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## Article Title: The Rise and Fall of Rudge & Guenzel: From Independent Retailer to Department Store Chain

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Article Summary: Downtown department stores, such as Lincoln's Rudge & Guenzel, seemed to be from another, more authentic world that has little in common with today's commercial spaces.

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Names: Charles H Rudge, Carl J Guenzel, Willa Cather, Jonas L Brandeis, J E Miller, Henry Herpolsheimer, William Gold, Sewell A Sanderson, Lew Hahn, B Earl Puckett

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Photographs / Images: Rudge & Guenzel's building at Eleventh & O streets, 1903; Arnold Vogt as Rudge & Guenzel Santa Claus; a Rudge & Guenzel delivery wagon near a warehouse; Carl J Guenzel; Charles H Rudge; Rudge & Guenzel store at 13<sup>th</sup> & N streets about 1919; homespun window display designed to appeal to Lincoln's rural trade; September 1941 window display of women's fall clothing; Rudge & Guenzel sign, January 5, 1941 (MacDonald Studio photo); inset advertisement for Rudge & Guenzel from University of Nebraska yearbook

Financial Tables: Table 1: Rudge & Guenzel net earnings, 1893-97

Table 2: Rudge & Guenzel net worth, 1898-1927

Table 3: Rudge & Guenzel net profits, 1915-27

# *The Rise and Fall of*

*From Independent Retailer  
to Department Store Chain  
1886 - 1941*



# Rudge & Guenzel

BY VICKI HOWARD



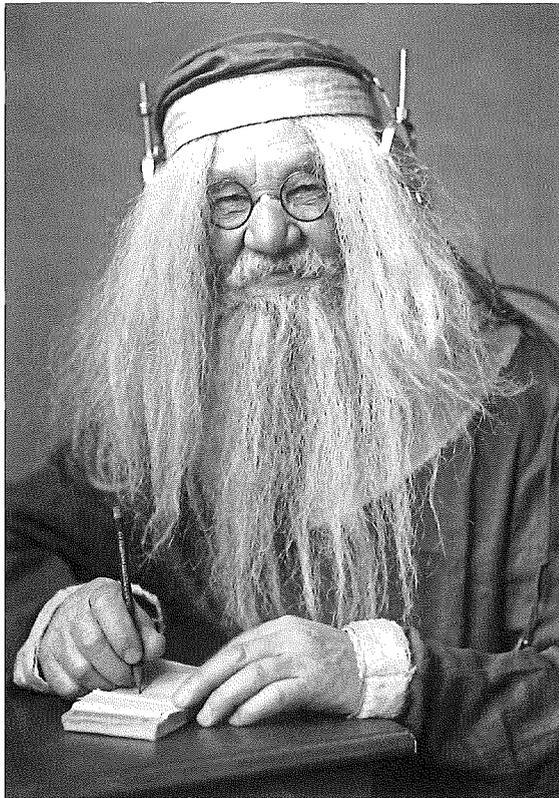
*They meant business and went at it  
and they've made the business go,  
They've been climbing up the ladder  
as all the people know;  
They've surmounted round by round  
and they've conquered every foe.  
They've always made the "dough."*

*Hurrah, hurrah, for Rudge & Guenzel.*

Rudge & Guenzel  
Employees' Song, 1906<sup>1</sup>



AT THEIR TWENTIETH-ANNIVERSARY BANQUET held at the Lincoln Hotel in 1906, Rudge & Guenzel workers cheered and serenaded the two founders of their store and presented them with a framed parchment copy of resolutions newly adopted. Signed by about a hundred employees, the resolutions, as reprinted in the local newspaper, celebrated the growth of the Lincoln, Nebraska, firm from a "small retail establishment" to "one of the largest retail and mail-order houses in the state."



Arnold Vogt as Rudge & Guenzel Santa Claus, date unknown. By the 1890s department stores across the country featured their own Santa Claus at Christmas, along with elaborate window displays and decorations. NSHS RG3840:1

***Stores appear glowingly in hazy memories and seem in old photographs to be from another, more authentic, world. . . .***

The resolutions explicitly affirmed the good standing of “the modern relation between employer and employe” [*sic*] and commended the fact that “not a single complaint has been filed by the humblest employe that has not had a fair and just hearing.” As a result, store workers resolved to pledge “their unswerving loyalty and full determination to make second to none in the state the business and standing of the Rudge & Guenzel company.”<sup>2</sup> The newspaper account of the banquet captured similar sentiments expressed in a song written for the occasion, “which was rendered somewhat after the manner of the college songs” with “several yells that were uttered with the leathern lungs of the college enthusiast.” Wrapping up their “hurrahs,” employees chanted rhythmically “One, two, three, ein-swi-dry/Rudge & Guenzel, ouch, my/ Who’s all right?/ Who’s all right?/Rudge & Guenzel, out of sight.”<sup>3</sup>

The humorous *Lincoln Evening News* account of this banquet most certainly painted an idealized and only partial portrait of the warm relationship between retailers “Charlie” Rudge, Carl Guenzel, and the workforce that helped them climb “up the

ladder” and make “the dough.” Despite its limitations as an historical document, however, it offers a rare (perhaps the only extant) depiction of the corporate culture at this department store, providing a glimpse of a smaller and more personal era of business relations long lost—and long lamented by some.<sup>4</sup>

Thirty-six years after this banquet, just days before Pearl Harbor, Rudge & Guenzel closed its doors after going through many changes that would foreshadow the rise of impersonal monopolies like Wal-Mart. At the turn of the twentieth century, when store employees went “on record with their allegiance” at their anniversary banquet, Rudge & Guenzel was still a relatively small corporation and run as a family business. Through the following decades, however, it expanded rapidly, adopting many of the merchandising tactics and operational and organizational methods of big business—chains in particular. This essay will explore the firm’s transition from being locally owned to being part of a national chain of department stores and will suggest that, despite the many economic advantages of this merger for Rudge & Guenzel, in the end its management made a Faustian bargain: in a dozen years, corporate decision makers in New York would close the store.

Nostalgia for the idea of the old downtown represented by firms like Rudge & Guenzel is strong, though this particular department store is little remembered. As places to work, independent department stores are typically recalled nostalgically by their many life-long employees and customers.<sup>5</sup> Charlie Rudge and Carl Guenzel most certainly knew many, if not all, of their hundred-odd employees in a way that top management in turn-of-the-century stores in New York or Chicago employing thousands, or contemporary retailers like Wal-Mart that employ over a million people, could never do. Rudge & Guenzel, moreover, was linked to a particular city and state, evoking regional pride in its workforce, a localism that the firm exploited later in advertising as well.

It was also a vastly different place to shop than are present-day stores. Now-defunct downtown independent department stores evoke fond memories of childhood Christmases or of shopping trips for various milestone events, such as birthdays and weddings. Downtown department stores are

Pages 102–3: Rudge & Guenzel moved into this building on the southwest corner of Eleventh and O streets in 1903. The company purchased the adjacent Fitzgerald Dry Goods building in 1905, extending its O Street frontage to the west (see cover). NSHS RG2133-12-415

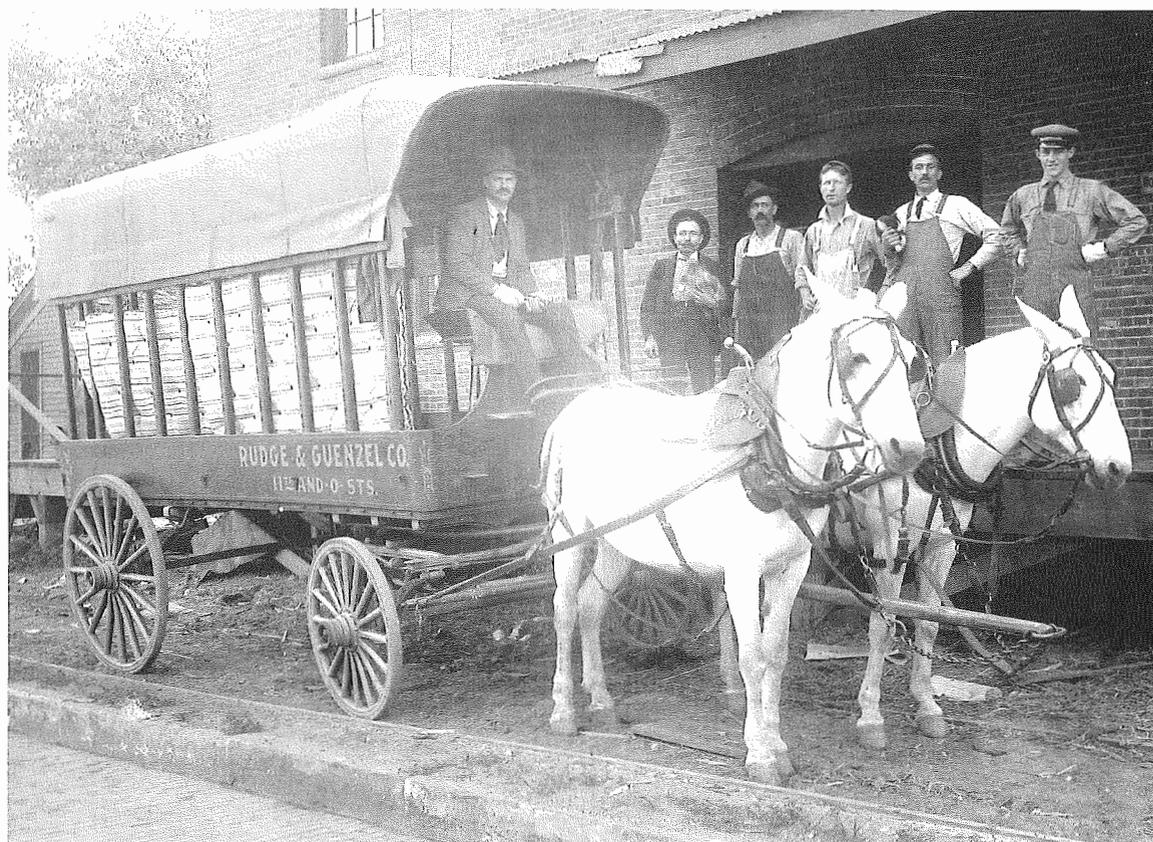
remembered as social centers or public spaces where community was forged, or as sites of luxury and material abundance that enabled shoppers to transcend ordinary life for a while. Stores appear glowingly in hazy memories and seem in old photographs to be from another, more authentic, world or at least from one that has very little in common with today's ubiquitous commercial spaces—the big-box stores or enclosed suburban shopping malls.<sup>6</sup> Public memory, however, is continually made and remade. Even as department stores were expanding their reach in Nebraska in the early twentieth century, writers such as Willa Cather were creating nostalgic portraits of the intimate social life that centered in drug stores, dry goods stores, and other specialty businesses on prairie Main Streets in the late nineteenth century. Downtown Lincoln department stores such as Rudge & Guenzel were worlds away from the commercial small-town spaces that Cather depicted, with old men hanging around the drugstore out of the cold “talking politics and telling raw stories” and children sitting on store staircases playing with kittens.<sup>7</sup>

Downtown Lincoln, where Cather likely shopped while a student at the University of Nebraska in the 1890s, was host to four modern independent

department stores by the early twentieth century. Centered on N and O streets, Herpolsheimer's, Gold's, Miller & Paine, and Rudge & Guenzel helped create a bustling central business district that served local city dwellers, visiting farmers, state government workers, university students, and women from small towns such as Falls City and Auburn.<sup>8</sup> While operating on a smaller scale than the great palaces of consumption in Chicago, New York, or Philadelphia, these family-run firms had much in common with stores that had a national reputation and market reach, such as Marshall Field's, Macy's, or Wannamaker's, even though they primarily served a local market. While each was distinct in its own right, the Lincoln stores mirrored the merchandising strategies, one-price system, and architectural settings of major urban department stores that turned the ordinary act of shopping into an adventure in luxury and fantasy and helped to create American consumer society between 1870 and 1930. By 1930 Lincoln department stores felt the effect of national trends toward standardization and centralized management through chain organizations, a trend that eventually

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**A Rudge & Guenzel delivery wagon near what appears to be a warehouse. NSHS RG2158-2889**





Carl J. Guenzel, born in Nebraska City in 1868, came to Lincoln when he was seventeen. He died in 1951. NSHS RG2411-2003

helped destroy the independent downtown firms and vibrant urban life of which they were a constructive part. Rudge & Guenzel was the earliest of these downtown Lincoln department stores to experience the national movement toward chain operation that eventually took over all remaining local, family-run, Lincoln department stores.

Although Rudge & Guenzel would come to promote itself as a Lincoln tradition, like other downtown department stores its origins were rooted in post-Civil War westward expansion. Nationally, department store founders often worked their way up the retailing ladder to become proprietors. Many had humble origins as peddlers, while others began as clerks. Department store founders typically came to Nebraska to work and make money. For example, Jonas L. Brandeis, eventual founder of Omaha's Brandeis Stores, opened The Fair in that city in 1881. Brandeis, an emigrant from Prague in Bohemia, came first to Milwaukee and then to Nebraska in 1880. J. E. Miller, a shopkeeper in Pennsylvania, came to Lincoln in 1880 to work at The Winger Dry Goods Company, which became Winger & Miller and, in 1889, Miller & Paine. Henry Herpolsheimer moved to Lincoln in 1880 to open his Cash Dry Goods House, which opened as Herpolsheimer's Department Store or "The Exposition Store" in a new building in 1890. William Gold, the founder of Gold's Department Store, moved to Sutton, Nebraska, in 1884 from Hampton, Iowa, where he had been clerking in a local dry goods store, after having moved there with his family from his birthplace, New York State. In 1902 he established Cohen & Gold in Lincoln, then bought out his partner in 1903 and founded Gold & Company, a dry goods store that soon expanded into the department store that would acquire Rudge & Guenzel's assets when it closed.<sup>9</sup>

Rudge & Guenzel was typical of this pattern. Carl J. Guenzel was born in Nebraska, but his father, originally from Germany, was heralded in his front-page obituary as one of Nebraska's "earliest pioneers." Charles Rudge moved to Lincoln from Youngstown, Ohio, in 1886 to open a branch of the Morris Hardware Company, where he had been employed for eleven years. He and his former boss invested in the rapidly growing city of Lincoln, opening Rudge & Morris Hardware, Stoves and Tinware in a small room at 130 South Eleventh Street. At first, the firm consisted of one salesman, a tinner, a delivery boy, and the two proprietors. Incorporated in February 1892 as Rudge & Morris, with Charles H. Rudge as president and manager and Carl J. Guenzel as vice president,

they became Rudge & Guenzel in 1900.<sup>10</sup> Another major figure in the store's leadership, Sewall A. Sanderson, came to Lincoln from Iowa in 1890, the year he joined the firm, rising from delivery boy to second vice president by 1903.<sup>11</sup>

The Lincoln store expanded as did many downtown stores, moving into already existing retail spaces as they became available and buying out the stock of other stores. Rudge & Morris had moved to 1122 N Street in 1887 and expanded into the furniture line after acquiring the room next door in 1891. Earnings were on the rise in the early 1890s, despite the depression of 1893. (Table 1) After adding the second and third floors of their building on N Street and gaining space in adjacent buildings, they added draperies, carpets, and queensware, a popular line of creamy white pottery. Nationwide economic woes eventually affected the firm, however, and net earnings were down in the late 1890s.<sup>12</sup>

Rudge & Guenzel recovered in the early part of the new century as the country pulled out of its economic slump. In 1903 they leased a building on the southwest corner of Eleventh and O, operating as a furniture, hardware, carpet, and queensware store. In 1905 they purchased the stock of the Fitzgerald Dry Goods Company for \$108,000. This firm occupied two stories and a basement. Rudge & Guenzel remodeled the building and connected the two stores, thus becoming a department store.<sup>13</sup> Newly capitalized at \$270,000 in 1905 and consisting of fourteen departments, their stock still did not reflect the breadth of a full-line department store as nine of the departments fell under dry goods, while the others reflected the firm's origins as a hardware and furniture store.<sup>14</sup> They had fifteen departments by 1911, consisting mostly of apparel, household furnishings, dry goods, hardware, and furniture. Advertising a big mailing catalog, they catered to their rural and small-town markets. Other departments were added, such as a hair dressing and manicuring department leased by Mrs. E. Maus.<sup>15</sup>

In January 1914 the firm's value passed the half a million dollar mark for the first time. In 1941 this valuation was a cut-off number, according to the *Department Store Economist*, the profession's trade journal, below which one was considered a small department store. By 1919, when the firm moved into a purpose-built store building at Thirteenth and N streets consisting of 203,600 square feet of floor space, Rudge & Guenzel was a full-fledged department store.<sup>16</sup>

Likely reflecting the firm's profitability, C. H.

Rudge began presenting plans for the new building at least as early as 1916. The issue under debate at a January stockholders' meeting was whether it was better to remain at Eleventh and O streets with the present building or new buildings, or to construct a new building at Thirteenth and N streets. By July of that year, the firm had decided to invest in a new building at a new location, and refrained from paying dividends in order to accommodate the need for funds.<sup>17</sup> Main Street department stores typically moved into existing buildings, adding on and expanding in an *ad hoc* manner. For example, when the Brandeis department store in Omaha expanded, it added two additional stories. The goal for a department store, however, was a new, purpose-built structure.<sup>18</sup>

A new building planned specifically for the store was a significant financial commitment and suggested that the founders were confident in their firm and committed to its future. Plans went ahead quickly in July 1916, when a contract for designing and providing fixtures for the new building was awarded to a leading national firm with a modern reputation, the Grand Rapids Show Case Company.

Piece-by-piece, properties were acquired for the planned store location, including the "Eva Rawlings" property, the Tuttle tract, and the Butler property. Large firms such as Rudge & Guenzel had the power to reshape the downtown landscape and push other businesses out. For example, efforts were made to open the roadway on the north side of one of the properties, with the board of directors authorizing the firm to "pay whatever sum is found necessary" to do so.<sup>19</sup>

The store's net worth continued to increase during World War I, nor did the war slow plans for the new building. (Table 2) Other Nebraska firms benefited as plans went forward. In May 1917 Rudge & Guenzel accepted a contract for the reinforcing steel, metal, lath, steel, forms, engineering plans, and labor with the Concrete Engineering Company of Omaha.<sup>20</sup>

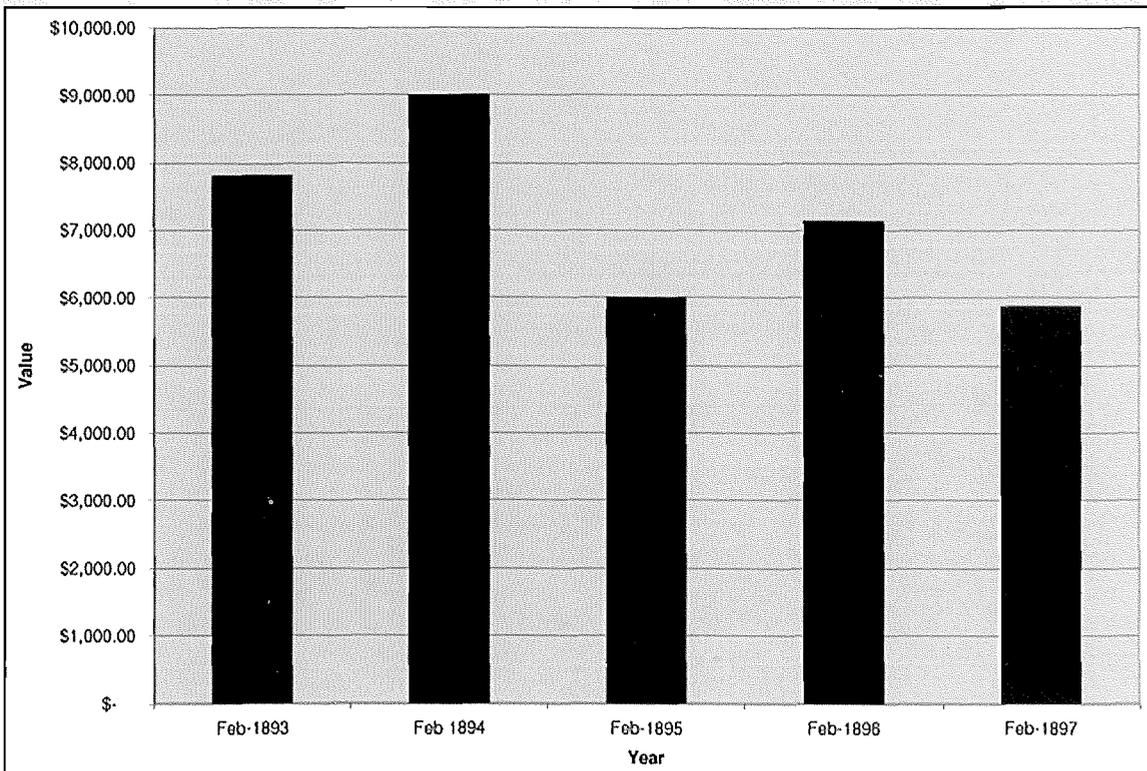
The new building was to have all the modern technologies of a downtown department store, including a complete pneumatic tube system (a compressed air device to transport money, invoices, or correspondence) costing \$14,175 and three passenger elevators, two freight elevators,



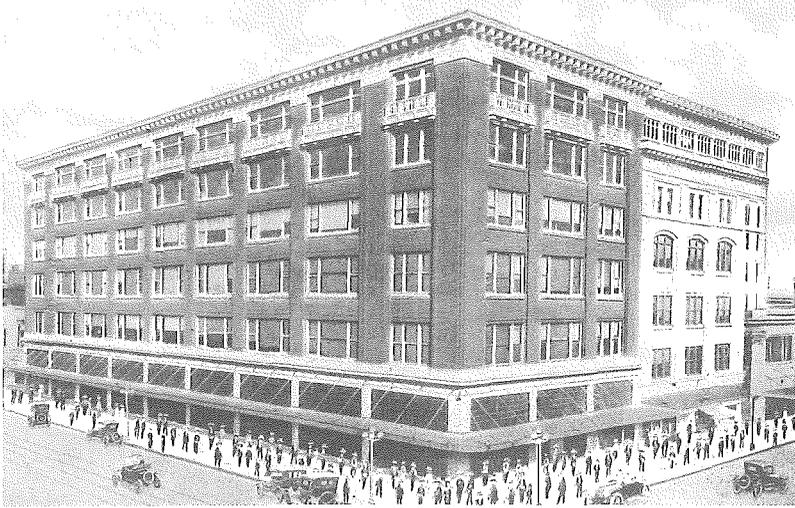
**Charles H. Rudge, a native of Youngstown, Ohio, moved to Lincoln in 1886. He died October 3, 1921, at the Mayo Hospital in Rochester, Minnesota. Two weeks earlier he injured his hand while working on some Minnesota property he owned, and the wound became infected. NSHS RG2411-4804**

**Table 1 Rudge & Guenzel Net Earnings, 1893-97**

*The firm used the term "net earnings" through 1897, after which it switched to "net profits."  
Calculations for net earnings were not shown.*



Source: Minutes of stockholders' meetings, Rudge & Morris Co., Feb. 20, 1892, and Rudge & Guenzel Co., to Jan. 19, 1917, inclusive. NSHS RG3442



A postcard view of the new Rudge & Guenzel store at Thirteenth and N streets, taken soon after its completion in 1919, presents the firm as a modern store in a fashionable and prosperous city. NSHS RG2133-12-414

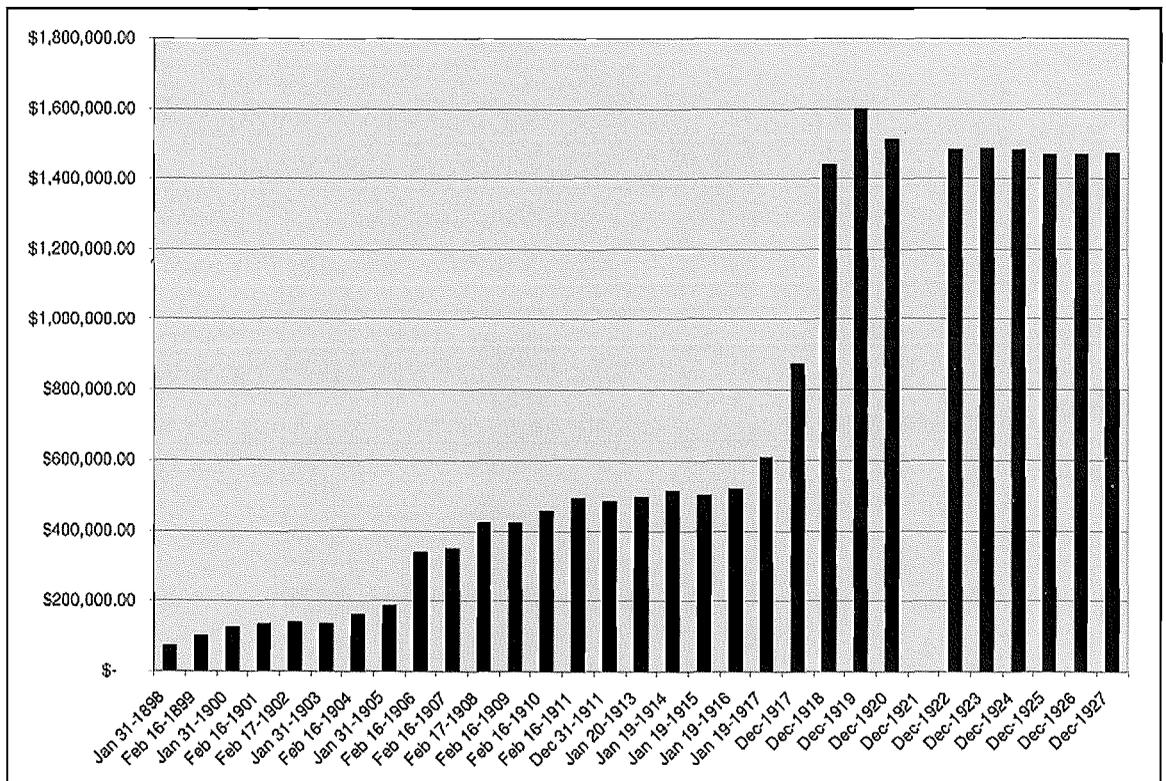
and a dumbwaiter for \$40,000 (under contract with Otis Elevator Company, a well-known national firm). Typical store attractions were also installed, such as a candy counter and soda fountain.<sup>21</sup>

The new building was an immense initial capital investment, but it also required substantial ongoing financial commitment. Annual occupational expense for the new store as of 1920 was established at \$64,780.65. These expenses paid off, for the firm remained profitable in its new location,

paying a 3 percent dividend on common stock in January 1920 and declaring a net gain in sales in 1919 exceeding half a million dollars. Net profit on sales for the year 1919 was just over ninety thousand dollars. The new store was a far cry from the hardware business C. H. Rudge established in 1886, and yet the founder barely got to see it in its new incarnation, dying on October 3, 1921.<sup>22</sup>

As the firm's physical plant grew, its merchandising and advertising changed as well, becoming more like its sisters in major urban centers. By the end of the nineteenth century, downtown department stores in big cities across the country had made their reputation by offering both "service and style." Stores such as those in Lincoln, distant from major fashion centers, had to do more to distinguish themselves from their lower-priced competition.<sup>23</sup> Early on, in a manner typical of stores in smaller cities or small towns, Rudge & Guenzel advertised its ability to bring Lincoln

**Table 2 Rudge & Guenzel Net Worth, 1898-1927**



Source: Minutes of stockholders' meetings, Rudge & Morris Co., Feb. 20, 1892, and Rudge & Guenzel Co., to Jan. 19, 1917, inclusive; board of directors' meetings, 1916-41. NSHS RG3442

shoppers the latest fashions from New York City. Indeed, the late nineteenth-century transportation revolution allowed stores in the heartland to keep up with those from the big city. As Willa Cather depicted, commercial travelers or drummers from major cities and firms such as Chicago's Marshall Field's arrived on the train, bringing luxuries and the "latest sentimental songs."<sup>24</sup> Rudge & Guenzel heralded its twice-weekly shipments from New York of the latest styles in millinery and claimed to offer "hat styles that otherwise might not reach Lincoln for weeks, even months." A 1913 advertisement promoted their line of women's coats as having "been accepted by the leading New York modistes." By the late 1920s hat advertisements still promoted the latest styles, but made no mention of the source of the goods and no longer hinted at the possibility that Lincoln fashions might be provincial without the help of their store buyers. Rather than appealing to a sense of social inferiority based on one's regional identity, the store enticed women through low prices, a wide selection, and promotions, such as a free hat box with every purchase. One 1928 ad announced a record sale offering of "700 New Fall Hats," including the "most approved fall styles," such as metallic hats, feathered turbans, soft velvets, and embroidered styles. General, non-regional fashion appeals were made to all women, from "debutantes" to the "matron." Low prices were explained as the "result of a great purchase," perhaps to allay any suspicion of cheap merchandise.<sup>25</sup>

These typical appeals to price, fashion, and broad selection suggest a sharp turnaround in the store's vision of itself and its consumer base. Coming a month before a merger with Hahn Stores was announced, the hat ad from 1928 still reflected the store's identity as an independent retailer, an identity that could change when ads came from a centralized advertising department, typical for stores that were part of a chain. In the early 1910s Rudge & Guenzel clearly felt the need to establish its fashion-leadership credentials and to flatter and ingratiate women shoppers who might also feel insecure about local styles and who looked to New York or Europe for guidance. By the late 1920s, customers were used to having a wide range of goods available to them. With the rising national consumer society, they may have felt relatively less isolated in fashion terms. Rudge & Guenzel's place in the Lincoln retailing community, moreover, would have been much better established by the late 1920s and ads would have reflected that confidence.

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"debutantes" to the "matron."***

As the firm came of age, its founders played an increasingly important role in the civic life of Lincoln through their philanthropy, membership in civic organizations and political campaigns, and leadership in downtown development. Like other independent department stores, Rudge & Guenzel engaged in philanthropy that would have made the firm well-known to a wide range of local communities. No records of such activities before 1916 were found, and it is unknown whether the firm made contributions earlier. Beginning in that year, however, contributions to churches and organizations such as the YMCA or the Boy Scouts appear regularly. The firm also sought to strengthen its profession, donating funds in excess of membership fees to the National Retail Dry Goods Association. One contribution reflected Rudge & Guenzel's awareness of Lincoln's significant population of ethnic Germans who had emigrated to Nebraska from the Volga region of Russia—\$100 to a fund to assist the Central States Volga Relief Society to help feed "the starving people in Russia," specifically Germans who remained there.<sup>26</sup>

There were limits to the firm's charitable giving, however, notably reflecting racial biases of the era. Very small amounts were given to African American groups. In February 1928, for example, the State Federation of Colored Women's Clubs received \$10. Donations to black churches were smaller than those given to white churches. In April 1927 the African M.E. Church received \$25, compared to the typical \$100 donation to other churches, such as the Ebenezer German Congregational Church in August 1927. While the firm gave to a variety of churches, it clearly favored some over others. For example, \$25 went to St. John's Evangelical Church and \$50 to Sheridan Boulevard Baptist Church in 1927.<sup>27</sup>

Philanthropy was one way the firm engaged in the civic life of Lincoln. Store management's efforts to develop Lincoln's downtown core was another. Rudge & Guenzel repeatedly invested in the downtown business district, including a theatre, a hotel, and an office building. As they well knew,

a prosperous business district meant more foot traffic and higher potential profits for the firm.<sup>28</sup> C. H. Rudge in particular worked to advance the city and state in ways that would have helped bring more customers in the door.

C. H. Rudge's civic activities went beyond economic investment. The store's founder clearly sought a greater public role, one that worked to improve the economic development of the region. Like other department store founders, he was active in the local commercial club, or chamber of commerce. Along with other community and business leaders, Rudge publicly supported the 1910



**A cut-out farmer advertises lanterns from sixty cents at Rudge & Guenzel in the early twentieth century. Such homespun window displays made their appeal to Lincoln's rural trade. NSHS RG2158-2113**

reelection campaign of U.S. Senator Elmer Burkett, a Republican. Such efforts were likely to ensure the election of someone favorable to business. Through membership in the commercial club, C. H. and his son, C. C. Rudge, were involved in planning the 1917 observance of the fiftieth anniversary of Nebraska's admission to the Union. Involvement in such statewide events gave the firm a regional identity, one that would have been good for business.<sup>29</sup> The elder Rudge also sought to promote Nebraska agriculture, not surprising as farmers must have constituted some of his trade and agriculture underlay the state's economy. As a member of the State Board of Agriculture from 1901 to 1915 and its president in 1908 and 1909, he was active in the state fair. He established the Rudge trophy that continued to be awarded after his death at the annual corn show held by the Nebraska Crop Growers Association.<sup>30</sup>

This wide range of civic engagement was typical among the founders of independent department stores, who often became business and social leaders in their communities. Such activities on the part of store management helped establish a positive reputation for the firm, developing its "brand," and shaped Rudge & Guenzel's community identity. Interestingly, Guenzel's name does not appear as prominently in the local paper as does Rudge's, suggesting that perhaps Guenzel was more heavily involved in the day-to-day store management with less time to participate in civic affairs.

Philanthropy and participation in downtown development continued after the firm merged with Hahn Department Stores, Inc., in December 1928, but in a more standardized way. Before the merger Rudge, Guenzel, and other board members made the decisions to give money to various causes and decided upon the amount in board meetings. These gifts resulted from managers' understanding of local needs and also reflected their personal biases and tastes. As part of a chain, the firm had to use standardized forms and submit the requests to central management. Requests themselves became more generalized. Records show the firm requesting amounts to be given to the Lincoln Community Chest subscription, payable quarterly. Some individualized bequests continued to be made, such as \$4,000 for the YWCA Building Fund, but the breadth of gifts diminished after the merger. The records do not document whether Hahn management in New York City approved the requests, and some might have been denied that were not preserved in the historical record. Even if all were approved, the decision-making process was outside of local hands and in an impersonal setting separated from the Lincoln community.<sup>31</sup>

In local newspaper ads about the December 1928 merger with Hahn, Rudge & Guenzel continued to maintain its identity as a "Lincoln store for Lincoln and all Nebraska."<sup>32</sup> Advertisements emphasizing localism were typical of chains, which tried to allay fears of unfair competition when they opened shop on Main Street by promoting their commitment to the community. Certainly the Hahn company was aware of the hatred generated by chain stores and sought to keep Rudge & Guenzel's loyal patronage by such ads, which emphasized continuity with the past. Management would stay the same, and the firm's individuality would remain unchanged. The merger, however, would bring the benefit of lower prices because of the "vast resources" provided by the organization and

the prestige of belonging to the modern-looking group of stores shown in the ad's illustration.<sup>33</sup>

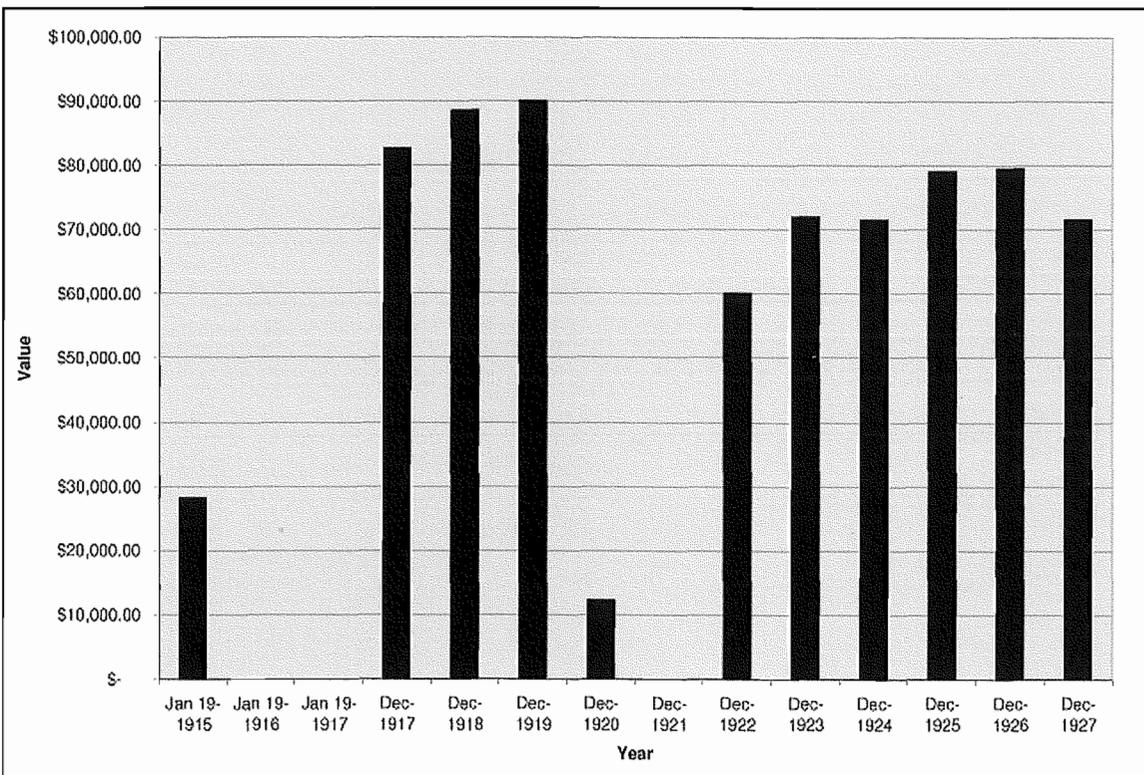
Even when part of a chain, department stores typically emphasized their historical connection to the community, noting the length of their operation in advertisements and drawing parallels between their firm and other important institutions. Rudge & Guenzel did so in the university's yearbook, *The Cornhusker*, in a 1938 ad that reminded readers of "your university founded in 1869" and "your favorite department store founded in 1886." After the merger, the store continued to celebrate its local identity in various ways. Anniversaries, such as the store's forty-third year celebration in 1929, were marked by the burning of a forty-pound candle in a store window and an elaborate lighting ceremony.<sup>34</sup>

Although the reasons for Rudge & Guenzel's merger with Hahn Department Stores were never explicitly discussed in board meeting minutes, a broad look at the firm's financial status over the previous two decades suggests why the firm might have been interested in joining the chain and why the chain might have been interested in them. The first twenty years of the new century had been very

good to Rudge & Guenzel, with net profits tripling between 1915 and 1919. (Table 3) After a precipitous decline in 1920, likely the result of the national recession during that year, net profits climbed fairly steadily until 1926, after which they began to fall again. As a whole, the decade of the 1920s was profitable, but when compared to the store's earlier performance during the World War I era, profits seemed flat, if not in decline. Carl Guenzel and the board may have seen the opportunity to merge with Hahn as a remedy. From Hahn's perspective, Rudge & Guenzel was a good property making solid, if not spectacular, profits.

The inclusion of a Lincoln firm in this national department store chain marked a new level of business investment in this prairie city—a recognition of its significant markets. The merger made a local firm part of a "new retail system" or national department store chain. At this time, the U.S. Bureau of the Census defined chains as any organization with four or more units.<sup>35</sup> Headed by Lew Hahn, a former managing director of the National Retail Dry Goods Association, this large retailing chain had national prominence. The Lincoln *Nebraska State Journal* called Hahn, originally

**Table 3 Rudge & Guenzel Net Profits, 1915-27**



Source: Minutes of stockholders' meetings, Rudge & Morris Co., Feb. 20, 1892, and Rudge & Guenzel Co., to Jan. 19, 1917, inclusive; board of directors' meetings, 1916-41. NSHS RG3442

from Jersey City, “another industrial star in the making,” reflecting perhaps the city’s pro-business perspective that welcomed growth and national networks. Other well-known firms joined the Hahn group that year, including Jordan Marsh Company of Boston, The Bon Marche of Seattle, and The Golden Rule of St. Paul. All regions of the nation were represented, including southern stores such as Meyer’s Company of Greensboro and Goettinger Company, Inc., of Dallas. The chain’s authorized capitalization was \$60 million and the combined sales of the stores under its oversight amounted to \$108 million in the last fiscal year before the merger. When the amalgamation was completed in 1928 the firm consisted of twenty-seven department stores in thirteen states. Net profits for the fiscal year ending January 31, 1929, exceeded six million dollars.<sup>36</sup>

These numbers provide a sense of the power of combination and the incredible challenge department store chains posed for independent department store retailers by the 1920s. Rudge & Guenzel may have realized that since they could not beat them, they might as well join them. Through centralized management, buying pools, and standardized advertising, chains allowed for greater economies of scale. As large enterprises making very large orders, they were able to negotiate better prices from wholesalers or manufacturers.<sup>37</sup>

By the 1920s chains were multiplying in such numbers that they might have seemed to be taking over, in much the same manner as today’s Wal-Mart phenomenon. After the economic dip of 1920–21, consolidation of mass merchandising increased, vividly demonstrated in the rise of chains in groceries, meats, drugs, hardware, and dry goods. Nationwide, “in 1886 only 2 chains in all businesses operated 5 stores; in 1912 a total of 177 companies operated 2,235 stores; by 1929 nearly 1,500 companies were doing business in nearly 70,000 outlets.” The number of chain department stores in particular also skyrocketed as in the case of J. C. Penney’s, which grew from 371 outlets in 1923 to more than 1,000 in 1927. Cheap retail chains, such as Woolworth’s, W. T. Grant, and Kresge’s, became a ubiquitous feature of Main Streets across the country. Lincoln gained its first Woolworth’s early, in 1904.<sup>38</sup>

Rudge & Guenzel’s management could not have avoided their profession’s concern over the rise of chains, nor its increasing adaptation of chain methods in order to compete. Adoption of chain store methods signaled an independent department store’s professionalization—that it was

a modern and “progressive” retailer. Even in the years leading up to the merger, Rudge & Guenzel management was already being exposed to recent retailing trends. Vice-president S. A. Sanderson, for example, was a delegate at a “Dry Goods Smoker” at the Hotel Pennsylvania in New York during the 1926 National Retail Dry Goods Association (NRDGA) meeting (of which the firm was a member). Malcolm P. McNair, assistant director of the Harvard Business Research Bureau, lectured on recent systematic work by the organization to study merchandizing problems, among other retailing issues. The bureau conducted extensive statistical studies of retailing, the findings of which were published and made available in trade literature.<sup>39</sup> Tied to a prestigious educational intuition, and headed by well-published figures in retailing such as McNair, the research bureau was a clear shift away from traditional retailing practices and signaled that scientific ways of doing business were now the norm. Perhaps the Harvard Business Research Bureau and the NRDGA paved the way for the rise of chains by educating independent retailers in provincial markets such as Lincoln, making them comfortable with more standardized, rationalized, and impersonal ways of doing business. As historians of retailing have pointed out, “this emphasis on ‘progressive retailing’ led to a homogenization of stores and business practices.”<sup>40</sup>

Even before the merger with Hahn, employee relations at the Rudge & Guenzel store reflected an increased interest in “modern” ways of doing business. As management sought to shape a modern workforce, employees experienced many of the same changes affecting department store workers across the country during the early twentieth century. Department store clerks in general faced many inequalities and suffered many indignities and physical challenges. Clerking was notoriously hard on the body, with long hours of standing. Wages were low, compensated somewhat by the profession’s reputation as “clean work.” Men’s salaries at Rudge & Guenzel were, of course, higher than women’s salaries, though by 1940 bonus percentages did not differ according to sex, but did vary according to department.<sup>41</sup>

Like other department stores in the 1920s, the Lincoln firm began trying to head off labor organization or improve relations between management and workers through welfare capitalism—benefit programs that were becoming increasingly popular before the New Deal. The firm established an Employees’ Relief Fund in the early 1920s, a development that may have been the result of a



*A store bulletin warned that "all extreme styles of dress or hair arrangement, showy jewelry, strong perfume, free use of rouge or make-up, are considered contrary to the wishes of this Company."*

provision in C. H. Rudge's will that left money for the "benefit of needy employees and ex-employees." By the late 1920s the store had a Sick and Benefit Fund, perhaps the same fund under a different name.<sup>42</sup> The firm also aided employees on an individual basis, as in the cases of Miss Dot Gorton and Mrs. Burdeen Yale of the office and china department, respectively, who lost all their belongings in a 1923 fire. Board meeting minutes noted the two employees' long service and the quality of their work and appropriated money from the relief fund to add to the women's insurance payment.<sup>43</sup>

Like other retailing firms, however, Rudge & Guenzel struggled to control its employees. Early twentieth-century trade literature advised both small and larger retailers to rationalize and systematize their workforce. Dress codes were one way to achieve this modernization. Dress codes had first appeared in the industry in the late 1890s and by the 1920s were accepted practice.<sup>44</sup>

As was typical of department store employment, clerks had to follow Rudge & Guenzel's strict rules on "Manner of Dress." Introduced in 1921, these rules were largely restrictions on the color and style of men's and women's fashions calculated to present a modest, middle-class respectability to the public. Employees in the shops or delivery rooms who did not meet the public were exempt, suggesting the firm was not interested in the morality of its employees as demonstrated by their dress, per se, but in maintaining a middle-class image for the store. A store bulletin warned that "all extreme styles of dress or hair arrangement, showy jewelry, strong perfume, free use of rouge or make-up, are considered contrary to the wishes of this Company." Women were required to wear dark, plain clothing, and were to avoid "all bright and flashy colors" and plaids. Sheer shirtwaists, a popular turn-of-the-century style of women's blouse, were to be layered over more modest undergarments (suggesting, perhaps, that store employees in 1921 were not dressing in the latest fashions). While women were assigned more detailed restrictions than men, male employees were also required to wear dark colors and "inconspicuous neckwear." All employees were "expected to be clean and neat in appearance, avoiding extravagance and display."<sup>45</sup>

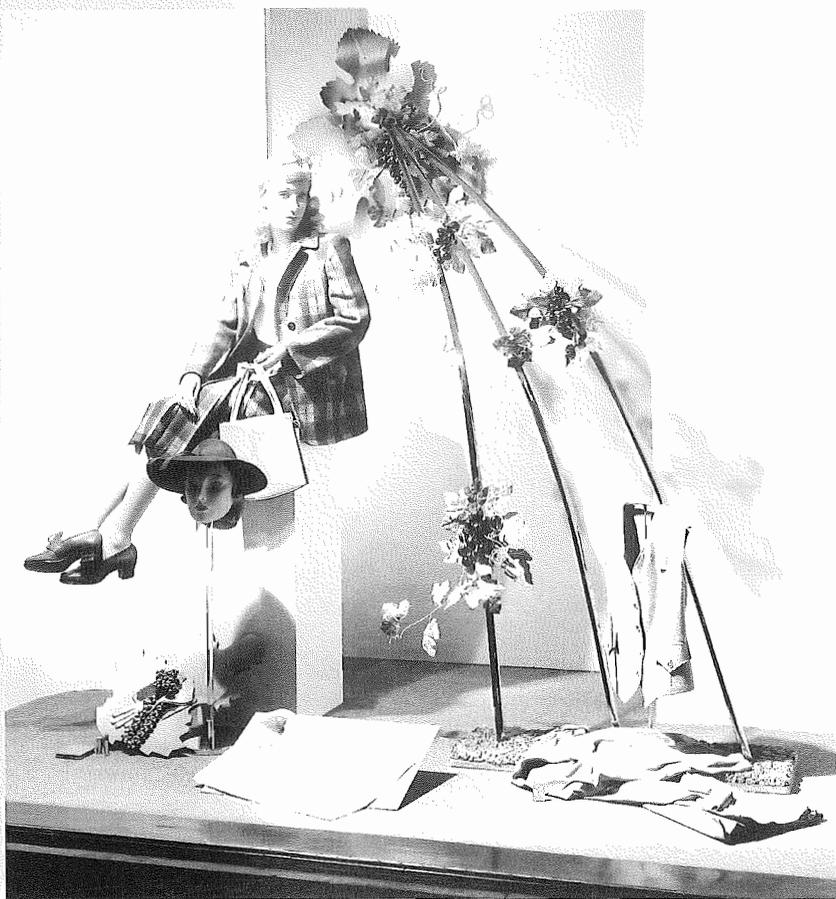
The existence of such rules suggests that many clerks must have been dressing in just the manner prohibited, expressing a working-class aesthetic that found meaning through its very flouting of middle-class sobriety and restraint. Implied was an

understanding that working-class taste had to be curbed to avoid offending customers and ruining the store's image. As historian Susan Porter Benson has argued, managers understood these rules to be a "subtle way of controlling employees' behavior" and maintaining "class distinctions" between customers and the assistant.<sup>46</sup>

Stores sought to impose order among their workforce, but customers often created the biggest headache for management. Shoplifting by both customers and employees has always been a major problem for department stores.<sup>47</sup> An interesting case showing a Rudge & Guenzel employee allying with management's interests, however, was reported in the *Lincoln Star* in 1923. The account detailed how a customer aroused the suspicions of a loyal salesclerk when his Sioux City address did not match the Utah bank on the check he provided to buy some hats. The employee confronted the customer and then chased the culprit who, despite the employee's heroic efforts, got away with the hats. Shoplifting was especially bad at Rudge & Guenzel during the Christmas season, requiring extra measures to reduce losses.<sup>48</sup>

Unpaid bills were another significant source of loss. Every year Rudge & Guenzel had numerous customers with bad debts, which had to be accounted for to balance the budget. Until the merger in 1928, detailed records of each "doubtful account" were kept to stop further losses from the same non-payers and to document how much was being charged to the Reserve for Doubtful Accounts. Board meeting minutes after 1928, however, no longer listed the "doubtful accounts." Of course, financial statements then came in the more impersonal form of annual reports from Hahn Department Stores. Record-keeping methods changed so that individual names of debtors were not recorded, or kept elsewhere locally. The highest level of management was no longer connected to their bad customers on a name basis. In such ways, chains altered the relationship between managers and employees and between firms and their markets.<sup>49</sup>

***The Allied office, though located  
in distant New York City,  
had its finger on the daily pulse  
of the Lincoln store.***



**A September 1941 window display of women's fall clothing. NSHS RG2183-1941-0910**

Not surprisingly, given their effect on all these relationships, chains generated strong opposition from different camps, which has been well documented. Critics noted that these massive organizations were not part of their local communities and lacked the personal touch provided by home-grown institutions or family-run businesses. After 1928 Rudge & Guenzel could no longer say in their ads, as did competitor Gold & Company, that they were “locally owned” and “locally controlled.”<sup>50</sup> Perhaps to counter prevailing criticism of chains, Hahn Department Stores promoted itself as an organization of locally-run or independent firms. Under the Hahn group, the management of stores with long-standing reputations in their communi-

ties stayed the same. This fact was advertised in announcements of the changeover at Rudge & Guenzel. Carl J. Guenzel and Sewall A. Sanderson remained as president and vice president. C. S. Guenzel and E. U. Guenzel, the founder's sons, remained as second vice-president and treasurer, respectively. When the Hahn Department Stores chain began, one of its objectives was to strengthen local management of stores it acquired without interfering in local decisions.<sup>51</sup>

Although Rudge & Guenzel remained locally managed, many operations were handled in the chain's central office. This centralized management gave subsidiaries an economic advantage that smaller firms did not have. The central office required its subsidiaries to follow systematic procedures, which reduced inefficiency and cut costs, savings that could be passed on to consumers as lower prices that small businesses could not duplicate. Rudge & Guenzel's management, for example, was required to go through Hahn (Allied Stores after 1935) for purchases needed for store operations. Between 1931 and 1941 they used a standardized form titled “Request for Central Office Approval of Fixed Asset or Other Extraordinary Expenditures” that went to the treasury division of Allied Purchasing Corporation. Requests varied widely in the 1930s, including those for a Chevy truck, a “Print-A-Sign” machine, meat refrigeration cases, a “Rosch Cookie Machine,” a “Food Chopper and Slicer,” a new roof, and painting to “recondition Bargain Basement.”<sup>52</sup> The wide range of requests processed shows that the Allied office, though located in distant New York City, had its finger on the daily pulse of the Lincoln store.

Chain organization provided the power to exert leverage on prices with manufacturers. In the period just before the decision to close, Rudge & Guenzel suppliers had begun to reduce or eliminate some of the economic incentives that large chain organizations traditionally commanded. In particular, suppliers tried to reduce the anticipation rates they had previously offered. “Anticipation” is a retailing term for a percentage discount retailers earned from manufacturers for paying their invoices before the due date.<sup>53</sup> As suppliers for Rudge & Guenzel (all thirty-nine of whom were from outside Nebraska) sought to reduce and even eliminate this discount around 1941, the accounts payable department in Lincoln appealed to the Allied central office for assistance. Correspondence shows Allied advising the Lincoln store on how to deal with this problem and also using its clout to push vendors to comply with previous arrange-

ments. For example, the Allied office was able to announce that Adelaar Bros., a New York City “blouse resource,” had “agreed to allow Allied anticipation at a rate of 3 %.” By belonging to a chain, Rudge & Guenzel gained the muscle needed to remain competitive.<sup>54</sup>

Chains also gave their subsidiaries access to an advertising budget that would not be possible for a smaller firm. A centralized source for advertising meant higher quality and more expensive ads. Due to the high cost of advertising and the difficulty of quantifying results, as well as the charlatan, patent-medicine reputation of ads, businesses at the beginning of the twentieth century were skeptical of this modern form of communication. With their need to advertise sales and new fashions, department stores had always been deeply invested in newspaper advertising appearing almost daily in local papers. Advertising budgets were often very large and at Rudge & Guenzel, they were set at the highest level of management in a pattern of close attention to detail by the store’s founders. The firm invested in advertising from its earliest years, but sought to keep costs down. For example, at the board of directors meeting in 1897, Carl J. Guenzel moved that “the president be instructed to keep advertising (outside of catalogues) below \$1300 if possible.” A decade later the firm relied much more heavily on advertising and Guenzel moved that the amount for advertising be limited to \$15,000.<sup>55</sup>

There is evidence that the rise of chain organization had only a mixed effect on independent department stores in the 1920s. Chain variety stores, such as Kresge’s and Woolworth’s, provided stiff competition for particular departments in department stores, such as notions, shoes, hosiery, and lingerie. Those departments that emphasized style and quality were less affected by chain expansion. Unlike department stores, chains such as Sears and Montgomery-Ward did not claim to be fashion leaders offering style goods; rather, they specialized in mass-produced or standardized wares. As late as 1930, for example, J. C. Penney’s carried only staple dry goods.<sup>56</sup>

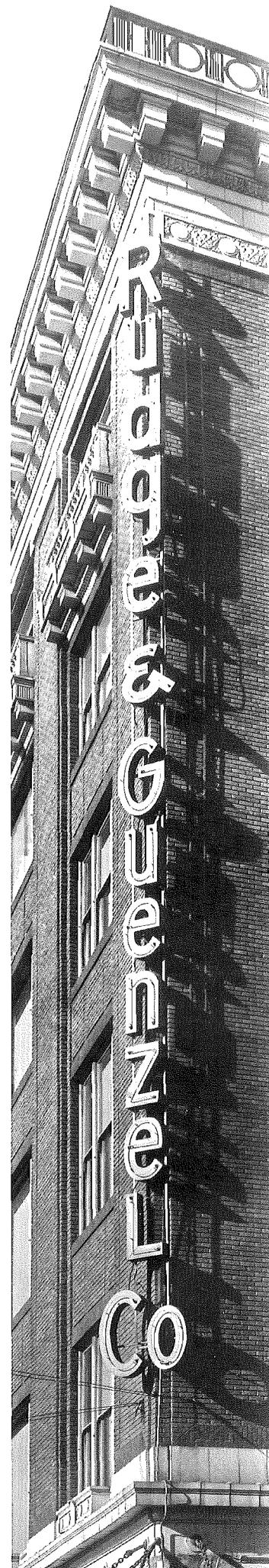
Chains also did not offer the same array of services or amenities common to downtown department stores. In the 1920s Rudge & Guenzel distinguished itself from more prosaic stores such as Sears or Penney’s by offering services such as a “personal shopper,” a store employee named Vera Mills. Likely only of interest for shoppers that did not have to worry about price, the service nevertheless was advertised as “open to all our patrons.”

After 1928, of course, Rudge & Guenzel was part of a department store chain of prestigious retailers—gaining the benefits of chain organization without compromising its identity as a fashion leader in Lincoln.<sup>57</sup>

The Depression hit the Lincoln retailing sector harder than in Omaha, the state’s biggest urban center. Nebraska in 1930 had a small town and rural market, with only eight cities exceeding 10,000 in population. By comparison, Massachusetts had seventy-three cities in this category, and California forty-seven. At the outset of the Depression, roughly three-quarters of Nebraska’s population lived in small town and rural areas.<sup>58</sup> Nebraska entered the Depression with sixty department stores, distinct from the hundreds of dry goods, general merchandise, and variety stores documented by the census. Few of the department stores were in counties that lacked cities with more than 10,000 residents. One such rural area—Otoe County—to Lincoln’s east, had only two department stores and eight general merchandise and variety stores. (General merchandise and variety stores were their own category in the census, distinct from general stores and department stores.) General stores, or country stores as they were often called, were the norm in such rural areas—Otoe County had seventeen such establishments in 1930.<sup>59</sup> One can imagine Otoe County residents traveling to Lincoln to buy new clothing and make major purchases at the capital city’s department stores.

By the middle of the Great Depression, the number of department stores in the state began to decline slightly. Lincoln’s Herpolsheimer’s closed during this period. By 1939, the total had slipped to fifty-three. The number of department store employees actually increased slightly during the decade, although total payroll for those employees declined as the use of part-time salespeople increased. Department store sales declined overall, falling 22 percent between 1929 and 1939 in Lincoln, from \$50,034,000 to \$39,142,000. Omaha, with a population more than two and a half times greater than Lincoln’s did much better, with only an 11 percent drop in overall sales. Lincoln’s retail trade was much stronger than several other Nebraska cities exceeding 10,000, such as Hastings, which suffered a 45 percent drop in sales from 1929 to 1939, Beatrice, with a 38 percent decline,

**Lincoln’s MacDonald Studio photographed the Rudge & Guenzel sign on January 5, 1941, less than a year before the Allied chain closed the store.** NSHS RG2183-1941-0105



and Grand Island, which experienced a 33 percent decline.<sup>60</sup>

Perhaps Lincoln's large department stores, which offered bargain priced goods as well as luxury items, drew shoppers from the surrounding region to spend their much reduced purchasing power. The university and government crowd must have contributed their relatively well-heeled presence to the area's business district as well. In 1939 Lincoln had six department stores, according to the business census, which likely included other chain department stores not studied here, such as J. C. Penney's. These firms did \$7,312,000 of business and employed a total of 1,447 workers on average for the year. Department stores were

executives led by B. Earl Puckett and his strong central New York office, the Allied Purchasing Corporation. Hahn left the chain and was replaced as director at Rudge & Guenzel by Albert Coons who, like Hahn, did not attend board meetings. Hahn Stores became Allied Stores in 1935 and Puckett turned the firm around, raising profits and also expanding the number of stores from twenty-seven to fifty-six between 1934 and 1939. According to Puckett, its president during this period, the chain sought to make it possible for each store to gain the maximum benefit from its relation to other stores in the system. Of the chain's total of thirty-two stores in 1936, twenty-two were profitable, with the remaining ten reporting a loss.<sup>62</sup>

The chain as a whole weathered the Depression, in part because of its size, which allowed it to absorb some losses. For example, Allied made changes in capital structure, such as increasing reserves for possible customer account losses, and addressed burdensome lease arrangements that were cutting into some stores' profits. In 1941 Allied Stores reported its highest earnings since 1929, which was incidentally the same year it closed Rudge & Guenzel. By 1958 Allied had become one of the two largest department store chains, acting as an operating and holding company for eighty-six stores in twenty-five states.<sup>63</sup>

How Rudge & Guenzel survived the Depression is not a story of family effort, as it would have been had the firm still been in the hands of its founders. The store's shift to chain organization just before the Great Crash was timely and perhaps crucial to its ability to survive the Depression. To remain competitive with chains with deeper pockets, independent, family-run department stores during the 1930s struggled along by cutting management salaries, eliminating dividends, reducing their labor force, and putting efforts into new merchandising campaigns and plant modernization.<sup>64</sup> Like department stores across the country, Rudge & Guenzel incurred losses rather than profits, and it had to rescind its policy of automatic declaration of dividends.<sup>65</sup> Rudge & Guenzel, however, entered the Depression as a member of the Hahn chain and as such, would have been able to draw on the chain's resources. Chains' advantages over independent businesses are well known in a general sense. Extant archival evidence shows exactly how Rudge & Guenzel gained these advantages.<sup>66</sup>

Ironically, just as the country was pulling out of the Depression, Allied decided to close Rudge & Guenzel. At a board meeting held in the Lincoln

## RUDGE & GUENZEL COMPANY



*The Supply House for  
the College Student  
where Styles and Qual-  
ities can be relied upon  
and prices as low as are  
consistent with good  
Quality  
Satisfaction is always  
guaranteed.*

11th and O Sts.

LINCOLN, NEBRASKA

**Throughout its history as a department store, the firm sought the youth market by advertising in the University of Nebraska yearbook, *The Cornhusker*. NSHS 378.782/Uy/1910**

major employers compared to dry goods and general merchandise stores, which tended to be proprietor run with few, if any, employees. Even variety stores, of which there were seven in town, employed a fraction of the labor pool needed to run a large department store (a total of 210 variety store employees on average in 1939). These numbers demonstrate the significant impact a department store closure could have on the local labor force.<sup>61</sup>

Department store chains faced their own challenges during the Depression. When Rudge & Guenzel's chain slipped in the early Depression under Lew Hahn's leadership, a new policy of scientific management was applied under new

offices on December 2, 1941, President E. E. Baily called attention to rising prices, a trend toward scarce merchandise (shortages), and the firm's "weak competitive position." A prospective purchaser of the store's assets had been found, and the board members voted that it would best serve the stockholders' interest to shut down and sell. Interestingly, present at the meeting was only one holdover from the store's premerger management, S. A. Sanderson, and he was not one of the original founders. By 1940 no members of the Rudge or Guenzel families were directors of the company and Baily, who had only recently joined the Lincoln office in 1938 as vice-president, had become president.<sup>67</sup>

If store founders had still been active in the firm's management, Rudge & Guenzel may have staggered on. Family-owned firms have more than an economic stake in the survival of their creation. For Allied, however, it was simply a matter of maintaining the chain's overall strength. As reported impersonally in the Allied Stores Corporation's 1942 annual report, Rudge & Guenzel had "never been a profitable unit." Advertisements right before the end belie any troubles, showing no shift in appeals or image. Before its closure, the firm still advertised itself in *The Cornhusker* as "Lincoln's Progressive Department Store."<sup>68</sup> The nation was pulling out of the Depression as the economy revived with preparations for war. Store founders may have gambled that this economic upswing would improve their business in the coming years. Before Rudge & Guenzel's closure, retail sales in Nebraska as a whole had improved, with sales of the first five months in 1940 1.2 percent above that of the corresponding period the year before. Possibly Rudge & Guenzel may have returned to the profitability they demonstrated before the merger. Evidently Allied made its decision to close Rudge & Guenzel quickly and, of course, with no thought as to the effect of such a sudden closure on its employees or the community.<sup>69</sup>

The firm's closure, in a sense, was part of a long-term process of consolidation and standardization in retailing. Of the four independent department stores in Lincoln at the beginning of the twentieth century, only Herpolsheimer's did not survive the Depression, going bankrupt in 1931. Downtown Lincoln emerged from World War II with only two remaining independent department stores—Gold's and Miller & Paine. The Gold family, which had purchased Rudge & Guenzel's inventory when it closed, sold their store to J. L. Brandeis Company of Omaha in 1964. Miller & Paine, after expanding



***Before its closure, the firm still advertised itself in The Cornhusker as "Lincoln's Progressive Department Store."***

its branch locations in suburban Lincoln shopping centers, was purchased in 1988 by Dillard's of Little Rock, Arkansas. Both downtown stores eventually closed, following the new retailing pattern of decentralization that contributed to the postwar economic and social decline of city centers across the country.<sup>70</sup>

The commercial landscape of Main Street in small towns and cities across the United States changed greatly in the last half of the twentieth century. The story of the "decline of downtown" is a familiar one, connected to shifting political, social, and economic contexts. White racism and the related movement of "urban renewal," suburbanization and the centrality of the automobile, the decline of American manufacturing and the rise of a service economy, and a business climate that supported the rise of chain stores and, later, mega businesses such as Wal-Mart all contributed to the decay of once bustling urban centers including Lincoln's. Some major cities, such as San Francisco and New York, continue to attract crowds to their thriving shopping districts. While efforts to remake less vibrant downtown economies have sometimes been successful, and while people continue to live in and visit downtowns that have lost much of their past vitality, not many will argue that the heyday of downtown shopping is over. The rise of chains has much to do with that loss.<sup>71</sup> ■

**NOTES**

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<sup>1</sup> Epigram from "Employes (*sic*) Go on Record with their Allegiance," *Lincoln Evening News*, May 2, 1906, 5.

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

<sup>4</sup> *Ibid.* The song and resolution were scripted to please the founders, which they apparently did. Events such as the banquet and the group activities helped construct a family-like corporate culture that was good for business, but one that did not put

labor interests first. The inheritors of this type of corporate culture (the Wal-Mart family comes to mind), would take the cheers, company songs, and assertions of loyalty to a whole other level.

<sup>5</sup> Vicki Howard, "The Biggest Small-town Store in America," *Enterprise & Society* 9 (September 2008), 458, 479, 483. Also see "Exhibit Triggers Memories of Breese's," *Oneota (New York) Daily Star*, Mar. 17, 2008, <http://www.thedailystar.com>, accessed Sept. 11, 2008.

<sup>6</sup> Susan Porter Benson, *Counter Cultures: Saleswomen, Managers, and Customers in American Department Stores, 1890–1940* (Urbana: University of Illinois Press, 1988), 1. In their day, such "palaces of consumption" also stood in stark contrast to older, more traditional nineteenth-century forms of trade that continued to co-exist, such as the peddler's cart, the general store, or the small specialty store. Popular histories of now defunct stores and demolished downtown sites play on and help create this nostalgia. For example, see Michael Hauser and Marianne Weldon, *Hudson's: Detroit's Legendary Department Store*, Images of America Series (Charleston, S. Car.: Arcadia Publishing, 2004), 7–8, passim.

<sup>7</sup> Willa Sibert Cather, *My Antonia* (Boston & New York: Houghton Mifflin Co., 1918), 248; Cather, *O Pioneers* (Boston & New York: Houghton Mifflin Co., 1913), 11.

<sup>8</sup> For statistics on shoppers in Lincoln, see Wallace Jefferson Ferry, *The Buying Habits of Small-town Women* (Kansas City: Ferry-Hanly Advertising Company, 1926), 49–50. The firm sent catalogs or sales sheets to neighboring towns, as did Miller & Paine, Magee's, and Sarlson-Hubbard. *Ibid.*, 57. That the University of Nebraska provided a market is evident in the regular ads run by Rudge & Guenzel in *The Cornhusker* student yearbook. The store set out a plan to get "the student business of the city" in 1912. Minute Book, Rudge & Guenzel Co. Board of Directors, 1907–15, 27, Rudge & Guenzel Collection, Library/Archives Division, Nebraska State Historical Society, Lincoln (Hereafter R&G, NSHS).

<sup>9</sup> James L. McKee, *Remember When. . . Memories of Lincoln*, ed. Linda L. Hillegass (Lincoln: J & L. Lee Co., 2001), 26, 43, 63.

<sup>10</sup> McKee states that the store became Rudge & Guenzel in 1892, a date contradicted by board meeting minutes. Feb. 16, 1900, Minutes of Stockholders' meetings, Rudge & Morris Co., Feb. 20, 1892, and Rudge & Guenzel Co. to Jan. 19, 1917, inclusive, Box 3, R&G, NSHS (hereafter MSM, 1892–1917).

<sup>11</sup> "F. W. E. Guenzel is Dead at Ninety-one," *Evening State Journal*, Jan. 4, 1929; "Congratulations!" *Lincoln Sunday Journal and Star*, Feb. 11, 1910, 5.

<sup>12</sup> McKee, *Remember When*, 21, gives slightly different dates for the original stores than my source, a 1928 article on the merger: "Rudge & Guenzel in a Huge Merger," *Evening State Journal*, Dec. 11, 1928, 19.

<sup>13</sup> A Lincoln newspaper account of this date as 1895 was in error. "Forty Years Ago Today," *Nebraska State Journal*, Mar. 6, 1945. The correct 1905 date of the purchase of the Fitzgerald Dry Goods Company and accompanying details are from "Rudge & Guenzel in a Huge Merger," *Evening State Journal* Dec. 11, 1928), 19. Also see Apr. 6, 1905, MSM, 1892–1917, 58.

<sup>14</sup> MSM, 1892–1917, 1–10, 56, 63. McKee in *Remember When*, 21, states incorrectly that the firm was incorporated as Rudge & Guenzel in 1892.

<sup>15</sup> "Rudge & Guenzel Co.," *The Cornhusker* (1911), 386, University Archives/Special Collections, University of Nebraska-Lincoln (hereafter UNL). The date of Mrs. Maus's first lease is unknown, but it was renewed Aug. 9, 1917, Minute Book, Board of Directors Meetings, 1916–41, 30, R&G, NSHS (hereafter BDM, 1916–41).

<sup>16</sup> "Smaller Stores Lag," *Department Store Economist*, July 25,

1941, 10; MSM, 1892–1917, 79. The date of the new building is given as 1918 in McKee, *Remember When*, 21. It is 1919 in "Rudge & Guenzel in a Huge Merger," *Evening State Journal*, Dec. 11, 1928, 19.

<sup>17</sup> MSM, 1892–1917, 89; BDM, 1916–41, 27.

<sup>18</sup> Jan Whitaker, *Service and Style: How the American Department Store Fashioned the Middle Class* (New York: St. Martin's Press, 2006), 87–88; Richard Longstreth, "Sears, Roebuck and the Remaking of the Department Store, 1924–42," *Journal of the Society of Architectural Historians* 65 (June 2006), 255.

<sup>19</sup> BDM, 1916–41, 29, 28, 43.

<sup>20</sup> *Ibid.*, 44. The board of directors called for a reserve for depreciation of merchandise values to protect against shrinkage that would result on account of price recession "incident to the conclusion of the European War." *Ibid.*, 34.

<sup>21</sup> *Ibid.*, 64, 66, 87; "Otis Escalator," advertisement, *Department Store Economist* (December 1950), 4.

<sup>22</sup> BDM, 1916–41, 118, 124–25, 151.

<sup>23</sup> For a discussion of department stores' twin goals on service and style, see Whitaker, *Service and Style*, introduction, passim.

<sup>24</sup> Cather, *My Antonia*, 193.

<sup>25</sup> Rudge & Guenzel advertisements, *Lincoln Daily Star*, Apr. 4, 1913, 2; "Month-End Sales," advertisement, *Nebraska State Journal*, Sept. 26, 1928, 7.

<sup>26</sup> BDM, 1916–41, 18, 21, 24, 26, 146, 147, 160–61, 28.

<sup>27</sup> *Ibid.*, 243, 231, 234–35.

<sup>28</sup> *Ibid.*, 192, 210, 227.

<sup>29</sup> "Express Their Confidence," *Sunday State Journal*, Nov. 6, 1910, 1; "Planning Big Celebration," *Lincoln Daily News*, Jan. 7, 1915, 2.

<sup>30</sup> *Annual Report of the Nebraska State Board of Agriculture*, 1922 (University Place, Nebr.: Claflin Printing Co., 1922); *ibid.*, (Lincoln: Woodruff Bank Note Co., 1913), 7–8. The report noted that the board's meeting was held at the commercial club, of which Rudge was a member, and gave an extensive account of the fair. "Dates Are Set for Corn Show," *Lincoln Star*, Nov. 20, 1923, 9.

<sup>31</sup> Folder: "Approvals for Store" - 1931–41, Box 7, R&G, NSHS. Memos back and forth from R&G and Hahn/Allied between 1931 and 1941 were about requisitions and approvals for purchases. Included were some requests for philanthropic gifts. Traditionally, chains have been seen as interlopers, who, without the local connections of independent retailers, fail to contribute to civic life. Sarah Elvins's study offers a more complex picture of the relationship between chains, independent retailers, and consumers in the interwar period. See Elvins, *Sales and Celebrations: Retailing and Regional Identity in Western New York State, 1920–1940* (Athens: Ohio University Press, 2004).

<sup>32</sup> "Our Objectives," *Nebraska State Journal*, Jan. 25, 1929, 3. Under the store leadership of C. J. Guenzel and S. A. Sanderson, Rudge & Guenzel completed a net transfer of almost \$370,000 to the Mercantile Investment Company begun in the board of directors meetings the previous August. BDM, 1916–41, 244–48.

<sup>33</sup> Elvins, *Sales and Celebrations*, Chap. 4; "Our Objectives," *Nebraska State Journal*, Jan. 25, 1929, 3.

<sup>34</sup> "Rudge & Guenzel Co.," *The Cornhusker*, (1938), UNL; "Birthday Candle Lighted," *Lincoln Evening Journal*, May 1, 1929, 5.

<sup>35</sup> Elvins, *Sales and Celebrations*, 92.

<sup>36</sup> "Hahn Department Stores," *Wall Street Journal*, Dec. 11, 1928, 18. My source is "Hahn Says Work is Just Being Started," *Nebraska State Journal*, Dec. 12, 1928, 2. "Allied Stores Chain



Rides Tide of Nation's Economic Growth," *Women's Wear Daily*, June 16, 1958, 1, Resseguie Collection, Allied Stores Corp., Case 1, Historical Collections Department, Baker Library, Harvard Business School, Boston (hereafter, BL); *Hahn Department Stores, Incorporated Annual Report - 1929*, 1, ProQuest Historical Annual Reports, BL

<sup>37</sup> William Leach, *Land of Desire: Merchants, Power, and the Rise of a New American Culture* (New York: Pantheon Books, 1993), 272.

<sup>38</sup>*Ibid.*, 272-74; Patricia C. Gaster, "E. J. Hested and Nebraska's Home-Grown Variety Store," *Nebraska History* 73 (Fall 1992), 119.

<sup>39</sup>"Dry Goods Smoker Hears Harvard Men," *New York Times*, Feb. 10, 1926, 37.

<sup>40</sup> Elvins, *Sales and Celebrations*, 81. On this point Elvins also cites David Monod's *Store Wars: Shopkeepers and the Culture of Mass Marketing, 1890-1939* (Toronto: University of Toronto Press, 1996).

<sup>41</sup> See Benson, *Counter Cultures*, for a discussion of the nature of clerking in the late nineteenth century through the interwar period. "Bonus Arrangement for Salespeople for 1940," Folder: "Various Loose Material," Box 7, R&G, NSHS.

<sup>42</sup> BDM, 1916-41, 178-79, 187, 217.

<sup>43</sup> *Ibid.*, 179.

<sup>44</sup> Benson, *Counter Cultures*, 141, 139.

<sup>45</sup> BDM, 1916-41, 151-52.

<sup>46</sup> For a discussion of the meaning of working-class women's dress at the turn of the twentieth century, see Kathy Peiss, *Cheap Amusements: Working Women and Leisure in Turn-of-the-Century New York* (Philadelphia: Temple University Press, 1986); Benson, *Counter Cultures*, 140.

<sup>47</sup> Elaine S. Abelson, *When Ladies Go A-Thieving: Middle-Class Shoplifters in the Victorian Store* (New York: Oxford University Press, 1989), 4-5, *passim*.

<sup>48</sup> "Attempt to Pass Worthless Check," *Lincoln Star*, Nov. 20, 1923, 9.

<sup>49</sup> Chain organization might also mean that firms were no longer dependent on store founders for their successful operation. Stores run by their founders could be dependent on a single individual or family to such a degree that the loss of a member might throw management into disarray. When president C. H. Rudge died in 1921, for example, that year the secretary's annual financial report did not appear, suggesting that perhaps the founder's death left a hole in the chain of command and the necessary figures were not provided. BDM, 1916-41, 151-59.

<sup>50</sup> "Gold & Co.," *Nebraska State Journal*, July 25, 1940, 3.

<sup>51</sup> Interestingly, the new organization gave raises to all parties except the president, whose salary remained at \$6,000. "Allied Stores Chain Rides Tide of Nation's Economic Growth," *Women's Wear Daily*, June 16, 1958, 1.

<sup>52</sup> Folder: "Approvals for Store" - 1931-41. Requests for funds in the 1930s show management's interest in "modernizing," typical of department stores during the Depression trying to combat declining purchasing power.

<sup>53</sup> W. A. Paton, ed. *Accountants' Handbook*, 3d ed. (New York: The Ronald Press Company, 1949), 1422.

<sup>54</sup> Letter from Accounts Payable at R&G to Mr. Allison, Mar. 28, 1941; memo, from Allied, Apr. 21, 1941, to Store Controllers and Head of Accounts Payable; quote from memo, Sept. 6, 1941, to Store Controllers or Heads of Accounts Payable Depts. from Rex Allison.; letter to Mr. Allison, Sept. 18, 1941, from Accts Payable, Box 5, R&G, NSHS.

<sup>55</sup>MSM, 1892-1917, 7, 1-10, 3, 20, 63-64.

<sup>56</sup> Elvins, *Sales and Celebrations*, 102-3.

<sup>57</sup> Whitaker, *Service and Style*, 3; "Vera Mills," advertisement, *Nebraska State Journal*, Sept. 26, 1928, 7.

<sup>58</sup> Fifteenth Census of the United States, *Census of Distribution, Small City and Rural Trade Series: Analyzing the Small City and the Rural Market Area* (Washington, D.C.: U.S. Department of Commerce, Bureau of the Census, 1933), 19, 27. See table 1 and table 8. This publication looked at selected rural counties from different parts of Nebraska, with Otoe County being the only county in the area of Lincoln.

<sup>59</sup> *Ibid.*, 59. See table 27.

<sup>60</sup>Sixteenth Census of the United States, *Retail Trade-Nebraska-1939*, Table 1-Comparison Summary of Stores, Sales, Personnel and Pay Roll By Major Kinds of Business: 1939, 1935, and 1929; Table 2-Stores, Sales, Personnel, Pay Roll and Stocks By Kinds of Business (Washington, D.C.: U.S. Department of Commerce, Bureau of the Census, 1940), and Introduction, 1.

<sup>61</sup> *Ibid.*, Table 17-Cities of More Than 10,000 Population, Stores, Sales, Personnel, and Pay Roll, By Kinds of Business.

<sup>62</sup> BDM, 1916-41, 262-63; "Allied Stores Chain Rides Tide of Nation's Economic Growth," *Women's Wear Daily*, June 16, 1958, 1.

<sup>63</sup> "Allied Stores' Profit Higher Last Year," *Wall Street Journal*, Apr. 4, 1936, 5; "Allied Stores' Fiscal Year Net Best Since 1929," *Wall Street Journal*, May 6, 1941, 5; "Allied Stores Chain Rides Tide of Nation's Economic Growth," *Women's Wear Daily*, June 16, 1958, 1.

<sup>64</sup> See Howard, "The Biggest Small-Town Store in America," 474, 477.

<sup>65</sup> BDM, 1916-41, 263.

<sup>66</sup> John W. Wingate and Arnold Corbin, eds. *Changing Patterns in Retailing: Readings on Current Trends* (Homewood, Ill.: Richard D. Irwin, Inc., 1956), 58-59.

<sup>67</sup> BDM, 1916-41, 165-291.

<sup>68</sup>*Annual Report of Allied Stores Corporation for the Fiscal Year Ended January 31, 1942*, 13, ProQuest Annual Reports, BL. McKee, *Remember When*, 21, states that Rudge & Guenzel was closed to avoid paying an excess profits war tax. I have found no evidence of that in company records or in the annual reports of Allied Stores. "Rudge & Guenzel Co. Congratulates the Class of 1940," *The Cornhusker* (1940), 362, UNL.

<sup>69</sup> "Nebraska Sales Improve in May," *Nebraska State Journal*, July 4, 1940, 1. As late as May 1941, Allied offices were hiring buyers at Rudge & Guenzel with contracts that extended into the following year. Folder: "Various Loose Material."

<sup>70</sup> Miller & Paine, however, offered an example of a different type of expansion and response to market pressures. Forming branch stores and becoming a regional chain such as Dillard's was one response, one that on its face, appeared to be more successful in the Nebraska market than the alternative of joining a national chain like Allied Stores. Perhaps Miller & Paine (and then Dillard's) was better able to adjust to local and regional market conditions than Allied, with its office in New York City and its impersonal bureaucratic responses to problems faced by the store.

<sup>71</sup> Historians of the American downtown have also argued, however, that urban centers continue to survive and adapt. Some downtowns have been successfully reinvented as heritage sites for tourism with wooden sidewalks and vintage lighting, while others have gentrified and attracted well-heeled residents to lofts and condominiums in buildings that were once factories, mills, or old hotels. See Alison Isenberg, *Downtown America: A History of the Place and the People Who Made It* (Chicago: University of Chicago Press, 2005).

