Chapter 5

Immigrant Banking and the Sale of Shipping Tickets at the Turn of the Twentieth Century

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Introduction: ethnic banking past and present

To date, business history has focused a lot more on big business managerial corporations than on smaller entrepreneurial firms. Yet, in the case of major passenger shipping companies this big business only attained its scale as a result of the network of many smaller entrepreneurs supplying passengers to the shipping companies (Boyce, 1995, 3). As the competition for the North-Atlantic migrant transport market intensified throughout the 19th Century, the network of migrant agents spread on both sides of the Atlantic.

The growing influx of newcomers into the US strengthened the chain migration patterns, increasing the number of migrants crossing the Atlantic with the assistance of people who preceded them. The concentration of migrants in ethnic communities generated demands for specific products and services which created opportunities for uniquely qualified immigrant entrepreneurs to fill these (Massy, 2000, 39; Hoerder, 2002, 17). Of crucial importance for these entrepreneurs were basic banking services and the sale of ocean passage tickets; both prepaid tickets for friends and family to join or return tickets back home. The importance of the American market of prepaid and return tickets depended on the motives for departure and ethnic background. Jews for instance showed high percentages of prepaid tickets but much lower return rates than Italians, Hungarians or Greeks. At the turn of the century an estimated 30% of the European migrants travelled on prepaid tickets while the returns amounted to 30% of the total arrivals (Dillingham Commission Reports, 1911 vol. 3, p 359-363; Gould, 1979, 609). The ethnic diversity of these arrivals, and consequently of immigrant entrepreneurs, increased as the migration fever spread to Southern and Eastern Europe. Yet, as Delheim noted the role of ethnicity has received limited attention despite its influence on business activities and the formation of the American business community (Delheim, 2004, 229-231).

1. This influence was and still is omnipresent in the banking business. Ethnic ties played an important role for newcomers who often found in immigrant bankers emissaries '*to America within America*'*.* The phenomenon of immigrant banks has been largely overlooked by historians, as noted by Day; the first to present a systematic cross-ethnic analysis describing the general features of these financial institutions (Day, 2002, 77-78).[1] Migrants using short term deposits as part of their migration strategies represented a large segment of the saving banks' initial *clientèle* (Wadhwani, 2002, 43). But because migrant entrepreneurs were often kept from playing an active role in local banks managed by natives, they opened their own. Sharing the same background helped them considerably in earning the trust and goodwill of migrants (Bodnar, 1985, 131-132).
2.

Ethnic banking is still in vogue today. Some scholars have observed the growing phenomenon of ethnic banking; how on a micro level modern banks use culture and ethnicity for both client orientation and market differentiation. For instance, the Spanish-American community has become a very competitive market for banks in the US offering specialized

[1] For an overview on the sparse historiography about immigrant banks see: (Day, 2002, 65).

services in which ethnic ties provide a strategic advantage. Language is crucial (Heiss and Armstrong, 2007, 1-3). Yet what is true today was even more so a century ago. Immigrant banks mushroomed as transatlantic migration became less permanent and savings became the primary goal of the move (Hourwich, 1911, 632; Piore, 1979, 56; Wyman, 1993, 59). The private banks, of various scales, spread nationwide wherever migrant communities established themselves. Banking generally only represented a part of their commerce and often entrepreneurs in small towns rolled in the business rather accidentally through other activities. The lack of legislation regulating these 'unincorporated banks' prior to 1914 enhanced their rapid dissemination. In 1897, there were 2625 official immigrant savings banks spread over 146 American cities. New York City showed the highest concentration of these (Cinel, 1991, 31; Gerber, 2006, 237). To these, numerous unofficial ones must be added.

Language skills and specialized services, especially administrative ones, allowed immigrant bankers to tie certain ethnic *clientèle*. Especially the first generation migrants greatly depended on close and personal relations before entrusting their hard earned savings. As the market expanded, the American bankers tried to get their hands on the business by investing in the foreign departments of their banks to provide similar services, something American banks are rediscovering today. Indispensable facets of immigrant banking business consisted of money transfers or other means to send back remittances and the sale of ocean passage tickets. The former is still an important facet of ethnic banking, today the latter is not, at least not yet (Heiss and Armstrong, 2007, 10-11; Born, 1977, 176; Dillingham Commission Reports, 1911, vol. 37, 203-355).

Immigrant bankers represent a key link in the migration process, connecting the individual migrant to shipping companies and national authorities. They are the middlemen on, what Hoerder labelled the meso-level of mediating networks and interacting segments linking individuals to world-systems (Hoerder, 1996, 84). The management of local markets through a multi-ethnic migrant agent network constituted a challenging endeavour for maritime enterprise where, as Boyce underlined, social and cultural affiliation had always played an important role in generating mutual trust between principals and agents (Boyce, 2001, 4-5). Based on the Dillingham Reports and the archives of the Holland America Line (HAL), managing a service between Rotterdam and New York this article will sketch a profile of these bankers, discuss their services rendered and their advertisement strategies followed by the various pressures they suffered at the turn of the century.

The role of the 'American' Immigrant banker/Migrant agent in the migration process

Profile

Due to lack of first hand material from immigrant banks the research of Day has been constricted to the use of volume 37 of the Dillingham Reports.[2] To test these findings the reports of the Dillingham Commission are complemented with the archives of the Holland America Line (HAL). The well established Dutch shipping company formed part of the North Atlantic Passenger Conference, a cartel that pretty much controlled the market and tried to regulate the network of agents representing them.[3] As setting prices for ocean passage

[2] The Dillingham Commission, named after the senator heading the congressional committee investigating the issue of immigration, was established in 1907 and published an extensive 41-volume report in 1911.

[3] The HAL was founded in 1873 and initially attracted passengers from its home country, Germany and Switzerland. As the migration fever spread further east, the bulk of their customers came from Russia and the Austrian-Hungarian Empire. Together with the North German Lloyd, Hamburg America Line and Red Star Line, the HAL founded the Continental Conference to regulate the competition for the continental traffic in 1885. In subsequent years the conference developed and expanded to include an agreement pooling the traffic between the members and conclude parallel arrangements with the British and Mediterranean Lines to regulate the whole North Atlantic traffic in

depended largely on the control of the conference members over the migrant agents and while the latter depended largely on obtaining the agency for the passenger lines to establish themselves as immigrant entrepreneurs, this source provides new insights (Feys, 2008).

For this article, the sporadic reports on the migrant agent-network by the so-called travellers of the HAL are especially relevant. Shipping companies appointed these ‘travellers’ to promote the line among the agents. They also controlled whether migrant agents observed the conference rules imposed by the shipping companies and if the HAL received a fair share of their business. Travellers pressured the agents that failed to produce satisfying results to increase their bookings or to replace them by other agents. Their reports also served to evaluate the local market conditions and future business perspectives. Whenever possible, travellers also tried to encourage migration directly. For instance, when strikes broke out in the coal mines of Pennsylvania, Henry Schleissner travelled to the area to ensure bookings for the HAL. Or, when visiting the Dutch colonies in California, the HAL traveller tried to stimulate the residents to write home to convince people to follow in their footsteps.[4]

The reports of these travellers allow for refining the activities and profile of immigrant bankers as outlined by the Dillingham Commission. The Commission’s conclusions were influenced by the economic crisis of 1907 and by the nativists’ prejudices towards the new wave of immigrants from eastern and southern Europe. The commission described immigrant-banks, which were predominantly located in new immigrant communities, as follows:

> “These banks bear little resemblance to regular banking institutions. They are without real capital have little or no legal responsibility, and for the most part are entirely without legal control. Immigrant bankers, as a rule, are also steamship-ticket agents, and usually conduct some other business as well. Consequently the "banks" are, for the most part, located in groceries, saloons, or other establishments which are natural gathering places for immigrants.
>
> Besides handling the savings of his patrons, the immigrant banker performs for them many necessary services. He writes their letters receives their mail and is their general adviser in what to them are important affairs. The ability and willingness of the banker to render such services naturally gives him an advantage over regular banking institutions, which would not, and, in fact, could not, attend to such matters. In this way immigrant banks and immigrant bankers are important factors in the life of the newer immigrants (Report of Dillingham Commission, 1911, vol. 37, 204).”

According to the Dillingham Commission, the predominant feature of the immigrant banking consisted of its interdependency with selling steamship tickets. Of the 116 banks the Commission investigated, 94% combined both. Migrants trusted their money with steamship-agents with the same ethnic background, representing well known lines rather than American banking institutions. They did this for safekeeping rather than investments, not expecting any interests on it. Because of this, trust steamship agents quickly accumulated capital and developed banking functions. The steamship agency was the most general antecedent of the immigrant bank. Providing banking services allowed most agents to quickly expand their business.[5]

1895. It grew out to twelve separate agreements between 30 lines which weathered some severe pressures to only fall apart with the outbreak of WWI (Murken, 1922).

[4] GAR, HAL, 318.04, Passage Department, 221-226, Letters November 26 1897, May 22 1902.

[5] For instance, in Youngstown Ohio, a leading iron and steel centre one of the five HAL agents in the city G. Hamory managed to rapidly increase his business by adding a savings department to his steamship ticket office. GAR, HAL, 318.04, Passage Department, 72-77 Letter October 18 1906.

The Dillingham Commission described these representatives as, intelligent men possessing considerable influence in immigrant communities, that with their good command of English could provide essential services to newly arrived, illiterate immigrants. Involvement in the local church or ethnic societies of all sorts increased their prestige in the community.[6] Sharing ethnic ties with patrons was essential. Sometimes these ties needed to go as far back as the province of origin, yet most bankers' potential to draw clients depended on their language skills. Compatriots represented the easiest targets but the longer the banker stayed in business, the easier it became to break through ethnic barriers. The location of the office in official buildings for instance helped with this.[7] Also, the longer the immigrant remained in the US, the less importance one attached to ethnic ties.

Besides ocean passage sales and migrant banking the majority of these entrepreneurs also carried out some other type of related business. Out of a sample taken, banks combined one or more of the following; notaries office (40), real estate, rental, insurance and collecting agencies (27), saloon keepers (21), grocers, butchers, and fruit vendors (14), labor agencies (13), book, jewellery and foreign novelty stores (12); postal substations (11), general merchants (9), boarding bosses (8), wholesalers and importers (7), barbers (2), printers (2), pool-room keepers (2), furniture dealer (1) and one undertaker.

Eighty percent of these banks were not only privately, but also individually and locally, owned. Only a dozen New York banks had branches in the interior. Others rarely did, except in some cases, but always in the vicinity of the main office. The Commission underlined that the conference rules restricting the agents' sale of steamship tickets to the office he had been appointed to, limited the propagation of branch offices. The reason for the shipping cartel to impose such restriction was twofold; firstly because unrestricted competition between the agents created instability among the conference members leading to continuous price cuts, and secondly shipping companies wanted to limit their growth because of the strong influence these agents had on the market, and hence to prevent them from becoming too powerful.

The Commission classified the immigrant banks into three types. The first, a minority, consisted of state incorporated banks, highly organized and thoroughly responsible. Second, the majority investigated by the commission were steamship, labor and real estate agencies advertising banking services without legal authorization. A third predominant type consisted of grocers, saloon keepers, boarding bosses etc. for whom banking activities were incidental and conducted in a very irresponsible way. In some cases these classes overlapped somewhat (DC Reports, 1911, vol. 37, 206-214, 222-226). What the Commission did not underline is that most banks of the second and third category were run as a family business. Sons, daughters and women played an important role assisting in, or even managing, the business.[8]

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[6] A young lawyer, Frank Burszynski owed his appointment as a HAL agent because of his presidency of several Polish societies and his recent election as member of the Polish Assembly of his district in Buffalo. A. Rusin thanked his appointment in Syracus,e being the brother of and living together with the priest of the Polish Roman Catholic Church. Rusin claimed that 5,000 Poles were connected to the church which assured him a good base to draw from. Sometimes the link was even more direct as the appointment of V. Alexand, a Russian priest of the local church in Ansonia illustrates. *Ibid*. Letter November 2 1906 February 9 1909.

[7] The HAL agents Westerhoff and Peolstra who controlled the Dutch business in Patterson, New Jersey reported that the opening of a branch office in the Post Office building of the city allowed them to establish contacts with Poles and Russians. Apparently, they sold twelve tickets to Poles, the beginning of promising prospects. *Ibid*. Letter July 29 1910.

[8] Agent Rainke of Frankford was hardly at home, leaving the business to his wife. After the death of Mr. Roth of Roth, Firestone & Co in Mckeesport, his sons and son-in-law took over the business. J. Klauck, the biggest agent in Buffalo, was assisted by his son and two daughters. In the same city, the daughter of F. Grosky managed the business, yet when she remarried and left her parents, sales

The variety of services offered

Ocean passage sales and banking services

The system of ocean passage sales, through a hierarchic network of agents emanating from ports to inland points with market potential, dates back to the eighteenth century (Wokeck, 1998). As transatlantic migration turned into a mass movement during the first half of the nineteenth century this network differentiated, solidified and extended. Some shipping brokers at ports supplying shipowners with goods, specialized in the migrant trade. To fill the ships the brokers relied on a network of agents and sub- agents at the port of embarkation and inland to contract passengers on commission. During the age of sail the market remained very fragmented. The ascendancy of steam shipping led to market concentration as the rising costs greatly reduced the number of shipowners. These shipowners soon formed cartels, known as shipping conferences which intensified the horizontal concentration. Vertical integration followed as shipping companies took more and more aspects of the business into own hands, however they remained dependent on the network of migrant agents for the bulk of their third and second class ticket sales. (Feys, 2008).

Migrant agents earned a commission on each ticket sold and generally represented various shipping lines in order to generate enough business to make it worthwhile. Before the conclusion of conference agreement including nearly all the lines carrying passengers on the North Atlantic midway the 1890s ,the agents managed to play out the rivalry among the companies to increase this commission which was officially set at $2 to $3, yet through underhand extra commissions, this was often doubled and could reach up to $10 during rate wars. They also obtained other advantages allowing them to speculate and totally disrupt the market of prepaid tickets. The North Atlantic Conference Agreement significantly reduced the abuses and the earnings of the agents on the sale of ocean passage tickets. Yet, for most of these agents the commission was only a side-earning. Much more important than the direct profits derived from the sale was the prestige acquired by obtaining the agency of the conference lines and clients it attracted for their other business activities – especially banking (Feys, 2008).[9]

The four main banking services offered were deposits, loans, money exchange and remittances. Other than savings banks, only a minority of the immigrant banks paid interests on deposits. Patrons deposited the money for safekeeping, until enough was accumulated for a remittance or the purchase of a steamship ticket. Deposits were even for shorter terms than in savings banks. Migrants rarely left their money for longer than a year, three months being the average while $100 appeared to be the limit of accumulation of savings money.

Because of the lack of control on these banks often their bookkeeping practices remained basic while they could dispose of the money entrusted to them as they wished. The migrant enjoyed very little protection against abuses. As proof of his deposit, he usually only received a receipt. Immigrant bankers reinvested the money in their own business; redeposited it at 2 to 4 percent interest, with regular banks or invested in real estate and

rapidly decreased. Mrs. De Booy assured that all the Dutch business of the surroundings of Kenosha went through the HAL. Mrs Dejaegher of Moline, a small industrial centre for Agricultural supplies, dealt with Belgians. Finally traveller C. Van de Stadt named Mrs. J. Chemma as the best HAL-agent of South Chicago. *Ibid.* Letters September 28 October 18, November 2 1906, July 24, 30 1907 and April 4 1908.

[9] Before the shipping conferences, lines appointed agents at free will. Afterwards new agents had to be approved by the conference members. Only with the conclusion of the North Atlantic Passenger Conference did the lines manage to put an end to the expansion of the agent-network. The HAL numbered 1,400 American agents in 1884; reaching 2,000 in 1893 but declining to 1,700 in 1906 despite covering a bigger geographical area. *Ibid*. November 25 1893 and December 10 1906; GAR, HAL, 318.04, Passage Department, 564, min, 930 August 10 1905.

stock. Nevertheless, banks claimed that all deposits were subject to immediate withdrawal on demand. This was usually done only when returning to Europe. When moving somewhere else in the US, migrants often continued using the same bank through correspondence. Therefore, New York bankers located at the main port of arrival found themselves in a privileged position to bind the newcomers to their business. Many migrants settled in New York State or remained there temporarily to earn some extra funds before moving elsewhere which explains the much higher concentration of immigrant banks in that state than any other.[10]

These unofficial financial institutions also offered loans. The most common form consisted in advancing the money for steamship tickets, and in a few cases for a remittance home or food supplies. The banker required no security for the transaction, it being of personal and private nature. Only the biggest banks made loans against an interest of 5 to 7 percent, but these were exceptional (DC Reports, 1911, vol. 37, 237-258). Although the conference rules impeded the agents to issue tickets before receiving the full amount for it, the combination of ocean passage sales with banking business of most agents made it very difficult for shipping companies to check this practice. That some agents even openly advertised the sale of tickets on instalments indicates this. Especially on the Jewish market which was mostly in the hands of the New York East-side agents the sale of tickets on instalments through peddlers at rates that generally exceeded the price fixed by the conference members was very common. Not only did this infringe the conference rules threatening the fragile stability of the agent-network, but it also harmed the reputation of the companies which were often confronted with stranded passengers at the port of embarkation because agents cancelled their tickets when the amount due by the purchaser had not been paid. Despite the efforts of the shipping lines hiring detectives to expose abusers, the practice persisted. Only the bank crash of 1907 seemed to have curtailed the practice to some extent. Most of the money exchange business occurred in New York. Prepaid passengers exchanged their money before continuing their journey inland, while return passengers did not convert their dollars to another currency before reaching the port of departure. The keen competition for the market in which some shipping companies also took part had greatly reduced the profit margins on the exchanges (DC Reports, 1911, vol. 37, 237-258).

For deposits, exchanges, ticket sales and loans, immigrant banks acted autonomously, yet for transmitting money to Europe, the most important transaction of their business, they relied on other institutions. A number of large banking houses in New York City dominated the remittance business because of their extended network of foreign correspondents, through which they offered immigrant banks ready facilities for transmission to small European towns. This way the small bank did not need to maintain balances or clearing reserves abroad. They provided immigrant banks with printed money-order forms, allowing them to use their name and reputation, yet without taking any responsibility for their actions, seeing them as mere correspondents, not as agents. The system used for prepaids also applied to money orders, consisting of a stub to be retained by the immigrant bank as a record, an advice or direction slip to be returned to the banking house, an advice slip to be sent to the payee, and a receipt for the purchaser. To attract this business, New York banking houses and some steamship companies involved in foreign exchange, advertised in newspapers, employed solicitors and sent circulars. The estimate of the Dillingham Commission for 1907 indicates the importance of this business. Migrants remitted approximately 275 million dollars to Europe, half of which went through immigrant banks. This amount equals 20 % of the net annual growth in the individual deposits in all American

[10] In New York State a special commission estimated their number around 1,000. Not including bankers, such as grocers, shopkeepers, barbers etc., the Dillingham Commission counted 575 immigrant banks in Illinois, 410 in Pennsylvania, 175 in Massachusetts, 150 in Ohio, 80 in New Jersey, 60 in Wisconsin, 65 in Connecticut, and approximately 50 in other states (DC Reports, 1911, vol. 37, 213).

banks and trust companies combined for that same year. Banks involved earned a commission of anywhere between one to three percent (DC Reports, 1911, vol. 37, 260-284; Wadhwani, 2002, 48).

The Dillingham Commission did not mention the names of their subjects of study but specified that an Italian shipping company also engaged in the money transfer market. Already during the 1890s some shipping lines launched themselves in the money transfer market. Less for financial gain, they used the market to counter the competition of migrant brokers, and as a marketing strategy to contact potential clients and to anticipate laws prohibiting the sale of prepaid tickets. Some migrants still preferred to transfer money rather than sending a prepaid ticket. By offering that possibility the lines hoped to influence their route along with doing the transfer. It may be a mere coincidence; however it is worthwhile to note that the average remittance in 1907 amounted to $35.18, approximately the equivalent amount of a steamship ticket.[11] The HAL also experimented with transfers during the 1890s yet quickly abandoned the project. The Vienna office of the company pushed re-entering that business in 1908 and 1914 as a means to increase the third-class business, yet New York strongly objected:

> "Opening a money transfer department would never become sufficiently important to compensate all the trouble and responsibility attached to it. We can't merely advise agents that we will accept money for transmission to addresses on the other side, but in view of the care, accuracy and promptness that the business requires we would have to establish a full-fledged money department. HAPAG some years ago maintained a money sending department for a time, but did away with it due to unsatisfactory results. The RSL still maintains such department more as a part of the IMM traveller cheques and money order branch, than as a typical RSL institution. The RSL have their money order business in the hands of most of their agents, and handle enough business to pay two experienced clerks employed constantly at the department. There is positively no financial profit in it, as the competition with other money order firms and the post offices, forces the exchange rate to the lowest level, while on the other hand, they run the additional risks if an agents remains in default or fails to lose the money not only for the outstanding tickets but also of the money orders. Yet, RSL does believe that it helps the business in a general way and the Antwerp offices cherishes the idea that it allows them to collect addresses, giving the opportunity to get in touch with them and secure whatever cash business, connected with it, but the sale of prepaids does not seem to profit from that. In regards to draw up a database with interesting addresses we could obtain this by having the purser collect these from all eastbound passengers whereto they are returning in Europe. But if you want us to experiment to increase the cash business on your side, more than willing to do so."[12]

This fragment illustrates the far-reaching connections between shipping and banking worlds. Despite the fierce competition of important New York banking houses, J.P Morgan's shipping merger, the International Mercantile Marine Co (IMM) managed to maintain its position on the money transfer market and this was to the great consternation of the American Express Company.[13] Not all lines agreed on the profitability and advantages of the system. That the IMM persisted sits well with the business philosophy of financers, who pursued vertical integration through direct marketing.

[11] The average per nationality amounted to 28.5 dollars for Italians, Greeks 37, Hungarians 30, Hebrew 33, Poles 36, Croats 42 and Bulgarians 68 (DC Reports, 1911, vol. 37, 277).
[12] GAR, HAL, 318.03 Passage Department, 168, Letter, April 2 1914.
[13] When made official in 1902, the enormity of Morgan's shipping combine came to light; it was valued at $170,000,000; it included American, Red Star, White Star, Atlantic Transport, Leyland and Dominion Line, and had concluded a profit sharing agreements with NGL, HAPAG and HAL.

Other services rendered

The variety of parallel business activities of immigrant bankers mentioned earlier reflects the number of extra services rendered to newcomers and explains why they attracted immigrants. Directly or indirectly immigrants often secured work through these banks on which they could rely for credit, when they were in-between jobs. Especially Greeks and Italians known for their '*padrone'* system combined immigrant banking with labor agencies, much more than Slavs and Jews (Day, 2002, 72). Many unskilled migrants filled seasonal occupations and needed to survive bleak periods. The agents were also an important link with the fatherland by managing the correspondence of their patrons. As legal advisers and notaries they assisted them in settling disputes and irregularities, both at home and in the US. He obtained all sorts of legal documents such as birth, death, marriage or leave of absences for military service certificates, settled wage, heritage and property issues, etc. For instance, when travelling through Pennsylvania, Henry Schleissner reported that agents frantically helped their patrons to obtain their naturalization papers before the more restrictive State laws went into effect.[14] Through shipping companies and the network of migrant agents on both sides of the Atlantic, the information on immigration and naturalization regulations quickly spread, allowing migrants to be very responsive to these.[15] Furthermore, these mediators often carried a line of novelty products from the home country which strongly appealed to the newcomers. Through the services, they developed a paternalistic attitude which was especially pronounced among boarding bosses (DC Reports, 1911, vol. 37, 206-214, 222-226).

The newly arrived, working in industrial communities, usually relied on the 'boarding boss' system for accommodation. This group household offered washing, cooking and lodging for $2 to $3 a month. Willing to be crowded into a room, which only served for sleeping purposes, allowed them to reduce the cost per capita. Moreover, by buying food and preparing it in groups immigrants kept monthly living expenses below $15. The Commission analyzed the average annual wage of more than 22,000 immigrants, eighteen years of age or older, which amounted to $455 (Lauck, 1912, 207).[16] An unskilled newcomer, right off the boat earned less than this average of $38 a month, yet by denying himself many comforts thrifty migrants managed to save relatively quickly (Hourwich, 1911, 632-633). A Croatian boarding boss testified to the Commission that his boarders deposited $10 to $20 a month with him. A Bulgarian banker even mentions $30 (DC Reports, 1911, vol. 37, 242, 316). As Eva Morawska showed at the turn of the century Southern and Eastern laborers managed to save 60 to 70 percent of their monthly earnings (Morawska, 1991, 280). In short, the migrant bankers tried to answer all the possible needs of migrants. The profits derived from these triggered a keen competition which resulted in various marketing strategies to attract and bind patrons

[14] GAR, HAL, 318.04 Passage Department, 72-77, Letter September 28, 1906.

[15] The responsiveness to migrant regulation and impact on chain migration patterns has been underlined by G. Jasso and M. Rosenzweig for later periods (Jasso and Rosenzweig, 1987, 1212-1244).

[16] Lauck was a member of the Dillingham Commission. The collection of German migrant letters shows that boarding houses offered good housing alternatives for migrants seeking opportunities outside their family network throughout the nineteenth century. Prices for board and lodging are sparse but they do not indicate great fluctuations. In 1855, Martin Weitz paid 9 dollars for a German boarding house in Rockville, Ct. Matthias Dorgathen mentions 14 to 15 dollars in mine districts in 1881 (Kamphoefner, et. al., 1991, 344, 428). Abbott's estimates of unskilled laborers' daily wages in 1905 fluctuated between 1,37$ and 1,57$ in 1890 (Abbott. 1905, 358).

Advertisements
Advertising campaigns of all sorts of the Holland America Line mainly focused on promoting the cabin class passage.[17] These advertisements added prestige to the line, which indirectly positively influenced third-class bookings. Same goes for securing delegations attending transatlantic conferences and the organization of excursions on board of HAL-ships; like the Knights Templar or Magyar excursion; the Young Men's Christian Association conference in Basel; the Americanists conference in New York, etc.[18] These excursions and conferences received attention in the press giving the company extra publicity and contributed in building a reputation among certain target groups. Schleissner reported that the daily articles on the Magyar excursion published by Mr Kohany, HAL-agent and editor of the *Szabadsag*, some of which were taken over by the Austrian-Hungarian press in Europe, greatly contributed to the increase in popularity of the line among the Hungarian community.[19]

The company only promoted steerage passage explicitly on rare occasions for limited time periods and specific market segments, usually linked to ethnic groups. For instance, to counter the attacks of the insubordinate migrant agent Frank Zotti targeting the South Austrian market, HAL advertised in the American foreign language newspapers reaching the ethnic groups from this region. Or when new shipping companies tried to penetrate the market, such as the Russian Volunteer targeting Russian Jews in particular, HAL placed ads in the four biggest New York Hebrew dailies. Furthermore, the conference agreements between the lines regulated the ads in the foreign language press to neutralize excessive campaigns caused by competition. The members handed a list of the papers they advertised to the secretary. Any line could freely advertise in any of these papers. If they wanted to enlarge the list, the secretary needed to be informed. When one company published in a certain paper, others usually followed – especially if the owner also acted as migrant agent for the lines. This way of creating goodwill with agents to favor bookings for a certain line was a hidden form of extra commission which the conference agreements tried neutralize. In 1908, it was decided that; "*no lines should advertise in any publication of any sort published directly or indirectly by agents*."[20] The rules also stipulated that papers attacking a line would lose support from all the members.

Generally migrant brokers and agents took responsibility for advertising their business, including the sales of passage tickets and the steamship lines they represented. Steamship lines provided the agents with handbooks, illustrated publications, pocket books, agenda's, show-cards, posters, steel plates, pamphlets, guides, almanacs, time and rate sheets, etc. Up to 1907, HAL directors still printed most of these materials in various languages in Rotterdam, despite the repeated requests of the New York head-agent to give him *carte blanche* on these matters. If migrant agents advertised through means other than the materials provided such as newspaper ads, they did this at their own cost. Most agents did and also printed their own booklets, rate sheets etc. Conference rules stipulated that agents

[17] Same goes for other companies. M. Merck, director of the HAPAG (1896-1919) recalled in his memoirs that Ballin attached enormous importance to advertising. He established a 'literary department' led by K. Thiess and K. Himer who constantly provided the German and foreign press with praising articles about the company. According to Merck you couldn't open a German newspaper without bumping into HAPAG somewhere before WWI. They also designed brochures. The rest of advertising material, ranging from rate sheets, posters, pamphlets etc, were looked after by a separate printing office. Hamburg Staatsarchiv, HAPAG, 622-1, Erinnerungen Merck.
[18] GAR, HAL, 318.04, Passage Department, 72-77 and 221-226, Letters, November 2 1897; January 14 1898; April 24 1902; May 15 1906.
[19] *Ibid*. Letter ,October 26 1906.
[20] GAR, HAL, 318.03, Passage Department, 49-58, Letter, April 4 1912.

could not make any comparisons between the lines in their ads. Also, when advertising, all the names of the lines represented needed to be included (Stevens, 1914, 125).[21]
The fact that many agents also published their own newspaper, did not escape the attention of the Dillingham Commission. They strongly opposed the combination of banks, employment and steamship agencies with foreign language press, accusing the banks of using the newspapers to delay the Americanization process in order to protect their source of income. According to the Commission, the advertisements aimed at stimulating migration by underlining favorable labor conditions and offering to advance the money for the ocean passage. One ad required only $3 of an advance payment. Agents also sent mailing packages of printed matter to their regular and prospective customers containing the following: a general paternalist circular offering free advice in all matters to gain confidence of countrymen, a second circular explaining how to transfer money back home through the bank, a third including a money-forwarding rate list, an address book to fill out the names and addresses of countrymen living in his locality, transmission slips for deposits and withdrawals, post-office money-order application blanks, business cards, a steamship-ticket poster, a sailing list, return addressed cards and envelopes.[22] Their offices were decorated with numerous posters of steamship lines, even if they did not represent them, to attract the clients for other businesses (DC Reports, 1911, vol. 37, 228-231).

This way of advertising through correspondence helps in explaining how 95 percent of the bookings occurred through Chicago, Boston and New York. With this form of direct marketing, keeping address lists of former and potential clients was of capital importance for migrant agents. The Hungarian agents Lengyel, Kraus & Company which only obtained the agency of the conference lines for a brief moment had a list of at least 10,000 such clients. We can only guess as to how big the lists of well-established conference agents were. Spreading little address books was one way of enlarging the list, but surely newspapers acquired through subscription also greatly helped. The importance is illustrated by the reluctance of HAL to appoint the Olin Brothers as conference agents in their fight against the Uranium Line, a Rotterdam based company which was trying to muscle its way into the market. The agents were cousins of the conference agent, A. Mandel, who gave them training in banking and passage business. Yet, they left on the first possible opportunity with his address lists through which they artificially accumulated business to the detriment of Mandel. HAL decided to stay loyal to Mandel, who had given the line on average $50,000 worth of business annually, over a decade. Along with the use of peddlers and runners, sending circulars based on a meticulously well-kept database of potential clients represented the two most important ways for migrant agents to attract customers.[23]

The increasing pressures on immigrant banks

[21] GAR, HAL, 318.04, Passage Department, 564, min. 598, October 4 1900 and GAR, HAL, 318.04, Passage Department, 72-77, Letter, December 7, 10 1906.
[22] HAL started doing this directly on a large scale for their cabin business in January 1907. Besides newspaper ads, the Dutch Line sent 12,000 special individual circulars which included the first cabin rates and sailings to selected physicians, college professors, art teachers, school teachers and principals receiving good incomes, artists, selected dress makers, milliners, and wealthy subordinates in Connecticut, New Jersey and New York States. Furthermore, approximately 10,000 circulars in German addressed to selected German tradesmen covering greater New York and Jersey towns were sent, enclosing second cabin pamphlets with rates and sailings. In addition, they distributed 5,000 ones in Chicago, 7,500 in Boston, 2,500 in San Francisco and 5,000 in St. Louis and Kansas. In the meantime, they had also started printing their own 'Holland America Line Monthly' for the same purposes with apparent success. GAR, HAL, 318.04, Passage Department, 72-77, Letter, December 13 1906.
[23] *Ibid*. Letter, June 15 1911. An investigation into the runners and peddlers in New York State estimated their number at *probably* 5,000 to 6,000 and *at least* 3, 000 (DC Reports, 1911, vol. 37, 228).

The elaboration of foreign departments of commercial banks and trusts

Before the rise of immigrant banks, migrants turned to American saving banks and contributed to their rapid growth during the nineteenth century. Research showed that fifty percent of the new accounts at the Philadelphia Saving Fund Society were opened by foreign-born, who at the same time represented a much smaller proportion of the city population. But, the financial institution did not fully value these new clients, at first, especially because of the way they used their accounts. Migrants opened accounts for short term target accumulation as part of their migration strategy, either moving elsewhere in the US or returning home. For the increasingly mobile migrant community, these accounts met their liquidity needs. Migrants used to undertake more transactions and closed their account more rapidly than natives. Among the various ethnicities, new migrants from eastern and southern Europe built up their balances and closed their account more quickly than the old-stock migrants.

With a few exceptions, savings institutions were generally hostile to short-term saving depositors. Partly due to legal constraints, these banks reinvested in long term placements. Short term migrant-deposit accounts, which could be demanded on short notice, threatened the stability of the institutions. The Philadelphia Saving Fund Society's attempts to change migrants' use of their accounts proved unsuccessful. As it was also necessary to undertake a lot of paperwork in return for small earnings, savings banks made no special efforts to attract migrants and often were unwelcoming and unaccommodating. They did little to invest in language skills and did not provide special assistance which migrants required (Dillingham Reports, vol 37, 1911, 215-216; Alter et al, 1994, 735-767; Wadhwani, 2002, 46-62). Therefore, migrants predominantly turned to the immigrant banks which were much more accessible, familiar and offered assistance with most of their basic needs.

As immigrant banks thrived, American financial institutions started to regret this negligence. As the reports of the HAL travellers confirm, a growing number of American trusts, commercial and savings banks started targeting migrants at the turn of the century. They opened foreign departments staffed by managers and clerks from the targeted ethnic clienteles. The Philadelphia Saving Fund Society, for instance, started off by hiring a clerk assisting migrants with their money transfers overseas. By 1916, it ran a foreign department with clerks able to assist migrants in fifteen different languages. It adapted their investment policies on a more short term basis to meet with the demands of this market (Day, 2002, 70; DC Reports, 1911, vol. 37, 316; Wadhwani, 2002, 60-61).

Their efforts concentrated in big cities and industrial centres, whereas in rural areas immigrant banks retained their position. For example, in Newcastle where the tin plate industry employed 8,000 men at an average wage of $1.9 a day, the Lawrence Savings & Trust Company acted as HAL agents. As the factories still needed more workers, the foreign department asked for extra copies of the HAL third-class pamphlet, which they found very useful to increase their sales.[24] Yet, the sales of ocean passage did not only attract the lower class of immigrant laborers, but also the booming travelling public of Americans and 'old-stock' migrants. The names of the steamship-agents in Cincinnati illustrate both the growing importance of bigger banks in the business and that ethnic identification remained important for well established migrant communities. Traveller C. Van de Stadt labelled it as a 'German City' where steamship business was entirely in the hands of the banks' foreign offices. The First National Bank, German National Bank, Western German Bank, Atlas National Bank and Brightson German Bank strongly competed for the cabin-class passengers, even organizing their own excursions.[25]

[24] *Ibid.* Letter, October 18 1906.
[25] *Ibid.* Letter, October 26 1906, June 5 1909.

The Dillingham Commission also documented this evolution pointing to Pittsburgh where national and state banks had absorbed the immigrant bank's business in less than a decade. Their foreign departments were primarily directed to the sale of steamship tickets and handling of remittances. Their aggressive marketing strategies included advertising in foreign newspapers; sending broadcast circulars, pamphlets; all printed in different languages; the employment of solicitors travelling the country; and the opening of branch offices. All these measures contributed to their rapid ascendancy (DC Reports, 1911, vol. 37, 219-220).

Traveller Nyland stated that First National Bank in Pittsburgh had a foreign department with a working force of about 40 people. It quickly positioned itself as the most important factor for steamship business in that city, controlling sixty percent of the first-class business.[26] This illustrates how serious American banks became about acquiring the business. It explains why some banks' foreign departments, like the Provident Savings Bank and Trust Company founded in 1902 developed into one of the largest American travelling agencies still operating as a subsidiary of the bank in the 1970s and selling trips worldwide up to this date (Born, 1977, 178).

Yet, national banks' dependency on the goodwill of the steamship companies to obtain their agencies put them in a weak position. As the manager of the foreign department of a leading banking house declared at the Dillingham Commission:

> "The steamship and immigrant banking business are almost inseparable. As a matter of fact, the sale of foreign exchange follows upon the establishment of a steamship agency and rarely comes before. In view of this important relation it would appear that the steamship companies are entirely too free in the manner in which they establish agencies. A public suggestion to that effect might be a healthy one (DC Reports, 1911, vol. 37, 318)."

Being part of their vertical integration strategy, the companies experimented with opening an increasing number of own offices while reducing the number of agents. Therefore, most applicants even prestigious ones, such as the American Express Company, were refused the agency of the conference lines. The company had managed to obtain the concession to do all the money transfers from Ellis Island ,yet it is likely that JP Morgan used the IMM to obstruct the further ascendancy of a rival. Subsequently, American Express lobbied in Albany to convince New York State representatives of withdrawing the right of steamship companies to draw money orders, drafts and sign out traveller-cheques.[27] If they were unable to get their hands on the ocean passage sales, then it would prevent the lines of getting theirs on banking business. Yet the efforts remained unsuccessful and authorities could not be convinced to interfere with the shipping line's freedom to appoint agents.

More successful were the lobby campaigns of American banks with foreign departments urging for strict regulations of immigrant banks to enable them to move in the market more rapidly.

Legislation

What really stands out regarding the legislation regulating American ocean passage sales and immigrant banking is the lack thereof. European countries directly involved in the first wave of mass migration had passed laws to control the expansion and activities of the agent-network by the time steamship companies took over the migrant transport market from

[26] GAR, HAL, 318.03 Passage Department, 97, Letter, February 21 1913.
[27] GAR, HAL, 318.04, Passage Department, 564, min 615, March 9 1901; 72-77, Letter, July 1 1908 and GAR, HAL, 318.03, Passage Department, 48-59, Letters, September 19, October 18 1912 and March 7 1913.

sailing ships. As the migration fever spread, other European countries soon followed suit imposing nationality and residency restrictions, the need to obtain concessions from authorities which were reviewed annually and required high security bonds. Generally speaking, the European laws regarding migrant transport were as much a means to protect migrants from abuses as a means to direct migrants to national ports and companies using the flow to stimulate the merchant marine (Feys, 2008).

Surprisingly American authorities failed to do so. The predominantly foreign shipping companies involved preferred to leave sleeping dogs lie and take matters in their own hands. After the conclusion of the North Atlantic Passenger Conference, the lines started to impose bonds on their New York agents, a practice which later extended to other states. When American banks started to take an interest in the immigrant clientele, did some states start to give the matter some consideration, yet it was the panic of 1907/8 that exposed the weaknesses of the system of immigrant banking and the need for legislation. Escaping any legal supervision, most immigrant banks started out without much capital and maintained little reserve. Without restrictions on how to reinvest the money, a lot of bankers found themselves unable to meet the liquidity demands of the great number of people jointly withdrawing their deposits. A lot of the bankers did not hold out and many others absconded; while no laws existed which prevented them from doing this. The panic demonstrated that the speculative banks' assets fell largely short of their liabilities. The New York head-agent of HAL, Adrian Gips reported that, especially the Jewish banks on the Eastside and in Brooklyn crashed, some of which he did not expect to. As the Line had developed the habit of holding their agents under bond and only handing out books of five or ten steamship tickets at a time, they were covered for losses.[28]

The immigrants, on the contrary, had no protection. The Commission underlined that most of the immigrant banks were honestly conducted and pointed to the fact the better managed ones continued to lend out money during the panic, while American Banks no longer could. Yet, the lack of any legal base to support the whole system made it impossible for the migrant to pin down the responsibility on someone in case of abuses while the situation of 1907/08 and subsequent failures showed the urgent need to regulate the business, according to the Dillingham Commission (DC Reports, 1911, vol. 37, 248, 305-314).

In many states, laws regulating private banking existed, although nearly all lacked the means to implement them. Only New Jersey (1907), Massachusetts (1905), New York (1907) and Ohio (1908) passed laws specifically for immigrant banking.[29] They proved effective in the first two states, but not so in the last two which failed to include measures for supervision. In general, they stipulated that if steamships or labor agents still wanted to combine their business with banking they needed to obtain a certificate from the authorities and file a bond up to $20,000. The bond needed to be executed by two sureties, owners of real estate. The four states set fines for people doing banking business in violation of these laws. Out of fear of harming the American private banking interests, authorities were reluctant to pass a more restrictive and effective system.

The crisis of this time eventually convinced the last sceptical group, the New Yorkers, to follow the Dillingham Commission's advice. It recommended: (1) to collect a fee for licenses only to be issued after a control of the banking books and proof of property ownership of certain value, (2) a guarantee in cash to be deposited with the State, (3) frequent

[28] GAR, HAL, 318.04, Passage Department, 72-77 and 221-226, Letters, September 10 1897; March 10 1908.

[29] Surprisingly the Commission forgot to mention Connecticut. The State passed a law requiring agents handling money orders to place a bond of $10,000. It forced some agents like Herman Baurer of Union City both out of the money order and steamship ticket business. *Ibid*. Letter, February 9 1908.

examination of the books and (4) requiring the maintenance a certain percentage of the money received in reserve. With the amendment of the statute of Private Banking on May 23 1910 only banks meeting these requirements could label themselves as such. Simultaneously, the state amended the Wells laws of 1907, regulating ticket agents requiring licenses to sell ‘transportation tickets or orders for transportation to or from foreign countries’. This license needed to be obtained annually from the comptroller, upon proof of good moral character, for a fee $25. A surety bond of $1,000 to $2,000 needed to be filed. When found guilty of fraud, misrepresentation or failing to account for any moneys paid in connection with the sale of tickets, or orders for transportation by steamship, the comptroller could revoke the license. People doing such business without a license were guilty of a misdemeanour. Pennsylvania soon followed suit (Day, 2002, 75; DC Reports, 1911, vol. 37, 317-333, 349-357).[30]

Seventy five years after impositions regulating migrant agents and brokers began being introduced in Europe, American authorities undertook a similar initiative. The need to regulate the banking business, which had developed around the sales of ocean passage, led to the passage of these laws. Steamship companies welcomed the authorities’ support, increasing the supervision on their sales without using these to give competitive advantages to national lines.[31] Why it took so long for a country, which even during the 1840s pressured European governments to prevent abuses on the sales of steamship and American railroad tickets, to effectively regulate ticket sales at home is remarkable. The abuses were not really affecting nationals and the lack of pressure from the predominantly foreign business interests involved certainly played a role; yet further research is needed to explain the lacunae.

The imposition of bonds made it harder for smaller agents to remain in the business, driving it into arms of the bigger concerns. But, sometimes these laws backfired against the American Financial institutions. After the passing of new laws in Pennsylvania, the First National Bank was forced to close its doors because of a misinterpretation of the valuation for securities, assets and reserves. To their great surprise the steamship lines saw their market leader in this region disappear. Yet, most of the outstanding business was already covered and they immediately appointed Mr. Rovensky, manager of the steamship department in the failed bank, who with his chief assistant W. Frank and W. McCormick had at once entered into a partnership under the name The National Steamship Agency of Pittsburgh. They swiftly moved up in the market by continuing the passenger business of their former employer and taking care of all bookings made by the First National Bank. The laws affected the agents – but not the shipping companies – and strengthened their position.

Joint Ticket Offices

To put an end to the numerous abuses, midway through the 1890s, the shipping companies had tried to cut out the middlemen by restricting the sale of ocean passage tickets in New York to the offices of the shipping companies. The drastic measure of vertical integration glamorously failed yet it underscored the desire of the lines to concentrate the business. To do so, they continued opening new company offices in the biggest cities and key transit points on both sides of the Atlantic during the following decades.[32] As the collaboration between the companies improved, an increasing number of lines decided to rationalize by merging their offices to reduce the costs. When opening new offices at key locations companies partly recouped the extra costs by increasing the direct bookings for steerage and cabin passengers. If established in cities where a general agent managed the business,

[30] *Ibid.* Letters, December 6 and 12 1911 and NYT “Immigrants’ Savings” May 26 1910.
[31] *Ibid.* Letter, August 30 1907.
[32] For example, in Amsterdam, Leipzig, Paris, Vienna in Europe, and Chicago, Boston, St. Louis, Minneapolis, San Francisco and New Orleans in the US.

the company took over his tasks which consisted in coordinating the agent-network in the area in exchange for $1 commission on each ticket sold in the area. Such agents were the only ones who were bound by exclusivity of sales.[33] Smaller companies, such as HAL, trailed the bigger companies in doing this. Yet, the opening of new offices of rival lines created opportunities to hire the former general agents of competitors who were forced to take a step down. Often having a wider network of sub-agents than the general agents of HAL, and keen to retain as much business as possible, these new general agents proved to be an asset to HAL. In Boston, for instance, they hired F. Houghton & Company a general agent for the New England states. The former general agents of the Red Star Line and White Star Line were relegated to regular agents, when the IMM decided to have only one representative for both the RSL and American Line in the area. He received the same financial responsibilities as Thomas Cook & Son (San Francisco) and Bartlett Catrow (Philadelphia). He received $2 per cabin and $1 per steerage passenger booked in his area. HAL transferred an annual contribution of $500 for advertisements, telegram, postage and other expenses.

However, not all general passenger agents received the same conditions. The foreign department of the International Bank in Saint Louis received 2.5 percent commission on first-class tickets, $1.5 on second-cabin and one $1 on third-class. HAL gave them $100 for expenses. The Dutch Line, however, mistrusted the bank and looked for a substitute. Van den Toorn suggested appointing R. Bain, the general agent of the WSL and representative of Thomas Cook. The business of the WSL was not in conflict with that of HAL and the collaboration with a first-class steamship line would add to the company's prestige. At a meeting in New York, Van den Toorn reached an agreement with Bruce Ismay, the manager of the line who welcomed the opportunity to reduce the costs of the office adding up to $8,000 a year. Cook covered $1,000, HAL $1,500 and WSL the rest – including the general passenger agent's commission. The Dutch Line budgeted $350 for advertising expenses. Van den Toorn hoped to appoint many WSL sub-agents for HAL in the region including Missouri, Arkansas, Texas and Louisiana. Frequent visits of HAL-travelers were planned to stimulate the agents in these states. Moreover, the collaboration offered the opportunity to start business in the unexploited Indian territory and Oklahoma, which showed promising perspectives. Many Germans lived in the Southwest, although they had not drawn much business from the area. Van den Toorn believed that the agreement could be a stepping stone to a more intense collaboration similar to the one existing between RSL and American Line honoring each other's tickets. The agreement was valid for a year and could be ended with three months notice.[34]

With the joint general agency both firms extended their collaboration, which had started a decade earlier, when the Dutch line started buying the old steamers from the British line for their service. HAL opted to follow the WSL policy focussing its efforts on service rather than speed.[35] In the meantime, HAL had allowed their own ships to be built by Harland & Wolf, the same shipbuilders as the WSL vessels. Nevertheless, the good relations between the two lines remained.[36] The fact that Genken Wierdsma, son of the HAL director and later New

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[33] HAL appointed two agents for Western states, one for the Pacific and the New England territories, and another one for Southern states.

[34] GAR, HAL, 318.04, Passage Department, 221-226, Letters, April 1, November 25 1898.

[35] In 1888, they started operating with the purchase of the *Baltic* and the *Republic* followed by the *Arabic* steamships. From1895 onwards, as the reputation of the Line started to grow, the company started building their own ships. It was believed, that if they wanted to continue their growth they could not be seen of becoming the line, which polishes up the scrap boats of its rivals. GAR, HAL, 318.02, General Directors, 265, Correspondence Wierdsma, Letter, October 14 1888 and GAR, HAL, 318.02, General Correspondence, 112-121, Letters, October 5 1888, October 29 1889, September 10 1895.

[36] As Van den Toorn put in 1898: "with our new fleet we no longer lag behind the other lines so even during slumps we could now manage to remain competitive". GAR, HAL, 318.14, Wentholt archief , A 12, 1-2, annual report 1898.

York head-agent, did an apprenticeship at the British company in Liverpool, under Ismay, underlines this.[37] The joint agency proved to be successful and they extended the practice to the northwestern territories. However, to gain a solid footing in the territories west of Chicago, Van den Toorn appointed a traveller, Van der Stadt to cover Michigan, Indiana, Illinois, Wisconsin, Iowa, Nebraska, Wyoming, Colorado and Kansas. He considered to be very important that for the next few years the territory would be continuously visited in order to appoint the right kind of agents and to encourage them to book for HAL. Frequent visits to Bain were also necessary to put some pressure on him; otherwise most of his bookings went to the WSL.[38]

The IMM took the rationalization of the business administration a step further. The members of the cartel made an agreement on the interchangeability of the cabin-class tickets, giving the demanding tourists more flexibility to organize their trip.[39] These could be exchanged at the growing number of joint offices which opened on both sides of the Atlantic. Instead of hiring general agents working on commission, the cartel encouraged the practice of appointing salaried managers to run the offices. P. Wright pressured HAL to join, although Wierdsma was reluctant to take him on. Giving up the offices in New York and Chicago was out of the question, but even in other places, such as Boston the head-agent felt inclined to work with their own agents. Through these three offices, the company secured 95% of their bookings.[40] The Dutch line agreed for a trial period in St Louis, Minneapolis, San Francisco and New Orleans where the companies divided the costs of exploitation according to the business received through the joint offices.[41] Joint advertisements in leading newspapers in these regions also represented an effective strategy to cut costs and quickly spread to other places such as Buffalo and Baltimore. All parties to the agreement could pull out without notice.

Although this allowed them to also save on commission, Wierdsma doubted as to whether it was worth the risk of losing a big part of the business to the RSL or other joint office members. Especially in New England, from where they drew a lot more business than the RSL, they feared losing bookings. When the initial results, except for those in Minnesota, proved relatively satisfying, HAL agreed to concede for Boston as well. As part of a compromise they retained F. Houghton as their general agent, but he moved to the IMM buildings where Maynard & Child managed the business for the cartel no longer on commission, but instead on a salary basis. Both could book for all the lines. Montreal and Toronto, which had initially remained under the management of a separate general agent, soon followed suit. As the business expanded further west, the lines opened another joint

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[37] GAR, HAL, 318.02, General Correspondence, Letter, April 28 1891.

[38] *Ibid*. Letter, June 3 1901 and GAR, HAL, 318.04, Passage Department, 221-226, Letters, February 2 and April 19, 1901.

[39] Members to the agreement committed to exchange cabin tickets for all their steamers without extra payment as long as the price of the ticket was not lower than the minimum cabin rate of relevant steamer. GAR, HAL, 318.04, Passage Department, 221-226, Letter, February 20, April 17 1903.

[40] As HAL depended largely on Russian passengers – many of whom remained in New York – these percentages are likely to have been higher in comparison to steamship lines tapping from other ethnic markets spread throughout the country. Nevertheless, for all the steamship companies alike, American ocean passage sales concentrated in New York and Chicago throughout that period.

[41] The territory was divided as follows: Toronto, the Province of Ontario; Montreal, the rest of Canada; *San Francisco*, Oregon, California, Nevada and the southern part of Idaho; St Louis, Kansas, Missouri, Arkansas, Texas, Indian territory and territory of Arizona, Oklahoma and New Mexico; Minneapolis, North and South Dakota, Washington, Minnesota, Montana, the northern part of Wisconsin and Idaho, upper peninsular of Michigan; Chicago, all the territory reporting to Minneapolis plus, southern part of Wisconsin, states of Illinois, Iowa, Nebraska, Colorado, Utah, Wyoming and parts of Michigan and Indiana; Boston included the maritime provinces, New Brunswick, Prince Edwards Islands, Nova Scotia and parts of New England still to be determined. GAR, HAL, 318.04, Passage Department, 221-226 Letter, February 17 1902.

office in Winnipeg.[42] IMM pressured HAL to move in their Chicago office, despite the fact that New York head-agent made it clear of having no intentions whatsoever to give up the control over their Chicago and New York offices through which they did the bulk of the bookings.

The percentage of the other outside offices remained low, though as noted by Wierdsma small things can add up to big differences. When IMM suggested opening a new joint office in Pittsburgh, HAL politely declined any interest. After the initial stage of encouraging results, the enthusiasm for the joint offices rapidly ran sour as the bookings decreased. By 1913, HAL withdrew from the Minneapolis and Boston joint offices opening their own and appointed David Brattstrom & Company as general agent in Seattle for the states of Idaho, Washington and Oregon.[43]

The joint offices proved effective in reducing the costs of exploitation, but the number of bookings ebbed which increased the mistrust of the Dutch line of IMM of using the joint agencies to gradually take over their market share. The apprehension in getting a fair representation for the line at those offices always prevailed. Morgan clearly attempted to introduce the same business structures – that proved successful for railroads and steel enterprises – into steam shipping. Instead of working with commission-based general agents he appointed salaried 'managers', such as Maynard & Child in Boston, to supervise a subdivision of the business. So far HAL and the German lines, with which IMM made separate agreements, could never be convinced to fully centralize the administration for the American market and even less so on the European continent. Even the lines forming part of IMM merger remained a federation of the autonomous lines. Contrary to railroads the gains from administrative coordination were far less significant in shipping (Chandler, 1977, 189-192). The horizontal combination of the shipping companies increased over the years and allowed them to improve the control over the agents, but it never reached the point to favor radical vertical integration and cut off the various layers of middlemen from the ocean passage trade.

Conclusion: Immigrant Bankers/Migrant Agents as Essential Guides in the Transatlantic Migration Process

The last two decades migration historians have successfully uncovered the social networks which shape migration flows. Chain migration has become an indispensable concept for any researcher working on the topic. Yet what seems to have escaped the attention of migration historians is that the commercial opportunities created by the transatlantic migrant movement brought to live an extensive business network which sustained and reinforced the total influx. Both networks are interconnected yet the true impact of the commercial networks remains unclear due to the lack of studies on steam shipping companies transporting the migrants or on migrant agents selling the ocean passage. This chapter underlines the importance of the latter in the US as key actors in connecting these networks. Apart from ocean passage sales and financial services such as money transfers, money exchanges, safeguarding earnings and giving credit immigrant bankers became, as Day put it: "*in a larger sense the economic and social gatekeepers of the American dream, whether that dream was bringing over family and friends from the old country, buying a property, getting a job, saving money or simply finding a place to live. They were central actors in the social networks that coordinated the process of immigrant relocation*" (Day, 2002, 67). The many

[42] *Ibid*., 72-77, Letter, January 27, February 20, March 24, December 8 1903, December 8 1904, December 12, 15 1905; December 7, 14 1906; December 16 1907; December 18 1908; August 20 1910; January 14 1911 GAR, HAL, 318.02, General Correspondence, 112-121, Letter January 4, 1904 March 14 1911.

[43] GAR, HAL, 318.03, Passage Department, 49-58, Letters, December 6 1912 and February 21 1913 GAR, HAL, 318.02, General Correspondence, 112-121, March 14 1911; April 4, 10, June 6 1913.

business opportunities created by mass migration allowed established entrepreneurs to prosper from the relocation of co-ethnics. The sale of ocean passage tickets and basic banking operations played a central role in this ‘migrant business market’. The fact that American financial institutions initially showed little interest in attracting the migrant clientele because of their short term target accumulation, favored the development of an unofficial banking network based on ethnic ties. They escaped the supervision of state authorities, who only started to take interest in the matter because of the crisis of 1907 and the increasing interests of American banks to take over what they realized to be a lucrative market. The sale of ocean passage tickets was an essential element to penetrate this market and as a consequence an intense struggle for the acquisition of the steamship companies agencies broke out.

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