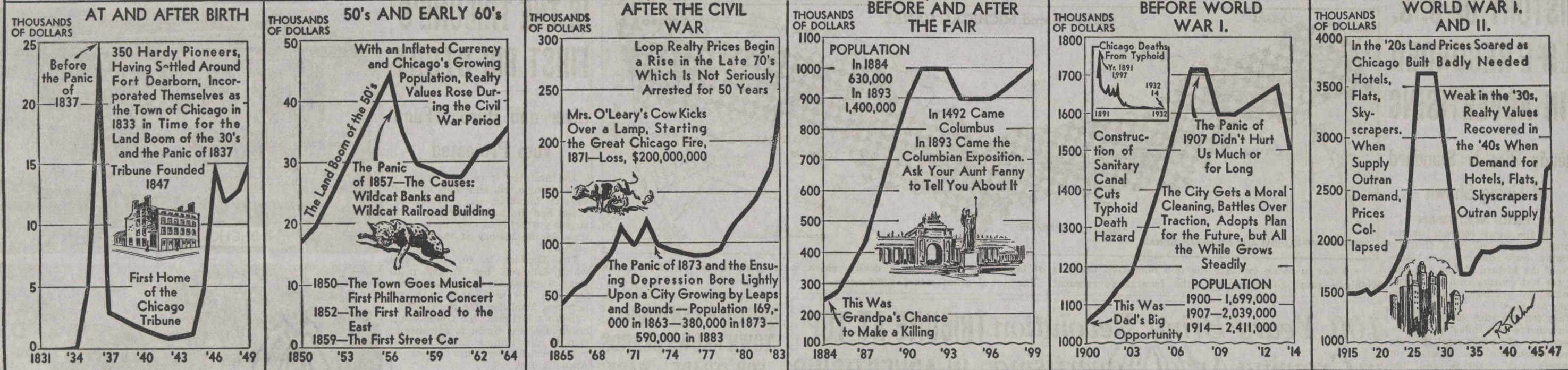


ANNUAL VALUE OF CHICAGO'S MOST VALUABLE QUARTER ACRE — 1831-1947

(Southwest Corner of State and Madison Streets)



The values charted above for the years 1831 to 1893 are based upon a presentation before the Chicago Real Estate board in November, 1893, by F. R. Chandler, a real estate expert of long experience.

The property, consisting of the southwest corner of State and Madison sts., is part of the school fund property controlled by the Chicago board of education. It never had been sold. Mr. Chandler was

able to determine the values by collecting information on sale prices of neighborhood property. He later extended the annual figures thru 1924. For the years 1925 to 1947 The Tribune is indebted to Homer

Hoyt, consulting real estate economist and author of "One Hundred Years of Land Values in Chicago."

CHICAGO — AN INDUSTRIAL GIANT THAT GREW FROM A WASTELAND

Its Output in Many Fields
Tops World Despite
Belated Start

BY ANTHONY WIRRY

A marshy wasteland when rival cities already were bustling business centers, Chicago today is an inland industrial and commercial empire dwarfing cities the world over in many basic activities.

Chicago is the meeting place of the railroads and the market place of the grain and livestock growers. The city is the largest workshop producing steel, farm machinery, and railroad cars.

Much younger than many of its contemporaries, Chicago has the world's biggest mail order houses and furniture market. Its output of telephone equipment and chewing gum and a variety of other products is unequalled. With 2 1/2 million kilowatts of generating capacity, it has one of the largest pools of power in the world.

Builds Most Radios

Chicago produces more radios, radio parts, and electronic equipment than any other city. Petroleum refining facilities and printing businesses rank among the largest in the world. Within Chicago's boundaries are more than 10,000 manufacturers representing 86 per cent of all types of American industry.

The city is a world airport linked with every important domestic and foreign community. The harbors of the Chicago area normally handle more water borne traffic each year than does the Panama canal.

As the foremost railroad center, the city is served by 22 Class I railroads, nine switching and terminal lines, and three electrified suburban roads. Approximately 100,000 passengers arrive and leave each day on 410 inbound and outbound trains using six large downtown stations. The Chicago area has 7,500 miles of railroad track, more than the line mileage in 38 of the 48 states. Approximately 100,000 Chicago workers find employment in the railroad industry.

86% of Grain Trade

With the middle west the nation's granary, it was Chicago's destiny to become the world's largest grain market. The Chicago Board of Trade handles 86 per cent of the nation's trading in wheat, corn, oats, rye, barley and soy bean futures. Last year this amounted to 4,404,312,000 bushels of grain. Cotton futures totaled 6,254,000 bales. Cash receipts of all grains received in Chicago last year reached 217,266,000 bushels. Also received were 13,776,000 barrels of flour.

In leading the world in meat packing, the Chicago market last year received 8,730,794 head of live stock valued at approximately 600 million dollars. Hogs comprised more than half of the shipments, totaling 4,677,148.

Largest Rail Mill

The company also operates in this area the largest mill and also the largest wheel and axle mills. Its electric furnace capacity in the area makes Chicago a stainless steel center. Carnegie and other area producers such as Inland Steel company, Republic Steel corporation, and Youngstown Sheet and Tube company have in progress expansion programs which may cost up to 100 million dollars. More than 500,000 persons are employed in steel and related industries.

Chicago is the home of International Harvester company, leading producer of farm machinery and also a large manufacturer of motor trucks. In 21 plants in the United States, two in Canada, and six in foreign countries, the company makes dozens of different types of implements for agriculture and industry.

Besides trucks the list includes wheel and crawler type tractors, power units, plows, cultivators, rotary hoes, seeders, mowers, rakes, loaders, baling presses, binders, reapers, threshers, harvesters, huskers, pickers, ensilage cutters, potato diggers, farm wagons, manure spreaders, binder twine, cream separators, and milk coolers.

482 Million Dollars in Sales

Last year net sales totaled 482 million dollars and net income exceeded 10 million.

ANOTHER CHICAGO FIRST: THE MODERN METHOD OF BUILDING

The modern method of building frame houses and stores was invented in Chicago more than 100 years ago, and in those days it was called "balloon" building.

William Bross, a proprietor of THE TRIBUNE who came to Chicago in 1846 and became Lieutenant governor of Illinois, describes it thus:

"For the first time in the ground at the corners, and at proper distances between them blocks were laid singly or in cob-house fashion. On these, foundations were laid and to them were spiked, standing on end, 3 by 4 scantlings. On these sheath boards were nailed, and weatherboards on the outside of them; and lath and plaster inside, with the roof, completed the dwelling or store."

"This cheap, but for a new town excellent mode of building, it is claimed, was first introduced, or, if you please, invented in Chicago, and I believe the claim to be true."

ceeded 22 million dollars. The average number of employees in 1946 was 74,237 and total compensation reached \$198,819,000.

Pullman-Standard Car Manufacturing company places Chicago foremost in production of railroad cars. With its post-war expansion program complete, the company has the capacity to produce a freight car every 2 1/2 minutes of the working day from four plants, seven passenger cars and five street cars or trolley buses a day from two building plants, 200,000 car wheels a year, and 40,000 tons of forgings annually.

Chicago's two principal mail order houses, Sears Roebuck & Co. and Montgomery Ward & Co. are merchandisers to millions of persons. Sears sales for the fiscal year ended Jan. 31 were approximately 1 1/2 billion dollars, making two successive years the company has passed the billion dollar mark.

Sears distributes the products of 8,227 factories in 1,500 cities in 44 states. It sells goods thru mail order plants, 604 retail stores, and 304 order offices. Its catalog lists 100,000 separate items. The company has 120,000 employees and 80,000 stockholders.

Altogether somewhat smaller, Montgomery Ward & Co. also did more than 1 billion dollars of business in the 12 months ended Jan. 31. Sales totaled \$1,035,674,682. The company has 10 mail order plants, 631 retail stores, and 200 mail order offices. It has approximately 80,000 employees, and 60,000 stockholders.

Chicago is also the site of the world's largest home furnishings market. In the Merchandise Mart and the American Furniture Mart building, more household goods are sold to retailers than in all other markets combined. More than 40,000 visited the buildings during the furniture show last January.

Tops in Phone Equipment
In the Western Electric company the city has the top ranking manufacturer of telephone equipment. Employer of 38,000 persons, the company is believed to have the largest pay roll of any single plant in the city. The company was the largest manufacturer of radar equipment during the war and had sales of more than 610 million dollars last year.

Western's output is supplemented by other sizable companies, including Kellogg Switchboard and Supply company, Automatic Electric company, Stromberg-Carlson company, and others.

With more than a dozen radio receiver set manufacturers and dozens more radio and electronic parts manufacturers, Chicago also outranks any other city in this field. Of the 14 million radio sets this industry turned out last year, Chicago is estimated to have produced 4 to 5 million.

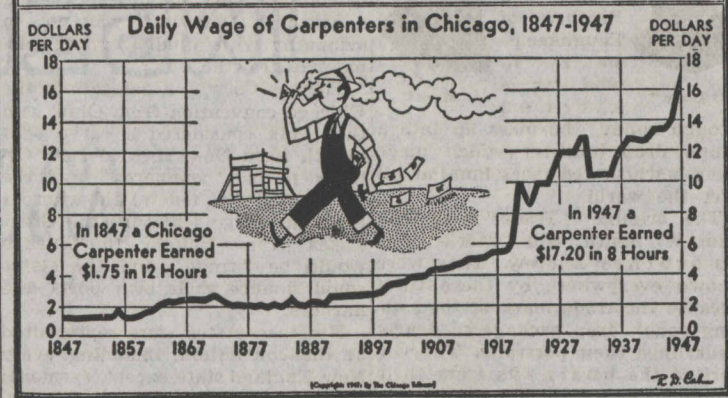
The Leading Companies
Leading Chicago companies in this field are Zenith Radio corporation, Galvin [Motorola] Manufacturing corporation, Stewart-Warner corporation, Hallcrafters company, and Majestic Radio and Television corporation.

The Chicago area has a crude oil refining capacity of 327,500 barrels a day. The area ranks third in this field behind two centers in the southwest and west.

With such printing businesses as R. R. Donnelley & Sons company, Cuneo Press, Inc., W. F. Hall Printing, and approximately 1,500 smaller establishments, Chicago also ranks high in this activity. An estimated 50,000 persons find employment in the industry.

Chicago is the home of the Wm.

Wages Up 10 Fold in Tribune Century



A World Wonder in Chicago: The Meat Packing Industry

Chicago's 2 billion dollar packing industry has been one of the wonders of the world since the Union stock yards—the industry's million dollar "live stock hotel"—opened for business Christmas day, 1865.

Opening of the yards organized, consolidated, and strengthened a thriving, booming industry that already had experienced 30 years of amazing growth and prepared it for almost incredible expansion and achievement in the following 80 years. Today the industrial importance to Chicago and the middle west of the stock yards and of the packing industry centered in adjacent Packingtown can hardly be measured except in millions or billions—whether of dollars, pounds of meat, numbers of animals, or humans deriving benefit therefrom.

First Butcher Yards
Archibald Clybourn, government butcher for the Fort Dearborn garrison and the Pottawatomie Indians, established the first "butcher yard" in 1827 along the north branch of the Chicago river. George W. Dole became the first "packer" when in 1832 he set up his plant at what today is the corner of Michigan av.

and Madison st., and the following spring shipped meat from 338 hogs and 152 cattle, packed in barrels, across the lake to Detroit.

Ten years later Chicago packers not only were supplying local demand, but were packing pork and beef for shipment as far away as Rochester, N. Y. Chicago, a city of 7,500 inhabitants, was on the way to preeminence as "hog butcher of the world." The city had four meat packing plants in 1844, eight in 1851, 30 in 1860, and 69 in 1864. In the winter of 1861-62 Chicago packed more than half a million hogs to surpass Cincinnati—nicknamed "Porkopolis"—as the meat packing capital of the nation.

Until 1865 the cattle and hogs were marketed thru independent stock yards, scattered widely throughout the city. A suggestion in 1864 by the Chicago Pork Packers' association that the market could be better organized thru consolidation of the yards brought immediate response and offers of cooperation from the railroads. The result was the formation of the Union Stock Yard and Transit Company of Chicago. Of the 1 million dollars of capital stock offered, nine railroads subscribed for \$925,000 and the packers the remainder.

World's Best Facilities
With the opening of the Union stock yards, Chicago had the world's largest and best facilities for marketing live stock. Built on a site comprising 345 acres southwest of the city, the yards had accommodations for 75,000 hogs, 21,000 cattle, and 10,000 head of horses.

Wrigley Jr. company, world's largest manufacturer of chewing gum, it sells its product thru more than 1,200,000 retailers in the United States and foreign countries.

500,000 Boxes of Gum
The Chicago and branch plants have a combined daily capacity of 500,000 boxes of gum. Sales in the last three years averaged approximately 30 million dollars.

All of the city's industrial and commercial activities are linked with the rest of the world thru its world airport. Nine major air lines serve the port, making it one of the busiest in the world. Every day 350 planes arrive or depart from the field.

Sept. 4, 1850: Chicago Gets Illuminating Gas
Illuminating gas was used for the first time in Chicago on the night of Sept. 4, 1850, when it was turned into the mains of the Chicago Gas and Coke company, which held an exclusive franchise to furnish gas to the city for the next 10 years.

Chicago's First Public Building: A Livestock Pen
Chicago's first public building was a pen in which to keep runaway livestock until claimed by the owners, built in 1832 or 1833 at a cost of \$12.

CHICAGO GROWS AT RECORD PACE

Tiny Collection of Huts in 1830; Today, a Metropolis

BY AL CHASE

From a tiny collection of log huts in 1830 to America's second city and one of the world's greatest industrial, area, and industry is the spectacular record of Chicago's development in a little over a century. Its growth has been one of the most remarkable in history.

Other cities have had flash developments but never has a world metropolis attained such proportions in so brief a period.

Oddly enough, Chicago, which now ranks as the world's greatest railroad center and which attributes most of its gigantic growth to steam transportation, got its first boost in real estate values from the Illinois and Michigan canal, mostly only a memory to the present generation and now a proposed right of way for a super-highway.

Report by Joliet

The French explorer Joliet, 163 years before war was started on the canal, made a verbal report on the possibility of a canal that would link the Great Lakes with the Mississippi river system. From 1673, the date Joliet looked over the Chicago region, until 1836 when work was started on the canal, various public bodies and private interests toyed with the idea of a waterway connection between Chicago and the Mississippi valley.

The importance of this plan is summarized by THE TRIBUNE of May 13, 1900, under the caption "The Canal Made Chicago."

"Chicago was then [before 1830] only a military post with an Indian agency attached to it. It didn't have enough taxable property to support a bridge tender, much less build a canal. When the preliminaries to the building of the canal did come about, Chicago immediately leaped into existence as a village."

Chicago a "Canal Town"
The first plat of Chicago was made by the Canal commissioners; the first sale of lots of Chicago was made by the Canal commissioners.

Chicago was made by the canal as clearly and as positively as western towns have been made in recent years and are still being made by the advent of railroads. Chicago was a canal town."

Speculators foresaw what the canal would do for Chicago's growth and started a land boom a few years before actual work on the canal was started. Speculation by the public reached fever heat by mid-1835. On one day sales of canal lands totaled \$1,619,848 of which \$400,000 was received in cash from buyers. With that much money on hand the canal commissioners had sufficient funds to start the canal at Chicago on July 4, 1836.

A Picture of Boom
Harriet Martineau in "Reminiscences of Early Chicago" pictured the canal land boom as she witnessed it that year:

"I never saw a busier place than Chicago at the time of our arrival [1836]. The streets were crowded with land speculators, hurrying from one sale to another. A Negro dressed up in scarlet bearing a scarlet flag and riding a white horse with housings of scarlet announced the time of the sale. At every street corner where he stopped the crowd gathered around him, and it seemed as if some prevalent mania infected the whole people. As the gentlemen of our party walked the streets, storekeepers halted them from their doors with offers of farms and all manner of land lots, advising them to speculate before the price of land rose higher."

By the summer of 1836 the total sales value of the land in the present city limits of Chicago had increased from the \$168,000 value in 1830 to \$10,500,000, a rise of over 60 fold, according to Homer Hoyt in his "One Hundred Years of Land Values in Chicago," published by the University of Chicago Press.

Completed in 1848

The canal was completed in 1848. In January of that year Chicago was without a single mile of railroad. Six years later, in 1854, it was the greatest railroad center of the west. In a few years it became the world's greatest center of rail transportation, a title it has never lost.

"Chicago has built herself up," doubled her trade, trebled the value of her real estate and rendered it salable by a single act of policy—that of making herself a railroad center," a Detroit newspaper said in 1853.

Thus first the canal and then the railroad were the motivating fac-

Commercial Life Chronicled by Tribune for Many Years

The first Tribune section devoted exclusively to financial and commercial news appeared in 1910, but business stories have been an important part of the newspaper's contents since its founding.

John Locke Scripps, who purchased an interest in THE TRIBUNE in 1848, was among its first financial writers. After Scripps' death in 1866, William Bross, one of his associates, wrote:

"Mr. Scripps commenced writing up the financial and commercial interests of the northwest. He originated the first distinctive review of the markets in Chicago, going about the city, mingling with the merchants, and inspiring confidence in the reports by their accuracy and fairness as well as respect and admiration for the editor."

A Daily Feature
In the edition of June 1, 1910, a photograph on Page 1 announced, "Beginning today THE TRIBUNE publishes a special section devoted to business, commercial, and financial news." The section has been a daily feature of THE TRIBUNE since that date.

Many of the headlines in that first financial section 37 years ago would not appear too old-fashioned in a 1947 edition. The perennial newsworthiness of certain subjects in the city's business life was disclosed in the column one story in the first financial page, headed "Judicial Grosscup gives traction interests three weeks to begin reorganization."

Another headline revealed that "Roads are losers in big rate case," the Supreme court having decided the interstate commerce commission did not exceed its authority in ordering rate reductions.

Rails Reported Fully
In other stories Edward P. Ripley, president of the Santa Fe railroad, asserted net earnings of rails were on the decline. A mail order firm, Spiegel-May-Stern company, purchased land for an eight story building. Bears ruled the wheat pit, and the demand for hogs was

active with good to choice beef steers selling at \$7 to \$8.40.

The fortunes of the country's railroad industry were followed closely. In the business section of May 23, 1921, it was reported that "the financial fate of the railroads depends on the extent of wage cuts allowed by the I. C. C." Freight traffic dropped rapidly and at times as many as half a million freight cars lay idle.

The building and industrial boom of the twenties was reported in detail. Drawings or photographs of "a new skyscraper for the city of towers" appeared at frequent intervals. Stories were devoted to the increasing interdependence of industries as specialized manufacturing made the product of one the supply material of another.

The Stock Market Crash
On Sept. 4, 1929, the Wall street story reported "the first general reaction in 17 straight days." On Sept. 5, "Wall street had one of its nervous attacks today." On Sept. 10, "Tight money took the heart out of the stock market yesterday. Banks called about 40 millions in loans." Early in October bullish forces termed the dwindling trading volume "a sign that the worst of the protracted selling storm is over." On Oct. 23, "Billions lost as stocks crash."

In the depression years and thru World War II, THE TRIBUNE financial section chronicled the efforts of industry first to survive and more recently to produce the war materials which brought victory over Germany and Japan. The story of industry's reconversion to peace, time production and its struggle with government controls has been told in THE TRIBUNE financial pages since V-J Day.

The Investors' Guide column has been giving factual answers to reader queries on investment, insurance, and tax matters since June 14, 1914. The information is drawn from one of the most complete libraries of financial source material of any newspaper in the country. To date the Investors' Guide has answered more than half a million letters.

Real Estate Slump
After the 1933 world's fair came a real estate slump until the lowest ebb was reached in 1938. The following year conditions improved and continued steadily upward with minor recessions until World War I.

After that war a building boom began in the early 1920s, continuing until shortly before 1929, which sent Chicago skyscrapers on a gigantic scale. The old skyline of 22 stories was lifted by a score of new structures soaring up to 46 stories. Tribune Tower, the Wrigley building, 333 N. Michigan, London Guarantee, Palmer House, Board of Trade, Chicago Opera, Merchandise Mart (then claimed to be the largest business building ever built), the Stevens hotel (still rated as the world's largest), the Palmer House, and other giant structures were built.

The near north side district, bisected by N. Michigan av., began its spectacular march toward fame as a business, educational, medical, and residential section. Property values soared there as well as in the loop.

War Slows Building
The 1930s depression slowed down most building projects and the recent war brought all except necessary construction to a standstill. The present post-war realty market, however, is one of the liveliest in the city's history. Its spectacular feature has been the remarkable change of ownership in big structures—office buildings, hotels, and commercial buildings.

Among these have been the sale of the Merchandise Mart, the Stevens hotel and Palmer House, London Guarantee, Conway, Tower, Burnham, 120 S. La Salle, American National, and other skyscrapers.

In the 100 year period from 1847 to 1947, realty values have risen from about 5 million dollars to nearly 3 1/2 billion dollars.

"Chicago real estate still is one of the best and safest of all investments," said Leo L. Hogan, president of the Chicago Real Estate board.

Quick Reaction to Fire
The fire of 1871 pushed land values down about 30 per cent in the burned area but with borrowed

BOARD OF TRADE GROWTH TRACED

82 Men Meet in 1848, and Set Up Life Line for Midwest Economy

BY RICHARD ORR

In rooms above Gage & Haines' flour store on South Water street, center of Chicago's grain and produce market, a group of merchants met April 3, 1848. They formed an association of 82 members, elected Thomas Dyer president, and agreed to meet each day for the purpose of trading in grain, flour, and "provisions." The gathering was the first meeting of what today is the Chicago Board of Trade, world's largest grain exchange.

The year 1848 was one of propitious events for both the new board of trade and Chicago, a city of 20,000 persons. In that year—the year after THE CHICAGO TRIBUNE appeared—the first telegraph message was received in Chicago; the Illinois and Michigan canal, an important artery of trade, was opened; and the first rail shipment of farm products arrived, a wagon load of wheat and some hides hauled by the Galena and Chicago Union Railroad company from a farmer 10 miles out at the end of the line.

System of Marketing
Thus were established the beginnings of a uniform system of marketing, better means of distribution, and a fast new method of disseminating crop and market information. These factors were to form the life line for the vigorous new economy of Chicago and the middle west.

In the first 10 years of its existence the new board of trade appointed inspectors of fish, flour, and "provisions" (pork products) in an effort to guarantee quality, but extended weight for measures in grain handling, and standardized grades of wheat. The reforms marked the first steps in the present system of measuring and inspecting grains now generally adopted in the principal markets of the world.

In 1850 the "Board of Trade of the City of Chicago" began its corporate life when the old board was reorganized under a general act of the legislature.

A Wide Influence
Between 1858 and 1871, the year of the great fire, the exchange became the chief exponent of mercantile power and the great medium thru which business in grain, breadstuffs, and "provisions" was transacted. The board of trade's influence over business methods, public quantities of crops and other commodities in that market to assure continuing supplies.

On Oct. 9, 1871, the great fire destroyed the Chamber of Commerce building, built by the board of trade in 1865 at the southeast corner of Washington and La Salle streets as its first permanent home. Work started immediately on a new building and the members moved into the first temporary quarters.

Thirteen years later they built a bigger building on Jackson boulevard at the foot of La Salle street, and in 1930 replaced it with the present 25 million dollar, 43 story structure.

A Colorful History
Colorful names are woven into the pattern; names of men like Benjamin P. Hutchinson—"Old Hutch," the Massachusetts shoe manufacturer who, arriving before the Civil war, found a quick fortune in grain; Joseph Leiter, capitalist and sportsman, who in 1898, when he was only 29, dropped at least 10 million dollars trying to corner the world wheat market; Philip D. Armour, whose fleet of ice breaking grainers, a trickle of 21,077,000 bushels in 1871 and last year totaled 217,266,000 bushels. In addition, the exchange last year handled 4,404,312,000 bushels of grain futures and 6,254,000 bales of cotton futures (introduced in 1924). Record grain receipts in the Chicago market were established in 1916 when 378,741,000 bushels were marketed. A record volume of 26,895,000 bushels of grain futures was traded in 1925.