

CASES ON BUSINESS HISTORY IN THE WEST

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The frontier and near frontier are generally regions in which the factor of production, land, is plentiful but the other two factors, labor and capital, are scarce. And a laborer there who is a proverbial jack-of-all-trades but master of none is likely to be more valuable than one who can perform just one job very well. All this could make competition from more developed regions ruinous if the incoming goods are able to stand the costs of transportation. In the American West of a century or more ago they often could not; today they usually can. That is one of the big differences between today's frontiers (some of the underdeveloped nations) and that of a hundred years or so ago in this country.

How did the businessmen of an earlier America deal with this arrangement of the factors of production and how did it, in turn, affect their lives? Readers will note that the papers in this section suggest some of the answers.

The business elite in early New Orleans was a small group of men of capital. They were not primarily landowners, and of course labor leaders are inconceivable for that era. Disposing as they did of a very scarce factor, capital, they enjoyed great influence in the community.

The success story of the Sanger Brothers department store in Texas is primarily one of hard work, good location, and close-knit family cooperation, a formula that is likely to succeed anywhere, but especially in a fast-growing frontier region.

When we look at early wool manufacturing in the Midwest we must begin to doubt a widely-cherished belief, namely that the near-frontier manufacturer was often an inventive fellow whose fresh ideas eventually found their way east to the benefit of mankind. At least western wool manufacturers bought up obsolete eastern machinery at bargain prices to make cloth for their local markets. For years high transport costs protected their goods from outside competition, but finally more efficiently produced eastern woollens invaded those markets. Declining rail rates also helped bring about the breakthrough. The local wool manufacturers then went out of business, sometimes selling their antiquated equipment to others like themselves living still further west. The western wool manufacturers hardly seem inventive but they may be called resourceful, since they were economizing on both scarce capital and scarce skilled labor