

# PHILADELPHIA MERCHANTS AND THE YORKSHIRE BLANKET TRADE, 1820-1860

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*The opportunities open to an underdeveloped country in the foreign trade field are certain to be a vital factor in determining the rate at which it can make economic progress.<sup>1</sup>*

THE British "trade drive" to secure overseas markets for manufactures in the years immediately following the close of the Napoleonic Wars was intensified after 1820, retaining its momentum until the early 1860's. During this period the woolen textile industry of the West Riding of Yorkshire contributed substantially to the growing volume of goods which entered the United States, chiefly through the port of New York but also, to a lesser extent, through the ports of Boston, Philadelphia, and Baltimore. To facilitate this movement of British products to America various types of transatlantic trading arrangements were developed, and N. S. Buck has emphasized the important role played by British manufacturers in making direct merchanting contacts with American importers after 1815.<sup>2</sup> One such manufacturer, Thomas Cook, blanketmaker of Dewsbury, was highly successful in establishing lasting and profitable trading associations with merchanting houses in the major American ports of entry. From the surviving record books and correspondence of Cook and his business associates it is possible to gain some insight into the nature and vagaries of the blanket trade between Yorkshire and Phila-

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<sup>1</sup>Jacob Viner, *International Trade and Economic Development* (Glencoe, Illinois, 1952), 146.

<sup>2</sup>See N. S. Buck, *The Development of the Organisation of Anglo-American Trade, 1800-1850* (New Haven, 1925), esp. 121 *et seq.*

delphia during the forty years following 1820, and to observe the wider influence that this trade exerted upon economic development in the two countries.<sup>3</sup>

## I

Thomas Cook became a partner in the firm of Hagues and Cook in 1811, an enterprise established to manufacture blankets and heavy woolen cloths at Dewsbury Mills, a small hamlet with long textile associations, situated on a loop of the River Calder in the West Riding of Yorkshire. The Hague family were merchants, landowners, and country bankers, possessing substantial capital, and from the beginning of their partnership with Cook they conceded to him a large measure of freedom to organize the productive activities of the firm and to develop domestic and foreign markets for the undertaking. Cook had been apprenticed to the wool and woolen cloth merchanting business with his father in Dublin, and this training, which seems to have been extremely thorough, gave him special advantages in the marketing field.<sup>4</sup> In the sphere of production, however, Cook had to learn the major techniques after he became a partner at Dewsbury Mills, and this he did by dint of patient observation of the spinning and weaving processes in the cottage industry of the Calder Valley and by frequent visits to the large dyeing, dressing, and finishing establishments serving the woolen cloth trade and situated in Leeds, Wakefield, and Huddersfield. By the time that the partnership had overcome its initial teething troubles the trading dislocations of the immediate postwar period were retreating Cook's market opportunities. He responded to this situation by seeking market outlets for blankets in the United States, and secured a foothold in this trade by exporting through English merchanting houses and by venturing speculative consignments of goods to American ports. This mode of selling, however, proved to be too risky for Cook and his partners, and, in 1821, a resident agent was appointed to act on their behalf in New York. In the following year this ar-

<sup>3</sup> The records of Thomas Cook and his partners, for this part of the nineteenth century, have survived in the archives of the firm of Messrs. Wormalds and Walker, Ltd., of Dewsbury, England, and these documents form the basis of my two-volume work, "Dewsbury Mills: an historical and economic analysis," an unpublished Ph.D. thesis, University of Leeds, 1959.

<sup>4</sup> The Hagues were also associated with this Dublin partnership.

rangement was renewed and became a permanent part of the firm's trading relationship with the United States.<sup>5</sup>

The agent, Thomas Dixon (who seems to have been a migrant Yorkshireman), was already acting at this time for other West Riding exporters and also for a few American importers in the wool textile business, and he quickly forged what were to prove strong trading links between the firm of Hagues and Cook and a number of importing houses in New York, Philadelphia, and Baltimore. In 1822, Dixon obtained trial orders for blankets from the houses of Alexander Henry, J. C. Jones, Brown Brothers and Company, and James Oakfield, all of Philadelphia.<sup>6</sup> The goods supplied to these customers by Thomas Cook met with a favorable reception, and in connection with these firms Dixon found that he was soon able to reduce his agency responsibilities to the sole, but not unimportant, duty of receiving payments for transmission to Cook and his partners; all orders and instructions regarding sizes, styles, and colors being taken up directly between Philadelphia and Dewsbury. Two years later, Dixon introduced Cook's products to the firm of Wood, Abbott, and Wood, a newly created dry-goods merchandising house in Philadelphia led by Mr. Richard D. Wood, under whose direction the enterprise quickly gained "a reputation and success which placed it among the most conspicuous throughout the whole interior which has business relations with Philadelphia."<sup>7</sup> This introduction was the beginning of a

<sup>5</sup> For a discussion of the early experiences of this agency arrangement see my article, "Thomas Cook and the American Blanket Trade in the Nineteenth Century," *Business History Review*, XXXV (1961).

<sup>6</sup> Of these Philadelphia houses, Jones and Oakfield never became large purchasers from Hagues and Cook, but Alexander Henry and Brown Brothers and Company were customers of some importance. Alexander Henry "a prominent man in the importation of . . . British dry goods" was a native of Ireland who established himself as a merchant in Philadelphia in the early 1790's. In the 1820's his sons extended the family business interests to England where they founded merchandising houses in Manchester, Liverpool, and Leeds and made direct merchandising contacts with Yorkshire woolen manufacturers. See A. Ritter, *Philadelphia and her Merchants* (Philadelphia, 1860), 166, and also Freeman Hunt, *Lives of American Merchants* (New York, 1858), I, 473-492.

<sup>7</sup> *Encyclopaedia of Contemporary Biography of Pennsylvania* (New York, 1889), I, 176. The firm changed its name to "Wood, Abbott and Company" in 1828. Richard Wood was a native of New Jersey, but his father was an Englishman with family connections in Bristol. See also E. D. Baltzell, *Philadelphia Gentlemen* (Glencoe, Illinois, 1958), esp. 75 and 101 for references to the social standing of the Wood family.

highly profitable trading association for both parties which extended over forty years.

The motives impelling Cook toward a direct and regular trading relationship with these Philadelphia customers are well defined in some of his early letters to Wood and Abbott.<sup>8</sup> In his first letter to that house he stated:

We shall be glad to have your orders for any goods of our manufacture which consists chiefly of Blankets of all sorts, also *Flushings*. We begin in the last article as low as 1s. 7d. per yard. We make the goods in all common colours such as Olive, Brown and Logwood Blue. In Blankets, Points and London Duffils the price will depend on the weight required, as we send three points on all rates, from 41s. to 110s. the piece of ten pairs of blankets. London Duffils are black and red striped and in pieces of eight pairs. When ordering you must say whether a low, middling or good article be the best suited to your market.<sup>9</sup>

A little later he was writing:

Our prices are as low as we can make them and they do not yield us more than a bare profit, but we prefer regular orders with small returns rather than the loss of our property in the consignment trade.<sup>10</sup>

He reiterated this sentiment in a letter to Oakfield, "the consignment business is hateful and never profitable" and added, "we shall do our best for you as we wish to have a certain return on our monies engaged in this long trade and we are anxious to have

<sup>8</sup> Only the outgoing letters, in the form of tissue blotting copies (not all of which are decipherable) have survived in the archives of Hagues and Cook. There are some 175,000 of these copy letters which form the basis of my larger study of the enterprise, and the present article is a derivative of this voluminous correspondence. I am indebted to Mr. William Wormald and his fellow directors of the firm of Wormalds and Walker, Ltd., of Dewsbury for permission to use these records, and also to Professor A. J. Brown of the University of Leeds for the opportunity to pursue this research.

<sup>9</sup> Thos. Cook to Wood and Abbott, March 16, 1824. *Flushings* were coarse, thick woolen fabrics; *points* were usually larger and heavier than ordinary blankets, brightly colored and with short stripes four to five inches in length inserted in the edge of the fabric, running across the warp. Originally, these stripes were extended to indicate the relative value of cloths in terms of their exchange for animal furs and skins. The Hudson's Bay Company were major customers for points, and still are, but blankets of this type were also purchased by North American merchants for disposal in the United States and Canada. In course of time the point lost its significance as a mark of value, but it remained important for decorative purposes.

<sup>10</sup> Thos. Cook to Wood and Abbott, March 30, 1824.

a regular vend for our goods in your city."<sup>11</sup> With a consignment note sent to Wood and Abbott he included the observation that:

We have sent the Blankets and the Duffils and we hope that they meet with your satisfaction. We do not think that you could improve on these goods—either in price or quality—from any other Yorkshire house or from the Witney folk.<sup>12</sup>

It is clear from this evidence that Cook was seeking to enlarge and stabilize his sales of woolens in the American market and particularly to increase the number of his regular correspondents. His endeavors were motivated by the advantages to be derived from increased diversification and flexibility; diversification achieved by the production of many types and qualities of blankets suited to the requirements of customers in different climatic regions, and flexibility of production attained largely through the improved utilization of different qualities of wool fiber afforded to him by the widening of his range of manufacture. By developing his Philadelphia connections, and also by pushing into the Baltimore market, Cook was able to spread his wares along the eastern seaboard of the United States and to reduce what he evidently regarded as a dangerous dependence upon New York as the major port of entry for his products. He was therefore engaging in a trade-diverting as well as a trade-expanding operation.<sup>13</sup> The practice of auctioning speculative consignments of textiles, often at extremely weak prices, was discouraging to the entrepreneur endeavoring to build an orderly and permanent trading association, and this feature of the New York trade had adverse influences upon the stability of the trade as a whole.<sup>14</sup> Cook was not able,

<sup>11</sup> Thos. Cook to James Oakfield, March 31, 1824.

<sup>12</sup> Thos. Cook to Wood and Abbott, August 23, 1824. Cook is here referring to the Witney blanket manufacturers who were strongly competitive with the Yorkshire producers in the American market, particularly in the better quality blankets and in the trade in points.

<sup>13</sup> Cook's first important shipments to Baltimore were made to the house of Alexander Brown and Sons, one of the major merchandising firms of that city and the parent house related to the firm of Brown Brothers and Company in Philadelphia.

<sup>14</sup> There were regular public auction sales in Boston, Philadelphia, and Baltimore, but New York was the major auction center for imported woolens. For a general discussion of the consignment and auction system see A. H. Cole, *The American Wool Manufacture* (Harvard, 1926), I, 156-160, and L. H. Jenks, *The Migration of British Capital to 1875* (New York, 1938), Chap. III.

however, to withdraw completely from the consignment system until about the middle of the 1840's, and his New York customers remained quantitatively more important to him than his other American purchasers throughout the period with which we are here concerned.

Nevertheless, his efforts to widen and strengthen his market and to reduce his speculative activity were vigorously pursued in the 1820's, and his relationship with Wood and Abbott and other Philadelphia importers brought him two additional advantages. He was provided with a steady flow of market intelligence to supplement the information reaching him from Dixon, and he was enabled to gain an interest in the New Orleans trade, at that time dominated by French textile houses, and to obtain an acquaintance with the Mexican and South American markets.

In the fall of 1826, Cook was requesting of Wood and Abbott:

We should like to have samples of the French goods you mention, we are sure that we can emulate these in all respects at prices which will meet with your approval. With regard to your South American and Mexican goods—we make some nice articles suitable for that trade and we should be glad to meet your wishes in this respect.<sup>15</sup>

The Philadelphia house was at this time developing merchanting contacts with New Orleans and forming business arrangements for the re-export of Yorkshire woolens to South American ports.<sup>16</sup> The types of blankets popular in Louisiana were low-quality, light-weight, and highly colorful fabrics known as "Slave cloths." The Mexican trade demanded a slightly better quality product, but equally colorful, while the South American taste was for brightly striped goods, coarsely woven and of a heavier weight. Cook seems to have had some difficulties in meeting the required colors in the

<sup>15</sup> Thos. Cook to Wood and Abbott, September 4, 1826.

<sup>16</sup> A number of merchants in Philadelphia had established commercial houses in New Orleans towards the end of the eighteenth century and the link between the two cities was a strong one in the 1820's. See *De Bow's Commercial Review* (New Orleans, 1846), II, 421. On the South American connection see the general discussion in S. W. Higginbotham's "Philadelphia Commerce with Latin America, 1820-1830," *Pennsylvania History*, IX (1942), 252-266.

early orders received from Wood and Abbott, but he quickly adapted his productive methods to overcome this problem:

We think our latest goods sent to you for the Southern trade are much improved in colours and very close to the shades in your samples. We have experimented largely and we think that we know the answer to your requirements. We have no fears as to your being satisfied with the weights and qualities of these cloths—in our opinion a major consideration.<sup>17</sup>

## II

By the end of the 1820's the movement of blankets from Dewsbury Mills to Philadelphia was strong enough for Cook to be able to say that, "our market with Wood and Abbott is now well established and the trade increases on us yearly."<sup>18</sup> He had achieved this favorable position in the face of strong competition from his Yorkshire rivals, notably Benjamin Gott of Leeds, and from the Witney blanket manufacturers and the French textile producers. His success may be mainly attributed to the skillful production of fabrics of "seducing cheapness" which he effected by careful control over his manufacturing costs for all processes and by his artistry in utilizing cheap woolen fibers. In addition, he initiated in 1830 a new pricing policy for the firm based on the principle of low unit profits earned on a large sales volume. The effect of this change was to reduce profit per unit of output from 10 per cent to 2½ per cent of total production costs, but the resulting increase of total sales exerted a very beneficial upward pull on the size of the firm's total profits. In other words, Cook was exploiting a highly elastic demand curve for his product. It may well be that Cook was also motivated in this change by the experience of Wood and Abbott, who had adopted a similar plan in their own selling activities soon after commencing business in Philadelphia.<sup>19</sup> Cook referred to this fact in one of his regular letters to the house in 1828: "We are interested in your policy of 'low profits and quick sales' and we should much like to know

<sup>17</sup> Thos. Cook to Wood and Abbott, September 25, 1826. In the latter part of this extract Cook is emphasizing his own belief that the "service-life" of blankets was more important than their "style-life."

<sup>18</sup> Thos. Cook to Robert Nicholson, London, January 15, 1829. Nicholson was the London agent for the partners.

<sup>19</sup> See *Encyclopaedia of Contemporary Biography of Pennsylvania*, 1, 176.

whether you deem it a success over the last few years?"<sup>20</sup> There is no further evidence in the surviving correspondence which supports this tentative hypothesis that Cook imported his innovation from across the Atlantic, but it remains an interesting conjecture.

A further stimulus in the drive for cheapness in the price of Cook's products was provided by the American tariff impositions of 1828. These duties were of the *ad valorem* type and were levied in such a manner as to bear heavily upon certain qualities of imported woolsens.<sup>21</sup> Cook met this challenge by lowering the valuation of his goods without losing the loyalty of his customers. Small changes in weight and variations in the quality of dyeing and finishing were often sufficient to produce the desired reduction in value to "beat the tariff," but some cloths had to be noticeably deteriorated in color and texture, and Cook readily, and regretfully, conceded that: "These goods are hateful to look at and do not bear comparison with what formerly went to your market, but at the price we do not think that you can do better."<sup>22</sup> In the middle of the 1830's the production of cheap but tasteful fabrics was much assisted by Cook's successful adoption of the cotton warp blended with a woolen weft. This reduced the weight of blankets and gave them a smoother finish. It also lowered the final manufacturing cost of the product by six to eight per cent. Cook had some early difficulties in the dyeing of these "union" cloths owing to the fact that the dyes used had different effects upon the vegetable and animal fibers which were now blended together, but by the late 1830's he was asserting that:

Our cotton warp blankets are now much in demand by your countrymen, especially in the New Orleans trade, and we think that we have a nice range of reliable tints to offer. We have got rid of that harshness of texture that you complained of with our early "unions."<sup>23</sup>

<sup>20</sup>Thos. Cook to Wood and Abbott, September 19, 1828.

<sup>21</sup>For an illuminating discussion of the 1828 tariff legislation and its effects on the trade see Herbert Heaton, "Yorkshire Cloth Traders in the United States, 1770-1840," *Thoresby Society Journal*, XXXVII (1941), esp. 275-279.

<sup>22</sup>Thos. Cook to Wood and Abbott, April 24, 1830.

<sup>23</sup>Thos. Cook to C. H. Russell, New York, January 15, 1838. Russell became Cook's largest single American customer in the 1830's. The Dewsbury firm also engaged in the exportation of blankets to the Chinese market, with some assistance from Russell, who was active in this particular trade from the late 1820's onward.

From this time forward the cotton-wool mixture cloths became a regular feature of production at Dewsbury Mills.

The vicissitudes of the trade in blankets between Britain and America during the period 1827-1867 is illustrated in Table I below, and it will be noted that although the information in respect of blanket exports from Hagues and Cook to Wood and Abbott is regrettably sparse, in general it shows a good positive correlation with the movements of the aggregate market. This market, in turn, strongly reflected the changes in the general level of business activity in the United States during this period.<sup>24</sup>

The 1830's and 1840's were characterized by sharp cyclical fluctuations in the volume of trade, with peaks reached in 1833, 1836, 1844, and 1849 and troughs registered in 1832, 1837, 1842, and 1846. As is well known the early years of the forties were particularly depressed. By contrast the 1850's were generally stable and prosperous with the highest level attained in 1852 and the lowest points marked in 1855 and 1858.<sup>25</sup> The early sixties were buoyant due to the augmented demand for blankets and heavy woollens resulting from the Civil War, but the Morrill tariff legislation of 1861 proved, later in the decade, to be completely prohibitive of British blanket exports to the United States. By 1867 the aggregate trade in these fabrics had almost disappeared and Thomas Cook's exports to this market had been all but extinguished. The major problems posed by these alternating boom and slump conditions emerge clearly from Cook's observations to Wood and Abbott as recorded in the correspondence. In 1836 he was complaining bitterly of the inordinate demand which was pouring in upon him from across the Atlantic:

We cannot put up goods of quality in these times of swollen orders. There is not a loom in the trade in Yorkshire unemployed at this time and a monstrous quantity of blankets is being produced, but the management of them is inferior in many respects. I have never known a demand like this . . . but we are determined not to forsake our old customers.<sup>26</sup>

<sup>24</sup> See W. B. Smith and A. H. Cole, *Fluctuations in American Business, 1790-1860* (Cambridge, Harvard University Press, 1935).

<sup>25</sup> The decline in blanket exports in 1858 reflected the aftermath of the crisis of 1857. On the crisis in general see A. E. Hutcheson, "Philadelphia and the Panic of 1857," *Pennsylvania History*, III (1936), 182-193.

<sup>26</sup> Thos. Cook to Wood and Abbott, March 12, 1836.

TABLE I

EXPORTS OF WOOLEN BLANKETS AND BLANKETING TO THE U. S. A., 1827-1867\*  
(millions of yards)

<i>Year</i>	<i>Total exports from Britain</i>	<i>Exports from Hagues and Cook to Wood and Abbott</i>
1827	1.2	.01
1828	1.1	—
1829	.9	—
1830	1.3	.03
1831	1.8	—
1832	.9	—
1833	2.2	.06
1834	1.4	.04
1835	2.1	.07
1836	3.1	.12
1837	1.3	.04
1838	1.5	—
1839	2.0	—
1840	.7	—
1841	.9	.03
1842	.5	.02
1843	.9	—
1844	2.3	—
1845	1.2	.04
1846	1.0	.03
1847	n.a.	.07
1848	3.1	—
1849	4.1	—
1850	4.6	—
1851	3.9	—
1852	6.7	.19
1853	6.6	.19
1854	6.6	.18
1855	2.9	.1
1856	4.6	—
1857	5.4	—
1858	3.6	—
1859	6.4	—
1860	5.8	.15
1861	5.2	—
1862	n.a.	—
1863	2.6	—
1864	2.8	—
1865	2.8	—
1866	1.0	—
1867	.1	—

\* Information from *Parliamentary Papers, U. K. Trade and Navigation Accounts*, and Hagues and Cook, "Correspondence Books." The measurement of these exports was expressed in linear yards and thus takes no account of changes in the width of fabrics which varied not insignificantly over the period. The records of Hagues and Cook's total exports to this market have not survived, but in the late 1830's the firm was supplying approximately 40 per cent of the total British woolen blanket exports to the U. S. A.

In 1837 the trading collapse which followed in the wake of the upsurge of the previous year led Cook to remark:

Our trade to your market has been cut by over a half. It is now clear that last year's fever of speculation has resulted in much overstocking and we do not expect a quick recovery from this condition. The small makers of this district are selling their blankets below prime cost which is very damaging to those who have wages to pay.<sup>27</sup>

This was a particularly severe crisis and although there was a short-lived improvement in commercial conditions in 1839, it proved to be the beginning of a deep depression which engendered in Thomas Cook an extremely pessimistic outlook.<sup>28</sup> In 1843 he was despairing of:

. . . any real recurrence of the trade again to enable us to employ our labour. Things are very bad with us and we have great misery and destruction of property. Many of our neighbours have been carried away . . . and the general distress is painful to view. Could you not risk giving us a few orders for standard goods—we would gladly allow an extension of credit if you could help us in this way?<sup>29</sup>

Recovery came slowly in the second half of the 1840's, apart from the financial upset of 1847, and in 1848 there was some resurgence of optimism at Dewsbury Mills:

At last we can say that we are tolerably well employed in this region. Our order book is well filled—as well as I have known for many years. There is no doubt that we have had some assistance from your new tariff.<sup>30</sup>

<sup>27</sup> Thos. Cook to Wood and Abbott, September 23, 1837.

<sup>28</sup> A large number of bankruptcies amongst the mercantile community of Philadelphia occurred as a result of the financial disasters of 1837. See M. V. Brewington, "Maritime Philadelphia, 1609-1837," *Pennsylvania Magazine of History and Biography*, LXIII (1939), esp. 115-117.

<sup>29</sup> Thos. Cook to Wood and Abbott, February 12, 1843.

<sup>30</sup> Thos. Cook to Wood and Abbott, April 18, 1848. Cook is here referring to the Walker tariff provisions of 1846 which, coinciding with the repeal of the Corn Laws in England, initiated a much freer trading relationship between the two countries. The import duties levied on low quality blankets were reduced at this time from 33½ to 30 per cent *ad valorem* and a much more lenient valuation procedure was introduced. There was much opposition to these new import regulations in Philadelphia, which was a leading center of pro-tariff agitation. See M. R. Eiselen, *The Rise of Pennsylvania Protectionism* (Philadelphia, 1932).

In 1849 he was again complaining of the decline in the quality of workmanship and asserting his firm belief in the necessity of maintaining good service to regular and valued correspondents:

Our order book is very full and we are having to put up goods in a hurry which lowers their quality. I have never seen so many new customers, but we shall attend to your requirements before we get too involved with these new friends.<sup>31</sup>

### III

The general conclusions which emerge from these brief, but typical, extracts from Cook's correspondence at different points in the trade cycle in the first half of the nineteenth century strengthen the view that Thomas Cook and Wood and Abbott gained substantially from their firm and regular trading attachment. In times of boom the Philadelphia house could rely on a faithful attention to their orders free from any undue exploitation of the market situation on the part of the producer, while in times of depression Thomas Cook was assured of his share of a falling market. Indeed, there is some fragmentary evidence in the firm's correspondence books which suggests that Cook enjoyed a slightly rising share of the American market for imported blankets when orders were generally declining.<sup>32</sup> Clearly his healthy associations with reputable importers were a source of strength in times of adversity. The reliability of his products and the promptness with which he adhered to delivery dates were crucial factors in this happy relationship, and these were buttressed with a power and a willingness to extend special credit accommodations to customers of proven solvency in times of financial strain.<sup>33</sup> The experiences shared by these two firms in their Anglo-American business relationship are illustrative of the general features of all successful trading drives: strict attention to the requirements of the market, competitive price quotations, loyalty to regular customers, strong selling organization effected through representatives in the foreign

<sup>31</sup> Thos. Cook to Wood and Abbott, April 6, 1849.

<sup>32</sup> See my "Thomas Cook and the American Blanket Trade. . . ."

<sup>33</sup> The superior financial strength of Hagues and Cook in relation to the majority of their competitors was, of course, the primary explanation of their survival during the years of serious depression.

market, and good credit facilities extended by the seller to the purchaser.<sup>34</sup> In all these respects, Cook and his partners pursued policies which were as progressive as the best prevailing during this period, and, in some respects, their business methods represented an advance upon the practices of their competitors. The results were beneficial not only to the owners of Dewsbury Mills, but also to the development of the West Riding region in particular and to the British economy in general.<sup>35</sup> Such a wider diffusion of economic improvement also flowed to Philadelphia and thus to the American economy as a result of this vigorous and successful trading intercourse.

Although it is not possible to express in quantifiable terms the profits which Wood and Abbott gathered as a consequence of their trading alliance with Hagues and Cook, there would appear to be good circumstantial evidence to suggest that these were large and generally increasing throughout the period. The firm's growing prosperity expressed itself in the diversity of interests which Richard Wood began to acquire in the early 1830's in manufacturing, banking, insurance, and in the growing anthracite trade of the region, as well as in his increasing involvement in the improvement of transportation between Philadelphia and its hinterland.<sup>36</sup> Wood's concern with this last mentioned development was of fundamental importance to the enlargement of his own market possibilities as well as to the economic growth of Philadelphia, and he was joined in his efforts by a number of other merchants, bankers, and speculators who wished to enlarge and exploit the business opportunities which were being presented at this time. In the 1820's and 1830's their exertions were mainly directed towards stimulating the provision of roads and canals, while in the

<sup>34</sup> For an interesting treatment of trade drives in general see Arthur Lewis, "Trade Drives" in *District Bank Review*, Manchester, 1954.

<sup>35</sup> I am exploring the importance of the wider diffusion by Hagues and Cook of the economic and social benefits of their foreign commerce in a forthcoming article, "The Rise of the Heavy Woolen Trade of the West Riding of Yorkshire in the Nineteenth Century," now in course of preparation.

<sup>36</sup> See J. T. Scharf and T. Westcott, *History of Philadelphia* (Philadelphia, 1884), III, 2237. Wood was a founder-director of the Pennsylvania Railroad and he also held directorships of the Allentown Ironworks, the Philadelphia National Bank, the Insurance Company of North America, and the Schuylkill Navigation Company.

following two decades the encouragement of railway building absorbed the energies of this group of entrepreneurs.<sup>37</sup>

Philadelphia shared a common interest with Baltimore in seeking to combat the dominant and growing influence exerted by New York over the transappalachian trade—an influence which was much strengthened by the opening of the Erie Canal in 1825<sup>38</sup>—but she also engaged in “extensive and hostile” rivalry with Baltimore to gain control of the trade of the Susquehanna Valley.<sup>39</sup> Until the end of the 1820’s a superior road network enabled Philadelphia to maintain an advantage over her neighbor, but Baltimore attracted much trade to herself down the Susquehanna River, and Philadelphia was led to retaliate by building canals. After 1830 the interests of the two cities moved further westward, and the Ohio Valley then became the chief area of competitive struggle. In the meanwhile, a reliable and regular transportation link was being forged between Philadelphia and Pittsburgh, and by 1836 a state-operated system of canals and railroads provided a good connection between these two cities during the clement seasons of the year.<sup>40</sup> Despite this development, Baltimore succeeded in retaining a strong hold on the trade of the interior and in the early 1840’s a contemporary writer was able to say of the city that: “It possesses most of the trade of Maryland, *about half that of Pennsylvania*, and a portion of that of the Western States.”<sup>41</sup>

The development of railway communications profoundly influenced the trading fortunes of these two entrepot cities and opened new commercial gateways for the rival mercantile com-

<sup>37</sup> The “Pennsylvania Improvement Society” was founded in Philadelphia in 1824. See R. I. Shelling, “Philadelphia and the Agitation in 1825 for the Pennsylvania Canal,” *Pennsylvania Magazine of History and Biography*, LXII (1938), 175-204.

<sup>38</sup> There is an excellent general discussion of this competitive struggle between the three cities in R. G. Albion’s, “New York and Its Disappointed Rivals, 1815-1860,” *Journal of Economic and Business History*, III (1930-1931), 602-629.

<sup>39</sup> See J. W. Livingood, *The Philadelphia-Baltimore Trade Rivalry* (Harrisburg, 1947), for a good discussion of the types of transportation facilities developed by the two cities.

<sup>40</sup> See Carter Goodrich and H. H. Segal, “Baltimore’s Aid to Railroads,” *Journal of Economic History*, XIII (1953), 17.

<sup>41</sup> D. Haskel and J. C. Smith, *A Complete Descriptive and Statistical Gazetteer of the United States of America* (New York, 1843), 48. My italics.

munities.<sup>42</sup> The investment in railway construction precipitated, particularly after 1840, an increased demand for the various factors of production which, in turn, generated an increasing flow of personal income which was largely spent on necessary consumers' goods.<sup>43</sup> The house of Wood and Abbott like its competitors thus faced an improving market situation for imported textiles due to the increase in aggregate expenditure on these goods. They also enjoyed an enlargement of demand for their wares flowing from the extension of the geographical size of the market which resulted when this new form of transportation came into regular operation. In responding to these favorable business conditions, the Philadelphia house derived a number of important advantages from their association with Thomas Cook. They could rely in normal times on a good consistency of quality of materials and manufacture in the blankets which he supplied; they could, and did, transmit special instructions to him regarding variations in color or design of fabric, which he usually carried out to the letter; they could procure advance shipments of new patterns in order to test the market response to innovations in design; and they could obtain firm price quotations from him to which he would adhere faithfully once an order had been placed. These points were often stressed by Cook in his correspondence with Philadelphia and a typical extract stated:

We have this day despatched to you the 25 bales of goods as per your instructions. We are well satisfied with our workmanship and we do not think that you will find any significant variation in the weight, colour, or finish from the first bale to the last. They seem to us to match your samples perfectly. We are invoicing these goods at the price agreed with you formerly despite the fact that there was a slight increase in the price of the wool before we commenced their manufacture.<sup>44</sup>

<sup>42</sup> Alvin Hansen has estimated that real wages in the United States increased by nearly 40 per cent in the period 1820-1860. See his "Factors Affecting the Trend of Real Wages," *American Economic Review*, XV (1925), 32.

<sup>43</sup> The classic discussion of the importance of railway building to the American economy is that by L. H. Jenks, "Railroads as an Economic Force in American Development," *Journal of Economic History*, IV (1944), 1-20, but see also G. R. Taylor's *The Transportation Revolution* (New York, 1951), esp. Chap. V.

<sup>44</sup> Thos. Cook to Wood and Abbott, May 15, 1847.

It is doubtful whether Wood and Abbott could have acquired such beneficial treatment by varying the source of their supplies or by relying on speculative purchases of blankets at the public auction sales.

## IV

The organization of the internal trade of the United States and its evolution have been well described by a number of writers and the main features of the trade in relation to the commerce in imported dry goods may be briefly stated.<sup>45</sup> The importing or sedentary merchant normally sold his goods to a jobber whose function was that of an intermediary between the specialized importer and the general retailer. In turn, the retail merchant, who might be a man of substance or an entrepreneur possessed of very modest capital, disposed of his stock in trade to the final consumer by sales over the counter in shops established in the larger towns and cities and in the general stores of the smaller communities, or in the public markets, or by peddling. The growth of the consignment and auction system after 1815 tended to undermine the solidarity of this structure by weakening the role played by the sedentary and the jobbing merchants in the chain of distribution, but the forces at work on both sides of the Atlantic in favor of a regular ordering trade proved to be too strong for the auction system to overthrow, and from the mid-1820's onward the speculative trade was declining in relative importance.<sup>46</sup> Commission merchants, factors, and brokers were also a feature of the trade in wool textiles, but they were much more concerned with the marketing of domestic manufactures than with the foreign products which we are here discussing.

This type of trading structure was well suited to the domestic conditions prevailing in the United States before the advent of the railways. Agriculture was the predominant economic activity, markets were small and localized, communications and transport

<sup>45</sup> See particularly F. M. Jones, *Middlemen in the Domestic Trade of the United States, 1800-1860* (Urbana, 1937); L. E. Atherton, *The Southern Country Store, 1800-1860* (Baton Rouge, 1949) and "Itinerant Merchandising in the Ante-Bellum South," *Bulletin of the Business Historical Society*, XIX (1945), 35-39; and R. Wright, *Hawkers and Walkers in Early America* (Philadelphia, 1927).

<sup>46</sup> It took a long time to die, however, and was still of some importance as late as 1860.

facilities only partially developed, and manufacturing industry in its infancy. The volume of imported manufactures from Europe was large, and as this flow of goods was almost universally channeled into the American economy through a relatively few inlets, this placed the importing houses of the East in a key position to dominate the distribution of such products in the domestic market. It was the practice of the sedentary merchants to extend credit to the jobbers who, in their turn, accommodated the retailers. With the growth of cities there developed large wholesaling and retailing enterprises, and these, in course of time, formed direct attachments with the sedentary merchants and took advantage of their favorable credit provisions.<sup>47</sup> This was particularly true of the blanket trade; for blankets, unlike cloths, were received from English manufacturers in a form ready for immediate consumption, and the importing merchant was prepared to deal direct with retailers as long as they purchased a reasonable minimum quantity and did not involve him in too much time lost in breaking down bulk shipments.

By 1860 the "transportation revolution" had succeeded in producing a national orientation of the American economy, and foreign commerce was becoming relatively less important. The wholesale merchants had developed great strength in such regional centers as Chicago, St. Louis, Cincinnati, Pittsburgh, Augusta, and Memphis;<sup>48</sup> traveling salesmen were now a feature of the distributive process;<sup>49</sup> and with the rise of many new banking and financial enterprises in the larger towns and cities the whole organization of the domestic trade had reached a high degree of specialization and integration.<sup>50</sup> The flow of credit and its general direction from

<sup>47</sup> On this point, see F. M. Jones, *op. cit.*, 17-18.

<sup>48</sup> There were some sixty to eighty large wholesaling establishments in Pittsburgh as early as 1833. See C. E. Reiser, *Pittsburgh's Commercial Development, 1800-1850* (Harrisburg, 1951), 135.

<sup>49</sup> The traveling salesman or "representative" seems to have become more important in the American economy at an earlier date than he did in Britain, but this is not surprising in view of the geographical considerations involved.

<sup>50</sup> The financing of merchanting activities was, of course, and still is, a favorite form of investment for commercial banks. For example, the large merchants of Baltimore enjoyed a powerful access to bank credit in the period 1830-1860. See P. L. Payne and L. E. Davis, *The Savings Bank of Baltimore, 1818-1866* (Baltimore, 1956), 115. On the general development of commerce see also L. B. Schmidt, "Internal Commerce and the Development of National Economy Before 1860," *Journal of Political Economy*, XLVII (1939), 798-822.

the seaport merchant via the wholesaler to the retailer remained an outstanding characteristic of domestic commerce, but the length of the credit period tended to shrink as the marketing system became more tightly integrated. The adaptation of the country's money supply to the growth of the national income in the forty years following 1820 is also a relevant factor in explaining this reduction in the typical credit period prevailing in the field of distribution.

In these developments the house of Wood and Abbott participated fully, employing traveling representatives after 1845 and forming strong attachments with the large wholesaling enterprises in Pittsburgh, Cleveland, Chicago, and St. Louis. These endeavors were supported by their association with Thomas Cook in two major respects. Firstly, their own provision of credit, which was vital to their success in competition with other Philadelphia houses, was supported to some extent by the credit arrangements made available to them by the Dewsbury firm. Thomas Cook normally allowed three months' credit from the date of shipment of goods, but he often discounted the bill of exchange drawn by Wood and Abbott immediately it was received so that the credit was then effectively extended to the Philadelphia house by a Liverpool or London discounting firm. At other times he retained bills until the date of maturity and was prepared to extend further the credit period:

If you wish to delay payment for a further three or six months on the last consignment of goods sent we shall be happy to postpone drawing upon you. We shall, however, have to charge you our customary interest of  $2\frac{1}{2}\%$ .<sup>51</sup>

Secondly, the merchantability of the Dewsbury products was a

<sup>51</sup> Thos. Cook to Wood and Abbott, April 18, 1848. This credit provision was a major factor in explaining the success with which Cook met French competition in the American markets. The French manufacturers were lively innovators in the design and dyeing of their blankets, producing "some nice things" of "good colour and texture," but they were extremely reluctant to allow their customers time to meet their payments, and their notions of "normal profit" seem to have prevented them from competing with Yorkshire in terms of price. See the penetrating discussion of French entrepreneurial behaviour in the nineteenth century by David S. Landes, "French Entrepreneurship and Industrial Growth in the Nineteenth Century," *Journal of Economic History*, IX (1949), 45-61, and "French Business and the Businessman: A Social and Cultural Analysis," in E. M. Earle, Ed., *Modern France* (Princeton, 1951), esp. 338.

particular source of strength to Wood and Abbott in their quest for new customers, and Cook was often able to pass on the benefits of his wide knowledge of the American trade in a tangible form:

We are sending you a few sample trusses of goods which we think you may find peculiarly suited to your interior trade. We are selling a good many of this sort of blanket to our New York friends and, if you think them saleable in your markets, we could style them in any colours you may think distinctive.<sup>52</sup>

## v

It cannot be overstated that English textiles enjoyed a marked consumer preference in the United States throughout the whole period in which Thomas Cook and Wood and Abbott were associated, and the American propensity to import does not seem to have been diminished by the growth of the indigenous blanket manufacture after 1820. This strong demand for English blankets was well exploited by the Philadelphia house, and the reliability of Cook's fabrics did much to gain and retain consumer loyalty for Wood and his partners.<sup>53</sup> Throughout the whole of the voluminous correspondence between the two parties there are only three specific references to dissatisfaction displayed by Wood and Abbott in respect of goods received. One of these references appears to relate to the products of inferior workmanship at Dewsbury Mills, while the other two cases are concerned with goods damaged in transit. Cook's reaction to complaints was consistent with his general business attitude:

We are sorry to learn of the state of our latest consignment of goods and we can only conclude that they have been damaged on shipboard. You must return them at once and we will repeat the order. Our goods normally lose weight during transit, but this is usually restored within a few days after the bales are opened.<sup>54</sup>

<sup>52</sup> Thos. Cook to Wood and Abbott, April 15, 1847.

<sup>53</sup> The prejudice in favor of foreign goods is well discussed by J. L. Bishop, *A History of American Manufactures* (Philadelphia, 1866), II, 386-388. A later authority on the American wool trade noted its marked prevalence in the American economy in the early twentieth century. See P. T. Cherington, *The Wool Industry* (Chicago, 1916), 128-129. It is tempting for an English writer to believe that the preference has not yet entirely disappeared.

<sup>54</sup> Thos. Cook to Wood and Abbott, September 21, 1844. In relation to his trade as a whole, Cook received very few strong complaints regarding his

This preference for the foreign product was the source of much concern to the American domestic wool textile manufacturers, and it played a part in stimulating the agitation for tariff protection, an agitation which, as we have already stressed, received strong support from an alliance of manufacturers and politicians in the city of Philadelphia.<sup>55</sup> The low prices, rather than the abundance of supply, of British woollens constituted the major source of irritation to the Pennsylvania manufacturers and propelled the home industry towards increasing efficiency of production. The foreign importations thus fulfilled a dual function in the American economy. They satisfied a positive demand and at the same time stimulated the development of the size and quality of the domestic supply of such fabrics.<sup>56</sup>

The pro-tariff faction in Philadelphia bitterly opposed the Walker tariff legislation with its emphasis on freer trade, and a long campaign then ensued which culminated in the success of the protectionist arguments and the heavy duties of the Morrill tariff provisions of 1861.<sup>57</sup> In the summer of that year, Cook was writing to an old friend in New York: "I cannot believe that these penal rates which are now proposed will be accepted unless your countrymen are determined to kill the trade."<sup>58</sup> In the years following the enactment of the Morrill legislation such a determination was manifested in the progressive increase in the tariff levies, particularly on the cheaper types of blankets and, as is well seen in Table I, the long and profitable trading relationship was effectively terminated,<sup>59</sup> but not before it had played a small but vital role in the development of the American economy. This Anglo-

consignments and when he did receive such letters he seems to have investigated each case with great concern. He was very jealous of his trading reputation. Complaints about the weight of blankets were frequently received at Dewsbury Mills due to the fact that woollens are especially susceptible to changes in atmospheric conditions.

<sup>55</sup> See M. R. Eiselen, *op. cit.*, 269.

<sup>56</sup> A primary handicap to the growth of the domestic blanket manufacture appears to have been the serious deficiency in suitable wool supplies. In this connection the tariff duties levied on imported wool constituted an impediment to the lowering of the price of the home-produced blankets.

<sup>57</sup> See A. M. Lee, "Henry C. Carey and the Republican Tariff," *Pennsylvania Magazine of History and Biography*, LXXXI (1957), 280-302.

<sup>58</sup> Thos. Cook to W. H. Russell, New York, May 18, 1861.

<sup>59</sup> Thomas Cook died in the summer of 1861 and did not live to see the American trade extinguished. He was writing to Wood and Abbott in the course of business on the day that his death took place.

American association provided the basis for profit accumulation in Philadelphia and in Dewsbury; it responded to the demand for wool textiles in growing and widening markets; it facilitated the efforts of the importing merchant to influence the domestic trade along paths which turned lagging regions into developing economic areas; and it contributed not insignificantly to the mainstream of economic progress by stimulating a continuing improvement in business conduct and marketing techniques.<sup>60</sup> In sum, the story of Thomas Cook and Wood and Abbott constitutes a minor essay in economic growth.

<sup>60</sup>In general the letters of Thomas Cook are models of clarity, precision, and dignity, and it seems unlikely that the quality of such business communication did not exert some beneficial influence upon his correspondents.