

BUSINESS TECHNIQUES IN THE SANTA FE TRADE

BY LEWIS E. ATHERTON

Merchants located in Missouri naturally became interested in the Santa Fe trade because of its close connections with the State. Every year, until the railroads ended the need of such transportation, caravans set out from the Missouri river towns on the thousand mile journey to Santa Fe and other trading centers in the Spanish provinces to the southwest. This trade colored local merchandising efforts in Missouri to a much greater extent than would have been the case if it had been widely dispersed. A Columbia, Missouri, paper in October of 1834 announced that the fall company of Santa Fe traders, under the command of A. Kerr, had just returned, bringing over \$200,000 in specie. The one hundred and forty men in the party had devoted their attention on the homeward journey to the care of a drove of mules and several wagonloads of wool taken in exchange for merchandise.¹ The small towns along the river, through which such caravans travelled, did not exceed 1,000 in population, and the Santa Fe trade, therefore, was a great stimulus to their business life.

Not all the men engaging in the trade were Missourians, but many Missouri merchants supplemented their regular business activities by sales to the traders. How much this meant to the local storekeeper is evidenced by the sales of James Aull of Lexington, Missouri. By the time the caravan was ready to set out in May of 1830, he had sold between \$8,000 and \$10,000 worth of goods to the men at a twenty-five per cent advance over Philadelphia prices. These were sold on a credit of six months without interest, although the notes were to bear ten per cent interest after that time until

¹*Missouri Intelligencer* (Columbia), October 18, 1834. (This Missouri newspaper was first published at Franklin from April 23, 1819, to June 22, 1826, at Fayette from June 29, 1826, to April 9, 1830, and at Columbia after May 4, 1830.)

paid.² In 1832, Bent and St. Vrain, Santa Fe traders, bought \$842 worth of supplies from Aull, promising to pay for these within ten months.³ For a man operating with a small stock of merchandise, these sales were of great significance.

Advertisements in Missouri newspapers show that merchants were keenly alive to the advantages of the trade. St. Louis business men gained a share in the sales by advertising in the papers of the small towns from which the caravans set out. The Franklin paper, in the spring of 1825, carried a two-inch advertisement of Ingram and Reily of St. Louis, announcing a large supply of Santa Fe goods for sale at low prices for cash. In the same issue, another St. Louis firm, Smith and Knox, explained that they had purchased a large assortment of goods in Philadelphia and New York expressly for the Santa Fe market and were sure their prices were as reasonable as those to be found elsewhere.⁴ Franklin was the place from which most of the caravans left in that year, and the number of St. Louis advertisements addressed to traders indicates that St. Louis was the origin of much of the goods taken on the journey. Local merchants also advertised. In 1828, James Harrison and Company announced the opening of a new store at Fayette, Missouri, with a supply of goods purchased in Philadelphia. A large quantity of articles suitable for the Santa Fe trade was included in the new stock, and sales would be made as cheaply and on as accommodating terms as traders could obtain elsewhere.⁵

Many merchants interested both in the Santa Fe trade and in local business bought their supplies directly in the eastern cities, and also frequently filled orders for other traders. The firm of Marmaduke and Sappington illustrates the manner in which all these activities were combined. As early as October, 1827, they began to plan for a Santa Fe trip the following spring. Thomas McMahan, a local hatmaker, agreed

²*James Aull Letter Book B*: Entry of May 7, 1830. (The Aull business records are in the possession of the Public Library and Historical Association of Lexington, Missouri.)

³*James Aull Day Book*, 1833-35: Note of Bent and St. Vrain, dated September 1, 1832.

⁴*Missouri Intelligencer* (Franklin), April 12, 1825.

⁵*Missouri Intelligencer* (Fayette), March 14, 1828.

to put in 350 waterproof "rosum" hats at \$3.50 each; 150 waterproof "rosum" hats, napped with raccoon fur, at \$3 each; and 150 glue-stiffened hats at \$2.75 each. Marmaduke and Sappington would each contribute between \$1,600 and \$1,800 worth of merchandise, profits and losses on the venture to be shared in proportion to the capital involved.

These men were just getting started in business as merchants in Saline county, and as their capital was small they had not as yet considered it advisable to spend the money necessary to go east and buy in the markets there. But Alex McCausland, a merchant of Franklin, Missouri, made the trip in 1827 and hoped to profit by buying orders for other merchants. Consequently, on December 11, he wrote to Meredith M. Marmaduke of this firm, mentioning that Marmaduke had made him a proposition to buy Santa Fe goods. He was bringing in \$4,000 worth of supplies for other storekeepers for a similar purpose and wanted to see Marmaduke before leaving for the East. The latter was just a young merchant and none too sure of his own business judgment; so he replied to McCausland's letter with considerable asperity. In his estimation, it was McCausland who had made the proposition. As well as he recollected, McCausland had agreed to furnish him from \$1,200 to \$1,500 worth of goods at an advance of twenty per cent on the Philadelphia and New York price, exclusive of any other charges. Marmaduke was willing to accept this proposal and would pay cash for the merchandise when it was delivered. He could not, however, furnish a memorandum of the articles unless he rode to Franklin, and at present he was indisposed. But McCausland had "been informed by others as to type of goods wanted and most in demand and those kind I want." One thing must be clearly understood. McCausland must notify him as soon as the goods arrived so he could make his selection among the first, a considerable advantage being gained from this. Marmaduke had heard that "large black silk veils" were in great demand in Santa Fe and he felt sure he wanted a great many of these. He obviously was not quite sure what type of goods sold to best advantage in the trade and preferred to cover his ignorance by an assurance which he did not feel.

McCausland accepted this rather indefinite order and filled it along with the orders which he purchased for other customers.

When the Santa Fe caravan set out the following May, McMahan had \$1,578.31 worth of hats in the venture, Sappington \$855.19 worth of merchandise, and Marmaduke's goods totalled \$1,469.59. Most merchants had more involved, but probably none awaited the outcome of the trip with any greater eagerness than did these young merchants making their first venture. Marmaduke was already looking forward to the next year and sent a blank contract along with the caravan. This provided that Marmaduke would send a cargo of goods with some company in the spring of 1829, corresponding as nearly as possible to the order returned him, and amounting to \$2,400, after adding seventy-five per cent to the current Franklin price. But if any accident happened to the wagons or goods, Marmaduke was not to be held liable. In return, the Mexican who signed the contract was to agree to deliver to Marmaduke or his agent at Santa Fe two hundred "large, fine likely young Jennetts, between the age of 2 and 10 years and four likely young Jennett Jacks, and also twelve, broke gentle likely young mules—all in good order and condition." The decision as to whether the animals met this description would be left to two persons mutually satisfactory to both parties to the contract. For each jennett and jack rejected, a penalty of ten dollars would be assessed, and thirty dollars for each mule. The Mexicans could receive their goods anywhere between the Red river and Santa Fe, but must agree to release Marmaduke from any claims for paying duty.

The outcome of this maiden venture is not recorded in the records of the firm. On the twenty-third of September the three partners did divide up mules and jacks to the value of \$845 and wagon equipment valued at \$160, but the amount of specie returned was not itemized.⁶ Nor was any further mention made of Marmaduke's proposed venture of 1829. That ambitious young man continued in the Santa Fe trade

⁶The account is taken from letters and accounts in the *Sappington Manuscript Collection* in the Library of the State Historical Society of Missouri.

for five or six years longer, however, as well as in the local mercantile trade. After that he retired to a farm near Arrow Rock, Missouri, all his ventures combined having made him a wealthy man.⁷

The business also appealed to those merchants who operated several stores along the Missouri river and maintained direct wholesale connections with seaboard cities. The Lamme stores at Franklin, Liberty, and Independence, Missouri, advertised goods for sale to Santa Fe traders, and Samuel C. Lamme and Company at Franklin, Missouri, annually sent freighters to Santa Fe to engage in the trade directly, until Samuel C. Lamme himself was killed by Indians while returning from such a trip in 1828. His freighting equipment, consisting of horses, mules, wagons, and harness, made up a sizeable item in his property when the estate was settled in 1829.⁸

The Aull stores, being located at Lexington, Richmond, Liberty, and Independence, in the western part of Missouri and along the Missouri river, were very favorably situated for sharing in the trade. Consequently, James Aull's relations with the trade are representative of the part played by the larger local firms. We have seen how the business increased his wholesale orders to a large extent. Throughout the whole of the period, Aull and his successors found this part of the trade very much worth while. There were troubles involved even in this part of the business, however. On his 1830 sales of better than \$8,000, Aull had obtained only one-fourth of the purchase price in cash before the caravans left for Santa Fe. By October he had received an additional \$1,200, but over half of the bill remained unpaid. In this situation, he was forced to ask his creditors in the East for more time to pay for his wholesale orders.

In 1832 he tried the policy of sending goods under the care of an agent, and made an agreement with a Liberty merchant by the name of Gersham Compton to act in that capacity. Compton took a supply of goods of his own, in

⁷Napton, William B., *Past and Present of Saline County, Missouri*, pp. 343-347.

⁸*Missouri Intelligencer*, November 20, 1829.

addition to caring for the merchandise from the Aull stores. By November of the same year, Aull had received \$3,000, which he estimated would cover the cost of the venture. The question of profits could be determined only after the return of his agent from Santa Fe.⁹ Aull never mentioned this particular venture again in his voluminous correspondence, and the amount of profit finally realized cannot be determined. The fact, however, that he soon returned to his old policy of simply wholesaling goods to traders indicates he did not find the direct trade especially profitable.

Credit was his big problem. In the spring of 1833, he wrote to Compton in Santa Fe concerning debts and remittances connected with the business. A remittance on the preceding October 31 netted \$7,422, the letter indicating that Aull and Compton were jointly concerned in the venture from which this was realized. Compton was told about a note for \$842.16 from Captain Bent, a Santa Fe trader, which would be due July 1. Aull thought Bent would be near Santa Fe about that time and hoped to get the money before Bent returned to Independence in the fall. The concern over Bent's note did not arise from any doubt of his ability to pay, Bent being a large trader with a \$40,000 stock of goods in the trade the same summer the note to Aull came due. It was rather a matter of getting the money in time to meet wholesale bills in the East.

Somewhat different was the case of B. D. Long, whom Aull had credited for \$98.18 in the spring of 1830. Long had given Aull two notes for the bill of goods, one of which had no security behind it. A wagonmaker by trade, he had remained in the Southwest to follow his occupation, and the bill had never been paid. Aull understood that he was working somewhere in the "lower country," and if Compton could not locate him the notes were to be left with some safe person for collection. Compton had written Aull to ask about his own business and family at Liberty, but James could not give him any information about them, not having visited Liberty for some time. He did know that the agent for Compton's store had bought

⁹*James Aull Letter Book, 1830-33: Entry of November 3, 1832.*

a new stock of goods and understood the merchant's business was "such as usual."¹⁰

Aull and Compton's experience indicates the disadvantages connected with participation in the trade. If a man engaged in the business directly, he had to be absent for four or five months from his store or entrust his merchandise to an agent. Either scheme had its disadvantages. Compton was at sea in regard to what was happening to his business at Liberty. Aull was trying to collect debts at a distance of 1,000 miles, without being quite sure where the debtors were residing at the time. Credit was always an urgent matter to western merchants. Aull bought his merchandise in Philadelphia in January and February, and made his sales to the Santa Fe caravans in April and May. Some of the goods were paid for when the traders returned in the fall, and these offered no problem, Aull having ample time to make remittances east before his wholesale bills fell due in January of the following year. But on many of his sales, the money was not forthcoming for another year, payment being made only after a second journey to Santa Fe was completed. He could buy only so much on credit in the East and merchants did not credit beyond the twelve months' period. Under these circumstances, he was always rushed to meet his wholesale bills in the seaboard cities.

¹⁰*James Aull Day Book, 1833-35: Letter of James Aull to Gersham Compton at Santa Fe, dated Lexington, Missouri, May 15, 1833.*