalize on the local prosperity. In many cases, however, the packers played a major role in
these seemingly independent ventures, and that fact was another example of how they dominated the economic life of this community.

The early history of South Omaha was similar in some ways to that of Town of Lake at Chicago. But almost twenty years of industrial development separated their beginnings, and the newer packing center on the Missouri was established upon the basis of the modern packing industry. Many of the "nuisance" conditions that plagued Chicago were avoided or greatly reduced at South Omaha. Unpleasant smells and fumes were inherent to the packing industry, but the slums and pollution of Chicago's packing center and its Packingtown were not as evident here.

Though South Omaha was different from Chicago, its packing industry experienced some of the same problems. The work place was hazardous in both locales. Accidents were frequent occurrences and South Omaha packing house workers often suffered serious injury. A particularly gruesome accident occurred at the Fowler plant in late June of 1888, when an employee "plunged into a vat of boiling grease." His misfortune and that of many other victims accompanied the success of the South Omaha industry.

In 1906, the nation's packing industry was put on the defensive when Upton Sinclair's The Jungle created
a great public furor over unsanitary conditions in Chicago's packing houses. This concern surfaced locally as well and, prior to the passage of the 1906 meat inspection act, the Omaha newspapers investigated the South Omaha plants. The Daily Bee found everything "sweet and clean," and the World Herald was reassured that the repulsive tales described in Sinclair's book happened in Chicago and not in South Omaha. 7 But the Omaha Daily News reported that a thorough and badly needed house cleaning was under way at the Armour plant, suggesting that if bad conditions existed at South Omaha, they were being quickly "fixed." At the Swift plant, the walls were described as covered with "blood and filth so thick that it could not be removed by scrubbing, and a hoe was employed to scrape it off." And at the Cudahy facility, "new floors were being installed. Underneath the old ones were accumulations of filth." 8 But a report prepared by the city's commissioner of health confirmed good sanitary conditions at the local plants, apparently the result of a quick "whitewash." 9

If South Omaha avoided some of the problems of Chicago, it was not immune to those endemic in the packing industry. Its packers faced serious challenges in the 1890s, having to contend with a depression and with their aroused workers. Initially when a major
depression struck the nation in 1893, South Omaha's packing industry seemingly served as a buffer for the area. One observer later claimed

the saving industry that carried us through that sore period [the depression] was the Stock Yards company and the packing industry of South Omaha. Without the continuing good that they afforded, Omaha would have suffered dreadfully and I fear beyond recovery.10

The packers maintained production, reportedly operating at a loss during the earlier period of the depression. The year 1895 was the nadir for the local livestock and packing industries, but it was followed with a solid recovery in 1896-97. Then, with the opening of the new Armour plant in 1898, the South Omaha packers had the "biggest year [they] ever enjoyed."11

Local packing house workers challenged their employers on two separate occasions during the 1890s. The first major strike in the South Omaha industry occurred in 1894. Depression conditions had prompted the packers to cut wages the previous year. Approximately 1,800 walked off their jobs that July because of reduced pay and shortened working time. Eventually the state militia was called out to protect the packers' property and the strikebreakers that were hired as replacements. After two weeks, the strike was
called off and the workers returned to the plants. They had lost this round, failing to gain the reinstatement of pre-1893 wage scales and many had lost their jobs as well.

Four years later, however, local workers were more successful. Just prior to the Armour opening in July of 1898, 3,000 packing house employees walked out. This time they were victorious in winning a raise. In addition to their modest wage increase, the workers had learned the lesson of labor organization. Later that same year, South Omaha's Michael Donnelly became president of the Amalgamated Meat Cutters and Butcher Workmen, and he played a major role in the successful attempt to organize workers here and in other packing centers.12

By 1898, South Omaha's packing industry had "come of age." Local entrepreneurs and the big packers had built a major livestock and packing center in less than two decades. In addition, their efforts led to the establishment of a new city of more than 24,000 people by 1900. The big packers had been essential for the development of South Omaha and continued to play a significant role in its economic life. Yet local figures such as William Paxton and John McShane had had
an important part in attracting the industry to this site in the first place. And then thousands of local workers came and toiled to make a living for themselves and profits for the packers. In the 1880s, South Omaha quickly emerged as a major packing center. Then in the 1890s, it weathered depression and labor strife, and went on to enjoy its most productive years at the end of the century. South Omaha remained an important packing center for another seven decades. It was part of the bigger story of the nation’s packing industry, but it had its own unique story as well.
NOTES

1Wade, Chicago's Pride, 61-78. Wade uses the term "instant suburb" to describe Chicago's Town of Lake.

2Daily Drovers Journal-Stockman, 27 August 1909; Minutes, 1894-1898, USY Collection.


4See Wade, Chicago's Pride, 47-93. An important difference between the new livestock center and Chicago was that South Omaha retained some of its western influence. Thomas Lipton described his first impression of the town in his autobiography, saying that it "was a very small place . . . . To tell the truth I wasn't over-impressed with the possibilities of South Omaha after my experience of Chicago, and my first inclination was to take the earliest train back to the latter city . . . . In the work of developing my new packing house we had unusual conditions to face. An American town in the making inevitably attracts all sorts and conditions of men and in a district so 'wooly' and uncultivated as [South] Omaha was at the time this was especially the case." Lipton, Autobiography, 181-84.

5Omaha World-Herald, 24 July 1899; Wade, Chicago's Pride, 130-41; Barrett, Work and Community in the Jungle, 1-117.

6Omaha World-Herald, 26 June 1888.

7Ibid., 4 June 1906; Omaha Daily Bee, 13 June 1906.

8Omaha Daily News, 10 June 1906.


10Manderson, "Inception of the Stock Yards."

11South Omaha Daily Drovers Journal-Stockman, 2 January 1899.

12By late 1903, almost 4,000 packing house workers were organized in South Omaha, although "[n]ot all of
them were in the Amalgamated." William C. Pratt, "Workers, Bosses, and Public Officials: Omaha's 1948 Packinghouse Strike," *Nebraska History* 66 (Fall 1985), 309, n. 8, 295. The following year, however, the union called a national strike, and suffered a devastating defeat. Some had laid the blame on Donnelly, while others saw the strike as being forced "by undisciplined local leaders and the rank-and-file pressures." For more than a decade, packers in South Omaha and elsewhere did not have to worry about labor's challenges, as union activity was greatly reduced. Brody, *Butcher Workmen*, 34-35; Fink, *Biographical Dictionary of American Labor*, 90.
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Unpublished Theses and Dissertations


**MEAT INDUSTRY PROMOTIONAL MATERIAL**

Century of Service, Armour publication.

Oscar Mayer pamphlets.

**Swift and Hygrade**, promotional pamphlet.
APPENDIX
OMAHA AREA STOCKYARDS
1878-1898

Area 1: 1878-1898 Omaha Union Stockyards (Nicholas) and
Union Stockyards (Paxton) area.
Area 2: 1898-South Omaha Union Stock Yards (USY).
STOCKYARDS, AREA 1

1878-Union Stock Yards (Fayton) and Omaha Stock Yards (Nicholas).