Lake Effects
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Urban policy making began in Cleveland during the first half of the
nineteenth century when a policy setting regime composed of local
merchants guided the destiny of the fledgling settlement. Stimulated by a
vision of a boundless economic future, yet more often badgered by the
press of daily events, the Merchant Regime stitched together an informal
network of private and public institutions from which came policies for
economic development, urban growth, service distribution, and wealth
redistribution.

The Merchant Regime’s initial policy issue, and the matter of highest
priority concern, was economic development, a policy pursued with a sin-
gleness of purpose unmatched since. An expansive urban growth policy of
wholesale annexations was also pursued with enthusiasm and vigor, so
much so that distributive services and wealth redistribution policies were
merely reflexive responses to the unanticipated consequences of economic
development and growth policies. In the 1880s, Cleveland’s population
size, its advance into an industrial stage of economic development, and its
increasing social heterogeneity rendered obsolete the merchants’ institu-
tional policy setting network.¹

ECONOMIC DEVELOPMENT POLICY, 1825–1878

The Old Northwest in the decades before the Civil War was a grain pro-
ducing region. The region’s scattered urban centers were chiefly grain
transshipment points, and transshipment was confined to such regional
river cities as Cincinnati until the canal era of the 1820s awakened the first
stirrings of urbanization in such Great Lakes centers as Cleveland.²
Although founded in 1796, Cleveland grew slowly because silt blocked the Cuyahoga River, creating a malarial swamp which spooked even the most pioneering of potential settlers. Only in the 1820s, at the dawn of the canal era, did Cleveland attract a steady stream of settlers who arrived by waterborne transportation after the Erie Canal opened in October of 1825.

Cleveland’s more promising growth after 1825 was triggered by the Merchant Regime’s aggressive economic development policy, which added new work to old work in the export sector of the city’s economy. In the 1820s, the city was a minor transshipment center, a funnel through which grains harvested in the surrounding hinterland passed on their way to larger urban processing centers. Cleveland did not develop a strong export sector until the Merchant Regime connected the town with reliable transportation arteries to larger centers and until it acquired a store of capital necessary for building local export-sector enterprises.

Because institutional structures were embryonic, Merchant Regime economic development policy was a highly personal enterprise forged primarily by Alfred Kelley. Born in Middlefield, Connecticut in 1789, Kelley was educated in the Fairfield, Connecticut Common Schools and later read law in the offices of New York Supreme Court Justice Jonas Platt before moving to Ohio in 1810. Within five years, Kelley was a growing presence in Cleveland, serving as the first president of the village of Cleveland and president of the Commercial Bank of Lake Erie. Kelly’s father and brothers joined him in Cleveland and they too became business and civic leaders. One Kelly brother served as postmaster while the senior Kelley and other siblings were aspiring merchants and shippers. But Alfred Kelley, alone, saw that his family’s mercantile aspirations were tied to the economic development of the village through public policy. For this purpose Alfred Kelley entered politics and added a succession of state offices to his resume—member of the state house of representatives, state senator, and state canal commissioner—and used them to design and implement Cleveland’s economic development policy.

By the end of the decade, public programs promoted by Kelley connected Cleveland by water to downstate Ohio, the Great Lakes ports, and New York City via the Erie Canal. In 1823, state representative Kelley introduced legislation targeting Cleveland as the northern terminus of the Ohio and Erie Canal, linking the city to Portsmouth and the valuable grain hinterland in between. The next victory came when Kelley, now a canal commissioner, persuaded his commission colleagues to site the terminus of the Ohio Canal on the east bank of the Cuyahoga River at Cleveland rather than the rival west bank settlement of Ohio City. Two years later, businessman Kelley, with backing from fellow Cleveland merchants, secured a...
$5000 federal harbor improvement grant to dredge the mouth of the Cuyahoga River and open the way for shipping.7

These water transit solutions fulfilled Kelley’s expectations, for Cleveland grew as a banking, warehousing, and lake transhipment center, and the population rose from five hundred in 1825 to seven thousand in 1840.8 Nevertheless, the Merchant Regime in the mid 1840s found itself prodded by newspaper editorials to do even more. Editorial writers warned that the economic development policy of the Merchant Regime focused too narrowly on canal burrowing and waterborne commerce and ignored the potential of railroads. Because canals operated seasonally, commercial activity in Cleveland was limited to the warm weather months. Editorialists lamented the departure of ambitious young men for railroad centers where they could secure employment and court business opportunities year round.9

Railroads became the Merchant Regime’s next economic development policy fixation. Compared to other cities in the Old Northwest, Cleveland, as the newspaper editorialists rightly insisted, was a late entry into the rail era. Nevertheless, in the brief period between 1853 and 1861, the city attracted no less than six lines, rewarding Cleveland with the densest rail matrix in the Great Lakes region.10 The rail density advantage was also responsible for Cleveland’s emergence as a regional railroad repair center, a harbinger of the city’s future in manufacturing.

Where orchestration of governmental decision making had been responsible for Cleveland’s entry into the canal era, railroads were the creation of private enterprise. In the pre–Civil War era, railroad executives were primarily stock and bond drummers who indiscriminately sold their wares to localities susceptible to the drummers’ ominous buy now or be left behind sales pitches.11 Alfred Kelley and other Cleveland merchants, stung by critical newspaper editorials, were easily swayed by the beat of railroad company stock and bond drummers. The merchants organized local voluntary subscription campaigns to raise money to buy railroad stocks and bonds and persuaded the municipality to buy railroad stock and bond issues secured by the public purse. Kelley and other local merchants became directors of several of the railroads serving Cleveland during the 1850s.12

Besides successes in digging canals and laying rails, the economic development policy of the Merchant Regime added manufacturing to its priorities in the 1850s. As the editor of the Cleveland Leader put it, “A manufacturing town gives a man of means full scope to his ambition. Commerce alone cannot sustain us, as but few are benefited directly”; alternatively, “Manufacturing creates a demand for merchandise,
mechanical labor, all the necessaries of life, and gives tone to all legitimate business in and around it.  

Advance into a manufacturing stage of development, however, took nearly two decades and stemmed in part from long-distance transportation connections. Servicing farmers and shipping their agricultural produce created ancillary manufacturing, including a cooperage industry and the small-scale manufacturing of agricultural tools. As weight was a significant factor in calculating shipping costs, a milling industry emerged to transform bulky grains into lighter weight flour. The water connections to the timber resources of the northern Great Lakes region made Cleveland a bulk break point for lumber shipments and allowed furniture manufacturing to flourish until, still driven by weight considerations, it moved west to sites even closer to bulky raw materials.

Lumber bulk break point advantages also attracted a railroad repair industry to Cleveland because the city was a source of wooden rail ties. The railroad repair industry, in addition, stimulated local demand for the skeletal iron and steel products used for rails, bridges, structural beams, and pipe. This next step in economic development was made possible by the completion of a lattice work of canals and rail lines in Michigan and Wisconsin in the mid 1850s, which opened the iron regions to exploitation and shipment to Great Lakes cities. The earlier completion of the Ohio Canal system linked Cleveland to the coalfields of Western Pennsylvania and Southern Ohio. Rails in the 1850s traced the same paths.

Capital formation was a handmaiden of economic development policy. Emerging manufacturing concerns required capital, and Alfred Kelley, elected in 1844 to the state senate, sponsored legislation organizing state banks in Ohio. This was an attempt to rationalize banking procedures and attract federal deposits as “pet banks.” Indeed, Kelley’s bill became the model for the legislation which became the federal Currency Act of 1863 and the National Banking Act of 1864, which identified Cleveland as one of sixteen regional banking centers. The three pieces of banking legislation and the merchant bankers’ eagerness to lend to local businesses created a capital density network sufficient to finance the early stages of the city’s transition into manufacturing. This was an important achievement because it directed local banking activity into the primary circuit of capital, which was required for investment in industrial development. Gains made from the sale of local real estate also found their way into the primary capital circuit. Cleveland’s merchants owned land in the city and the surrounding agricultural region. Annexation of this outlying land turned merchants into real estate speculators. Profits from land sales were invested in the emerging manufacturing sector.
The Civil War also boosted Cleveland’s manufacturing sector. Before the war, Cleveland’s metals industry produced primarily for a local market, but wartime demand integrated Cleveland’s metals manufacturers into a national market. Insatiable wartime demand for metals and metal products propelled Cleveland’s manufacturing into the export side of the city’s economy, where it joined and soon replaced agricultural goods transshipment, flour milling, and rail repair as the most dynamic industries in the export sector of the economy.

Economic development policy not only adds new work to old work but also attempts to link the city to a defined market hinterland and to expand that hinterland. Alfred Kelley’s early vision was of a hinterland encompassing the produce of farms in neighboring counties processed and transshipped from Cleveland. His critics regarded Kelley’s vision as too narrow. Their hinterland included not merely adjacent farmland but a more expansive hinterland containing timber, oil, coal, and iron brought in from surrounding states by water and rail. The difference was considerable. Kelley’s early vision of a hinterland shaped Cleveland as a merchandising, banking, and food processing entrepot, limited in potential by Ohio’s declining fortunes as a grain producing region. The hinterland envisioned by Kelley’s critics shaped Cleveland’s future as a nationally important heavy manufacturing center. As the Merchant Regime economic development policy expanded, it forged long-distance transportation connections, which transformed Cleveland’s export sector from raw materials processing to metals making and created a circuit of primary capital for investment in export sector enterprises.

As the city entered the 1870s, the Merchant Regime could look back on the fruits of fifty years of economic development policy, a vigorously pursued transportation policy that elevated Cleveland from an unpromising village settlement to a vigorous, bustling city entering a new age of industrial promise. Economic development policy also created an appetite for urban land to house the new enterprises and the nearly 93,000 people now living in the city. Urban land allocation presented an urgent need for an urban growth policy.

**URBAN GROWTH POLICY, 1825–1878**

Urban growth policy seeks to guide the process of land use allocation. Because land is a city’s scarcest resource, land use allocation decisions form a crucial element in urban policy making. In the modern city, urban growth policy rests on attempts to impose rational controls on existing
land uses. In contrast, urban growth policy in the nineteenth century sought formulas for adding land to the settled area. The most reliable formula was political: legal annexations of land to the municipality. Seldom, however, did the process of land use allocation and annexation proceed rationally or predictably.

In mid-nineteenth century Cleveland, push-pull factors dominated the allocation of land. The push factor in urban growth policy was supplied by land speculators seeking to profit from the city’s expansion into vacant land at the fringes of settlement. Pull factor urban growth policy sought to bring residential areas within the city’s corporate boundaries. But an even more compelling pull force was exerted by industrial districts mushrooming outside the city’s political boundaries. Industrial districts were important to the city’s economic development, and growth policy was used to bring these districts into the city proper and transform all, factory owner and home owner alike, into Cleveland taxpayers.¹⁹

Merchant era Cleveland was a walking city, for citizens traveled by foot, horse, carriage, and wagon and lived as close as possible to their places of business or employment. Competition for business and residential space was intense.

In the pedestrian city of the Merchant Regime, municipal annexation was the institutional means used to accommodate push and pull factor urban growth forces. The Merchant Regime annexed surrounding residential settlements, industrial suburbs, and rural townships. The growth policy of annexation was in full swing between 1829 and 1874, especially after 1836 when the state legislature gave Cleveland municipal status. During that half-century interval, the Merchant Regime, driven by both push and pull incentives, presided over the annexation of 27.5 square miles of land.²⁰

The most important pull pressure annexation was Ohio City, a rival west bank village founded in 1818. (See figure 1.1.) Ohio City incorporated as a municipality in 1836, two days before Cleveland; but by the 1850s, Cleveland had a three to two population advantage over the west bank settlement, an edge credited to the east bank location of the canal terminus. Ohio City, however, was a serious commercial rival. Rivalry erupted into violence in 1836 when Ohio City residents blocked eastbound water traffic at Cleveland’s new Columbus Street Bridge. Nevertheless, Cleveland grew more rapidly and in 1854 secured approval from the state legislature to submit an Ohio City annexation ordinance for voter approval. Both settlements approved the ordinance, though a dissident Ohio City minority complained loudly.
This pull factor annexation of Ohio City awarded Cleveland a 1.9 square mile tract of developed urban land, increasing Cleveland’s land area by 36 percent and its population by a margin of 60 percent. Ohio City boasted warehouses and mercantile establishments and a growing shipbuilding industry. The settlement’s social dowry included 370 houses, 2400 school-age children, and three finished school buildings with three more under construction.

Additional pull factor annexations in the 1860s rewarded Cleveland with territory and metals manufacturing in parts of Brooklyn Township bordering the west bank of the Cuyahoga River, and other annexations in the 1870s gave Cleveland title to the cross-river east bank settlement of Newburgh Township. In that decade, moreover, push factors inspired the annexation of East Cleveland Village and portions of East Cleveland Township. East Cleveland Township was largely uninhabited, and it was the object of the attentions of real estate promoters who fancied it as a site for speculative residential development and pressured the Merchant Regime and an increasingly compliant city council to extend streets and utilities to this as well as other uninhabited areas within the city limits.

The real estate industry was composed of large-scale land owners (many
of them the policy making merchants), scores of small-scale speculators,
and independent home builders. The real estate industry belongs to the
local sector of the urban economy, and the capital needed to fund it is sup-
plied by the secondary circuit (see endnote 17). The merchants were the
largest players in the industry, and they invested profits from their land
sales in the primary circuit capital funding manufacturing in the export
sector. These major transfers of money created a capital-starved secondary
circuit and real estate industry. Undercapitalized small-scale real estate
operators and builders, accordingly, used push factor annexations to turn
cheap farm land into more expensive urban real estate. A land allocation
chain was thus established with links joining the large landholder mer-
chant to the small-scale land speculator and the speculator to the builder.
Merchant policy makers rejoiced in the profits and anticipated that the tax
revenues from land development would pay for the added infrastructure
and services to the annexed areas.25

Annexations forced the Merchant Regime to accept infrastructure
building as a component of urban growth policy. On a topographical plane
riven by hills, valleys, rivers, and creeks, bridges were essential to the move-
ment of commerce and raw materials within the city. The Cuyahoga River
was the most important obstacle to growth, and initially crossings were
effected by ferry boats. A crude structure of logs laid on pontoon boats
called the Center Street Bridge was constructed in 1800. The key engineer-
ing problem, then and later, was the necessity of having some form of
drawbridge which could open to accommodate river traffic. The middle
sections of the Center Street Bridge’s chained logs and pontoon boat con-
struction were designed to be decoupled to permit the passage of boats. A
more permanent engineering solution was found in the 1830s when the
wooden timber Columbus Street Bridge was built incorporating a draw
section for river traffic. After the annexation of Ohio City in 1854, bridge
building was enthusiastically endorsed by residents on both sides of the
river. By the 1870s, four bridges spanned the river. These pioneering
bridges were constructed from wooden timbers, but beginning in the 1870s
the old bridges were rebuilt as iron truss structures, providing stimulus for
Cleveland’s evolving metals industry.26

Real estate speculators, for their part, were dependent on the construc-
tion of streets to their vacant land. Until the 1870s, the heyday of annexa-
tions, the merchant-dominated city council was judicious in responding to
push factor infra-structure and service demands. During the early 1870s,
the composition of the council altered, and the new membership, com-
posed of small businessmen, tradesmen, and newcomers to the city, was
swayed by the buoyant growth projections of the land speculators. The
council readily agreed to build streets to outlying areas and borrowed the
money to do so. When the bubble burst in the Panic of 1873, the city coun-
cil was left holding the bag.

Urban growth policy was a product of pull factors compelling the city
to annex already developed areas and push factors impelling the city to
annex vacant land. The policy was in both cases reactive and proceeded
from no comprehensive plan, but it did accommodate urban growth into
the early stages of the industrial era. The unintended consequence of a
growth policy of annexation was the spiraling amounts of money spent for
infrastructure and services. As long as growth continued in the export sec-
tor of the economy, the expense went unnoticed because land acquisitions
and tax revenues kept pace with infrastructure and service demands. How-
ever, the Panic of 1873 dealt a serious if temporary blow to the export sec-
tor, and with it tax revenues earmarked for the regime’s expansive urban
growth policy came to a sudden halt. The Merchant Regime was blamed
for the fiscal carnage that followed.27

SERVICE DISTRIBUTION POLICY

Housekeeping services in the mercantile city were—in a word—terrible.
Urban housekeeping was an amenity, and amenities did not have the same
priority status as economic development and urban growth as policy
issues. In fifty years, Cleveland grew from a farm town to a city. Services
perceived as amenities in a farm town became necessities in a city. But rural
customs yielded slowly to urban institutions. Agricultural market towns
resolved local problems through voluntary cooperative effort. Cities, by
necessity, addressed problems by means of institutionalized bureaucratic
structures. Economic development and urban growth issues were the first
to give way to institutionalized solutions, and lower priority services such
as police and fire protection and sanitation lagged. Some of the lag may be
explained by the persistence of rural values, but shortages of tax revenues,
reluctance of the merchant leadership to spend, and the lack of appropri-
ate service delivery mechanisms are more persuasive explanations for
Cleveland’s delayed delivery of housekeeping services. When housekeeping
services finally penetrated the Merchant Regime’s consciousness as a pol-
icy issue, it was because lack of such services posed a threat to private prop-
erty. Service distributive policy was reactive; the regime lurched from
service crisis to service crisis.28
Police Protection

Voluntarism, failed attempts at crisis management, and lack of a service delivery mechanism were all evident in the halting progress toward municipal police protection. Police protection first emerged from a need to referee social relations and later to protect private property. When Cleveland became a village, the only full-time public employee was the village marshal. His energies were consumed by keeping the uneasy relations between Indians and whites from erupting into violence, a task in which the lawman achieved only marginal success.

In the 1820s and 1830s, assaults on persons and private property supplanted brawling with Indians as the preoccupation of local law enforcement. By the social benchmarks of the day, Indian baiting fell within the bounds of normative behavior, but assaults by whites on other whites and, worse, on their property were acts that could not be explained away as rational. Liberal consumption of intoxicants was seen as the primary causal motivator. Voluntary temperance societies and local ordinances attempted to place curbs on the sale and consumption of liquor. The marshal and his volunteer minions, known as the City Watch, were summoned when rowdism triumphed over sobriety. To be safe rather than sorry, merchants hired nightwatchmen to look after their property during the hours of peak consumption. 29

Despite these precautions, crime increased. In part, this was the unavoidable consequence of a city growing in size and social complexity; but, also, owing to the legislative successes of the temperance and other crusaders, there were now many more laws to be broken. Accordingly, in 1856 an independent municipal police court was created by the state legislature to relieve the overburdened part-time mayors who until now had doubled as police court judges. Courts, however, were a poor substitute for crime fighting. In 1866, prodded by the Ohio legislature’s Metropolitan Police Act, Cleveland hired its first police force, composed of thirty-six uniformed officers, replacing the volunteers and nightwatchmen. Supervision was transferred from the town marshal to a Police Board whose members were appointed by the governor. In 1872, under revised legislation, control of the Police Board was awarded to the locality, and a new board composed of the mayor and four elected members was formed. 30 The board divided the city into seven police districts and staffed them from the seventy-man corps of officers. The city was nearly three-quarters of a century old before police protection became fully institutionalized.

Officer Michael Kick, killed during an attempted burglary, was the first fatality recorded by Cleveland’s professional police force. Despite the insti-
tutionalization of police protection, Officer Kick and his fellows were hopelessly outnumbered. There was one police office for every 1,547 members of the population. European police-to-civilian ratios of 1:400 were more than three times better than local ratios, and this in cities with lower crime rates and an unarmed citizenry. Cleveland had only grudgingly turned to a professional police force. The tradition of voluntarism and moral suasion died hard. The size of the police force was restricted by the city’s budget. The Merchant Regime had higher priority items on its policy agenda. It was only when crime threatened private property that the Merchant Regime took action.31

Fire Protection

Fires were a direct threat to private property. One city planner, recalling that planning as a profession did not emerge until the early twentieth century, offered the tongue-in-cheek explanation that nineteenth century cities did not need planners because they were leveled so frequently by fire.32 The Great Chicago Fire of 1871 was not an isolated event. Cities built of wood and underserved by water reservoirs and fire fighters burned out of control with distressing regularity. Cleveland was not exempt from these larger trends. The fear of an out of control fire nagged at every resident and property owner.

The history of fire fighting as a distributive service in Cleveland parallels that of other cities. Fire fighting began as a volunteer effort in the 1820s and did not become a municipal responsibility until 1863, following an outbreak of serious fires in the 1850s, a decade when the town doubled its population. An impediment to professionalization was the great pride taken in the volunteer fire companies, squads which the city managed to keep abreast of fire fighting technology with timely purchases of new equipment. The great ethnic rivalries between the volunteer companies created a strong emotional incentive to maintain the status quo. But rivalries and turf conflicts frequently compromised sound fire fighting tactics, causing the Merchant Regime to concede that the city and its property holders would be better served by a professional fire department.

Cleveland City Council authorized the establishment of a fire department in 1863, and appointed James A. Craw chief engineer in charge of a force of fifty-three firemen. The next year, council approved a fire alarm telegraph system and approved funds for construction of a network of water mains. By the end of the Civil War, Cleveland firemen were supported by a network of 167 fire hydrants and 75 water reservoirs distributed about the
city. In the early 1870s, the city employed 147 firemen, or about one fireman for every six hundred of the population. The ratio of firemen to the population was far better than the ratio of police to inhabitants. These numbers suggest that the Merchant Regime saw fire as a greater threat to their property than theft. The pressure on the Merchant Regime for better fire protection came not only from its own ranks but also from citizens whose nerves were frayed from the rash of fires in the 1850s and from the growing number of insurance underwriters in the city. As the city entered the 1880s, police and fire protection rested in the hands of professional chiefs, and their governing boards were opened to public election. This completed the institutionalization of police and fire protection, but it also signaled that an important component of distributive policy making was in the hands of professional administrators and the broader public, meaning that demands for larger expenditures on these services would be more difficult for the Merchant Regime to resist.

Water Supply

The same water pipelines supplying the city’s fire department also carried much needed fresh water to a city with a serious sanitation problem. All nineteenth century cities were warrens of filth and disease. Cleveland was no exception. Mortality rates rose with the increasing population and density of settlement. Size and density placed severe strains on the city’s system of water supply. Moreover, the two main sources of water—the Cuyahoga River and Lake Erie—reportedly were polluted as early as the 1850s. The Merchant Regime was obliged to view the water supply as one of the more crucial distributive policy issues.

Water was needed by business and industry, the residents, and the fire department. Rural means of water supply and drainage were used by Clevelanders as late as the mid 1850s. Surface water was taken from ponds, streams, rivers, and the lake. Residential cisterns and wells were added as the city grew in size. A public well was dug at Public Square in the 1840s, and its limited production and distribution capacity was augmented by private companies serving residential areas. City streets served double duty as sewers and were patrolled by legions of hogs performing cleanup services. Mercantile era Cleveland was not merely untidy; it was a menace to public health. Residents, the young most tragically, died in droves. Each year more people died than were born in Cleveland.

In the 1850s the Merchant Regime, faced with public complaints and criticism from its own public health officials, acted to remedy the crisis. A
measure was placed on the ballot in 1853, and voters approved a $400,000 expenditure for the construction of a water works. The water works supplied two distribution mains and 44 miles of pipe. Although the completed system supplied 38,000 gallons of water a day, it was not nearly enough. Residents converted to water-consuming indoor plumbing more rapidly than the city could construct a water supply system. Sewer drainage lagged even farther behind water supply. The first public sewer was built along Euclid Avenue in 1856. Others, including public and private sewers serving businesses, followed, but all emptied into the river or the lake. In the 1860s, the city began building a unified water and sewerage system, and it appeared thereafter as an annual line item in the city budget. By 1880, 125 miles of water pipe had been built with a capacity of 10 million gallons a day. The city now spent 11 percent of its budget on water and sewerage. The benefits of this investment could be seen in the crude death rate (deaths per 1000 of the population), which dropped from 92 in 1860 to 35 in 1880. A parallel improvement was noted in the Vitality Index (a ratio of births to 100 deaths), which increased from 85 to 118 during the same years. The Vitality Index revealed the crossing of an important public health threshold: now more people were born than died in Cleveland.

Once spurred to action by public protest and self-interest, the Merchant Regime institutionalized water supply and sewerage drainage systems. But the supply of water and sanitation continued to lag behind demand, and enforcement of existing sanitary standards was virtually nonexistent during the merchant era. Cisterns and residential wells and cesspools coexisted with the modern system, so a sanitation problem remained for succeeding regimes to grapple with in the waning decades of the century.

During the 1870s, the decade when the Merchant Regime lost its dominance over the policy making apparatus, service distribution emerged as the leading urban policy priority. During this depression-racked decade per capita municipal budgets actually declined, but service distribution expenditures rose by 52 percent. A growing city required police and fire protection, a reliable supply of fresh water, and removal of waste. The Merchant Regime, however, refused to reorder its policy priorities and give appropriate rank to distributive services. It was a fateful choice.

**WEALTH REDISTRIBUTION**

Wealth redistributive policy in commercial era Cleveland centered on poverty, neglected children, and public education. Wealth redistribution emerged not as public policy full blown but rather as an extension of the
merchants’ private lives. The Merchant Regime at first shunned wealth redistribution as public policy. As devout yet well-off Protestants, the merchants were encumbered by an ethic of stewardship and service. Stewardship meant that the well-off had a responsibility for those less fortunate. And service meant voluntary participation in organizations dedicated to making life better for the less fortunate. Although public means of redistribution were initially resisted, the Merchant Regime learned that stewardship and service could be grafted on to public policy. In the interim, it groped for an institutional mechanism for policy implementation. Still, as Cleveland made its rapid advance into the industrial era, the growing disparities in wealth and social differentiation weakened and ultimately undermined the Merchant Regime’s hold on wealth redistribution policy, opening the way for new approaches and new leadership.44

Poverty rates in the commercial city did not approach those of the industrial city. Although statistics are scarce and poverty line benchmarks nonexistent for the commercial era, one historian estimated that poverty afflicted only about one percent of the urban population, which, if accurate, meant that until the 1870s fewer than one thousand Clevelanders could be classified as poor.45 Most contemporary commentary on the causes of poverty emphasized the family experience of sudden disaster, ill health, or injury to a bread winner. Low wages paid to farm workers were also part of the equation as rural to urban migrants entered the city in search of alternative work. Work on the farm and in the canal towns was seasonal, swelling the ranks of the needy during the cold weather months. Many lacked the money to buy or lease land and used the city as a holding area until their fortunes turned around.

Poverty, whatever its origins, became an issue during the policy making tenure of the Merchant Regime.46 Rowdy boys who roamed the downtown streets in packs were the objects of much concerned commentary in newspapers and the reports of civic and religious organizations. The youngsters were occupied as neither students nor workers, and their idleness was a threat to the productive work ethic of the community. The boys’ brash behavior and talents for petty crime roused the Merchant Regime to action.47

A solution to the problem of rowdy boys and perhaps to poverty as well was education. Education was simultaneously a wealth redistribution issue and a policy remedy. Thomas Jefferson’s Northwest Ordinance established the principle of public education in Ohio, but the legislation offered little guidance on such service delivery issues as attendance, duration of the educational experience, or the content of the educational program. These were matters left to state and local initiative. Compulsory attendance might keep
rowdy boys off the streets, but once off the streets and in school what should they (or anyone else) be taught, and until what age should young people be required to remain in school?  

*The Poor*

The values of the Merchant Regime and the institutional network it fashioned shaped the nature of redistributive policy. In rural America, where most of the merchant leaders formed their values, poverty was a matter to be addressed individually, family to family, neighbor to neighbor. In the city, even a city where the numbers of poor people did not exceed a thousand, the scale of poverty was much larger than anything imagined in a rural area. Moreover, poor people lived in their own residential quarters, out of sight and physically removed from the benevolent impulses of kindly neighbors. Poverty was initially dealt with by English-speaking Protestant churches, but as time passed, secular and public institutions also joined in the effort. By the 1870s, the Merchant Regime’s charity network was composed of individual-to-individual giving, the benevolence of churches, secular and sectarian charitable institutions, and the municipality. Cleveland’s leading merchants gave individual to individual, were members of the key Protestant churches, served on the boards of charitable agencies, and were also the elected officials in the municipal government.

Philosophically, however, the Merchant Regime’s wealth redistribution policy was a patchwork of inconsistencies. The fundamental question (then as now) was: Why are people poor? The poverty of widows, orphans, the maimed, and the aged was easily explained, and they were fit into a class called the deserving (of assistance) poor. The able-bodied poor presented a more intractable problem. Was their poverty the result of personal failure or failure of the economic system? The leaders of the Merchant Regime suspected the former. If the problem, then, was personal failure, what type of personal failure produced this condition? Were the poor lazy and irresponsible? Were they not properly churched? Or were they merely people in the clutches of alcohol? Because the Merchant Regime was unclear and inconsistent about the causes of poverty, institutional remedies were inconsistent, controversial, and ineffective. The suspicion that personal failure caused poverty did, however, produce one constant in policy: the poor were not to be trusted.

The benevolent work of Cleveland’s churches was initially a simple extension of the neighbor-to-neighbor approach. Churches formed mutual
aid societies to help their own, and when that effort proved inadequate to the size of the task at hand, the churches embraced the missionary approach of establishing institutional outposts in impoverished neighborhoods. The undergirding philosophy sustaining missionary outreach was that the poor were insufficiently churched. The neighborhood missionaries, accordingly, approached the poor with alms in one hand and a Bible in the other. By the 1870s, when the ranks of the poor included growing numbers of immigrant Catholics and free-thinkers, the Protestant missionary application of wealth redistribution policy was roundly resisted by client populations and was judged counter-productive even by some members of the Merchant Regime. Churchmen active in the emerging charity movement appealed to the merchant civic leadership to take action to broaden the base of fund raising and benevolent services.52

Yet the sectarian charitable agencies founded in answer to these pleas suffered the same fate when they proved unable to separate benevolence from missionary fervor or even raise sufficient monies to deliver services. The Martha Washington and Dorcas Society (1843) and the Society for the Relief of the Poor (1850) were early examples of sectarian charitable agencies. Fund raising was broadened, but clients were required to be subscribing Protestants and sabbath-keepers. Home visitations were introduced and, ironically, criticized not because they were invasions of privacy but rather because the home visitors were insufficiently insistent about the clients’ commitment to Protestantism and sabbath-keeping.53

The maiden attempts of secular institutions at poverty abatement suffered in their own way from the perception of poverty as personal failure. The motives of agency clients were always suspect. The poor should not be trusted to manage cash money. Thus transfers of wealth from donors to recipients were made in-kind rather than cash. Even this failed to assuage the doubts of contributors and board members. Home visitations as a surveillance technique were also employed by secular agencies. Still, there were lingering doubts. The staff of secular and sectarian agencies agreed that their efforts were doomed because the private agencies were crippled for want of funding. Adequate funding, they argued, could come only from the city.54

In the meantime, local temperance crusaders found the root of poverty in the correlation between drinking and broken families, drinking and squandered income, and drinking and reduced employment opportunities. Between 1836 and the mid 1870s, dozens of temperance societies were organized in Cleveland, many of them the local branches of national organizations, and while they often fought bitterly over the tactical merits of moral suasion vs. political action, all temperance crusaders could agree
that alcoholism was the personal failure at the core of society’s ills. Local temperance societies used moral suasion as a technique to curb drinking among all classes but especially the poor. Moral suasion sustained the total abstinence approach to prohibition.

Political action temperance reform was a more moderate and more successful approach because it rested on regulation rather than abstention. Political action reformers were successful because like-minded people served on antebellum city councils and because ordinances regulating the hours and days when liquor could be sold was a moderate approach to political action. From the 1870s on, temperance leaders regularly appeared before city council as advocates of the more radical total abstinence remedy, but by then many saloonkeepers and their customers were members of that body. Temperance men and women were greeted politely by the council, but prohibition legislation remained in its own bottle safely corked in council committees. Frustrated in their efforts, temperance reformers joined benevolent and mutual aid society workers in the conclusion that the municipality would have to play a larger policy making role in poverty abatement.55

The municipality gradually assumed a larger role in redistributive policy. However, in the heyday of the Merchant Regime, municipal efforts at poverty abatement were similarly flawed by the pervasive view that poverty was symptomatic of personal failure. Reluctantly, the city created a poorhouse in 1836 but surrendered it to the township in 1838, pleading that the municipality lacked charter authority to levy taxes in support of the institution. In 1849, when charter authority was granted to the city, the municipality responded by creating a new poorhouse, known more formally as the City Infirmary. The City Infirmary housed three functional units: a hospital for the ailing poor, quarters for the insane, and a unit for the aged poor. The client population of the City Infirmary easily fit within the definition of deserving poor, and the Merchant Regime–dominated municipality was willing to allocate tax dollars for their upkeep. The City Infirmary building cost $20,000 to construct in the mid 1850s, and $13,000 was allotted for its operational costs in the 1870 municipal budget. The City Infirmary was an example of an “indoor relief” program; it served an important segment of the deserving poor.56

Outdoor relief was the approach taken with the undocumented poor, those ostensibly able-bodied people who were suspected of being poor by reason of personal failure. Work relief and aid-in-kind—but never cash transfer payments—were the bulwarks of the city’s outdoor relief program. Five hundred dollars a year was spent on the municipality’s outdoor relief program. The fiscal allocations of the municipality as a public institution
implementing redistributive policy made clear distinctions between the deserving and the suspect poor. The amount of money allocated by city council amounted to an annual expenditure of about fifty cents a head for each poor person in the city. The hope that municipal involvement would bring adequate funds to aid the destitute proved unfounded.57

Rowdy Boys

The troublesome rowdy boys brought poverty and education as wealth redistribution policy issues into convergence. In 1855, a city council committee estimated that there were between two and three hundred such boys, about 3 percent of the population under 18 but fully one-third of the city’s poor. One local newspaper, the Daily True Democrat, observed that “Our cities are nests of corruption for boys without parents, or with parents who cannot control them. But nothing is done for them. . . . Society pays dearly for its neglect, and as years roll on, and our population increases, it will pay dearer yet.”58 In 1847, when this editorial was written, the wave of midcentury migration had yet to crest. In its wake, the number of “rowdy and rascally boys” increased significantly, as the editor predicted.

In 1850s, when the rowdy boys problem was serious enough to engage the attention of the Merchant Regime, five agencies emerged to cope with the errant lads. The Merchant Regime initially tried to avoid paying dearly for the problem by ignoring it, but in the end, an institutionalized commitment was necessary. Two of the five agencies were church related institutions, two were joint government–church agencies, and one was wholly in the custody of the municipality. The Protestant Merchant Regime was incited to action by Bishop Amadeus Rappe, who established two Catholic mutual aid orphan asylums. The Protestants countered with the Cleveland Orphan Asylum (1852) and The Ragged School (1853) and lent support to the municipality’s House of Correction (1857). The Cleveland Orphan Asylum and The Ragged School were not exclusive sectarian mutual aid societies but instead extended service to all rowdy boys regardless of conscience. They did, however, aim to teach Christian virtues. Both agencies, though drawing on the volunteer contributions of churchgoers, were chronically underfunded, prompting the city to adopt The Ragged School in 1857.59

The city changed the name of its new changeling from The Ragged School to the Industrial School, a gesture that offers a glimpse of the underlying philosophy of Merchant Regime redistributive policy. The name Ragged School conjured images of Charles Dickens’s London. Cleveland was not London. Cleveland’s merchants and religious leaders were not
so orthodox in their Calvinism that they could accept the notion that these children were foreordained to doomed lives. The words rowdy and rascally were used to describe the boys. The boys were impish but not evil. Words such as hoodlum, thug, or incorrigible were seldom used as prefixes describing these children. Such language implied that the children were sociopaths, a term not yet invented. The rowdy boys seemed redeemable. Personal failure afflicted adults, but a child cared for by an institution acting in loco parentis could be put on the right track toward a self-sustaining adulthood. While the Merchant Regime was reluctant to pay for this, it yielded to the moral imperative by building a childcare network of private, quasi-public, and public institutions.

HERALDS OF REGIME SUCCESSION

The Merchant Regime was reluctant to support service distribution and wealth redistribution policies. Services cost money that the regime increasingly did not have, and wealth redistribution was clouded in moral ambiguity. The expansionistic urban growth policy of the regime not only created pressure for service distribution and wealth redistribution, but it also added thousands of new voting residents and a new institutional base that would form the twin forces upending the Merchant Regime.

A Segmented Urban Geography

The growing segmentation of urban society was an important herald of regime succession. Segmentation allowed for the emergence of neighborhood institutions that became constituencies for new directions in urban policy, and this of course worked against the continuation of the Merchant Regime’s policy making consensus.

The demographic paradox of early industrial Cleveland was that even as the population nearly doubled every decade, it nevertheless became segmented by place of residence and by the rise of segmented parochial institutions. Neighborhoods were segregated by race, national origin, and occupation. Residential segregation meant social isolation and a growing tendency of each segment in the society to construct its own institutional base. From this base the apparently isolated constituencies drew away from the policy making network of the Merchant Regime.

Merchant Regime urban growth policy transformed Cleveland into two cities, one composed of long-term native born residents and the other
composed of the foreign born and the recently arrived native born. In 1870, the foreign born population amounted to 42 percent of the city’s 92,829 total. The foreign born were found in each of the city’s fifteen wards, but many of the more assimilated foreign arrived during the earlier Irish and German migration of the 1850s. The most recently arrived, the eastern European immigrants, clustered in wards 12 and 14, wards housing the southeast and southwest side industrial districts. Native born Clevelanders lived in close-in wards surrounding the central business district. A silk stocking district was taking shape along Euclid Avenue on the city’s east side. Lower status native born Clevelanders, however, were more likely to live on the city’s west side than on the east side. Native born, rich and poor, tended to be affiliated with Cleveland’s older commercial era businesses, and the newcomers with industrial era businesses.61

Occupational grouping yields an even more finely grained pattern of residential segmentation. Entrepreneurs and professionals clustered around their places of business. The growing trend toward the separation of residence and place of work could be seen in the growth of Euclid Avenue silk stocking Ward 15, which was significantly distant from the Flats-area business district and was the place where the new millionaires were building their houses. Clerical workers lived in west side wards close to the central business district. Skilled workers concentrated in just five of the city’s fifteen wards. Four of these were outer-ring wards. Two of the outer-ring wards bordered the new industrial districts, two bordered the newly emergent high-income district, and the one inner-ring ward was in the city’s old commercial era core. Semi-skilled workers lived in wards bordering the new industrial districts, while unskilled workers were found in a ring of wards encircling the west side beginning near the port of Cleveland and in a second east side ring of wards conforming to the location of the new southeast side manufacturing districts.62

These patterns of segmented living reveal an urban physical structure in transition from a classical commercial era configuration to an industrial configuration.63 In the commercial city, the well-off classes lived closest to the central business district. The preponderance of proprietors, professionals, and clericals lived in these close-in wards. These least well-off in the commercial city—here represented by skilled, semi-skilled, and unskilled workers—lived in the outermost districts of the city. The fact that some proprietors, professionals, and clericals were moving away from the central business district reveals a new industrial configuration of urban space. The physical structure of the city is evidence of Cleveland’s industrial era segmentation.
Institutional Heralds of Regime Succession

Cleveland’s institutions mirrored the segmentation of society. Institutional segmentation in the late 1870s and early 1880s realigned policy making constituencies and ushered in the Populist Regime and the segmented urban policy associated with it. The institutional metamorphosis worked in three directions. First, merchants holding elective offices in the municipality and school board were replaced by newcomers to the city. Second, the bureaucracies in the policy making network of private, quasi-public, and public institutions gradually came under the sway of the new professionals, elements initially friendly to the Merchant Regime. Third, a new institutional network appeared, mirroring the residential and occupational segmentation of early industrial society in Cleveland. From these institutional bases a new policy making regime would form.

A vital institutional link in the Merchant Regime’s policy making network was the municipal government. The municipal charter, which dated from the 1850s, was outmoded twenty years later when the population reached 92,000. The charter limited the mayor to part-time duties. The part-time nature of the position perhaps caused the merchants to not take the position as seriously as they might have. In the late 1870s, the old boy network of caretaker merchant-mayors lost control of the office to a new breed of recently arrived small businessmen, mayors who took their lead from city council. The Merchant Regime responded to this challenge with futile attempts at charter reform. Charter reform backfired when mayors elected in the 1890s under the new charters turned out to be professional politicians with a power base in the new neighborhood institutional network.

The municipal charter dating from the 1850s gave Cleveland a “weak mayor” system of government. Under the weak mayor charter, the executive is essentially a figurehead and the most important powers are reserved for the city council. In the wake of the fiscal crisis triggered by the Panic of 1873, the Merchant Regime lost its dominance in city council to a coalition of small businessmen and professional politicians, the group that coalesced as the Populist Regime. Its emphasis was on improving services, containing urban growth policy, fiscal restraint, and patronage politics in the municipal bureaucracy. By 1878, the merchants had lost their council majority and control over the mayor’s office.

At the outset of the Merchant Regime a municipal bureaucracy barely existed, but as service distribution policy assumed a higher priority status, bureaucratic means of policy implementation became imperative. The
Merchant Regime steadily lost control of the expanding bureaucracy. The water and sanitation bureaucracy was controlled by professionals and clerks who communicated directly with their constituencies and who pressured decision makers to spend more money on water and sanitation. The claims of the water and sanitary professionals were difficult to rebut because they were experts and the merchant decision makers were amateurs. The police and fire departments were headed by professionals, but the ethnic favorites of city councilmen formed the rank and file in both departments. In neither instance was the Merchant Regime able to dominate the safety forces.66

The public school system presented a similar problem in the late 1870s. Elections during that critical decade changed the composition of the school board from merchants to neighborhood shopkeepers and ordinary citizens, as well as a scattering of the new breed of full-time politicians. The superintendents hired by these newly constituted school boards mouthed the conventional New England Common School pieties but administered the public school system in ways quite baffling to the merchants. The schoolmen introduced the professional ideal to the administration of the system. By 1880, merchants had neither a majority on the school board nor the ability to impose their values on the hireling professional schoolmen.67

The private, quasi-public, and public bureaucracies charged with wealth redistribution policy also slipped from the grasp of the Merchant Regime. Here, as above, the professional ideal was the culprit. Because the merchants, and increasingly, entrepreneurs, provided the money to sustain the private and quasi-public network of redistributive agencies, the philanthropic policies of the Merchant Regime died a slower death. The hallmarks of Merchant Regime philanthropy were proselytism and victim blaming. The redistributive service professionals employed in Merchant Regime agencies walked a fine line between tolerating Bible thumping proselytizing and home surveillance and pushing their own agenda for greater commitments of public money and impartial investigations of the social origins of poverty.

Rival religious groups, ethnic mutual aid societies, and neighborhood organizations also emerged to challenge the institutional dominance of the Merchant Regime’s redistributive policy network. Public redistributive policy institutions came under the sway of city council and professionals. Under the politicians patronage became a redistributive policy. And public-sector civil service professionals and patronage-rewarded clerks were inclined to dispense with the client means tests so essential to the merchants.68

In all, by the early 1880s, the Merchant Regime had lost its grip on the
policy making institutional network and was replaced by a new political generation, working class newcomers to the city and professionals. The economic development and urban growth policies of the Merchant Regime unwittingly created a segmented society, and these segments in the late 1870s and early 1880s came to wrest control of the merchants’ institutional base from them and launch a policy making regime of their own.

CONCLUSION

For a period of nearly fifty years, a pivotal span bracketed by commercial and industrial revolutions, the Merchant Regime made urban policy in Cleveland. Policy making was a halting yet incremental process that eventually yielded a policy making whole. The issue that clearly generated the most enthusiasm among the merchant policy makers and achieved their highest policy priority was economic development. Economic development policy was also the Merchant Regime’s most unequivocal success. It integrated Cleveland into a national transportation network of waterways and rails and made the city’s transition into the industrial era possible. The regime’s second priority was urban growth policy. Marketplace land use allocation decisions were given a tremendous boost by the regime’s urban growth policy of municipal annexation. Urban, rather than rural, land use choices were richly rewarded by the annexation scheme. Annexations not only enlarged the city geographically and demographically, they also added tax revenues and capital which could be diverted into the primary capital circuit funding industrial development. Annexations created demand for infrastructure and distributive services.

The Merchant Regime displayed less enthusiasm and achieved less success in service distribution policy, but gains were made. Bridges, streets, and harbor facilities were built, and at the end of the era, Cleveland had police and fire protection and was committed to solving its water sanitation problem. A clear-cut wealth redistribution policy was blurred by lack of agreement on worthy clients and the causes of poverty, and by an elusive institutional delivery system. It was the Merchant Regime’s least successful policy area.

Each of the four policies required institutional delivery vehicles, especially a cooperative municipal government. Because the merchants were full-time businessmen and part-time public officials, the municipality, chartered in 1836, served as an institutional partner in implementing economic development and urban growth policies. The municipality, however, was wholly responsible for building infrastructure and delivering
services. As the population grew and became more heterogeneous and increasingly achieved representation in government, the municipality won some measure of independence from the merchants in wealth redistribution policy. The most impressive institutional network—and the model for succeeding regimes—was created to deliver the least successful of the Merchant Regime policies—wealth redistribution. It was a network of public and private agencies that labored in vain to find a common philosophy of charity from which a coherent wealth redistribution policy might flow. The institutional approach, the policy making coalition of private and public organizations, however, would be the wave of the future in urban policy making in Cleveland.

The decline of the Merchant Regime was caused by the unforeseen consequences of its policies. Economic development and urban growth policies made possible an industrial economy and ushered in a heterogeneous industrial society whose members inhabited a greatly enlarged urban geography. Cleveland’s newcomer population grew disenchanted with the apparently self-serving urban policy priorities of the Merchant Regime and with the fiscal ruin the merchant–public officials brought to the municipality in the years following the Panic of 1873.