



HAGER & BRO., INC.

The oldest Department Store in America operating continuously on the same site, and under the same family name, management, and ownership.

Christopher Hager opened his general store in 1821. One of his earliest advertisements appeared in the "Lancaster Gazette and Farmers' Register," Tuesday, October 9, 1821.

FRESH FALL GOODS

C. HAGER & CO.

Respectfully inform their friends and the public that they have lately received

A general and extensive assortment of Dry Goods,

Adapted to the approaching season, which, together with a good assortment of

Queensware and Groceries,

They are now offering at the most reduced price at their store, corner of the market formerly occupied by David R. Barton."

Four times a year, Mr. Hager went to Philadelphia market to purchase stock for his store. He frequently bought quantity lots of merchandise at auctions, making some remarkable purchases of this sort. One, a full cargo of coffee, drenched, but not damaged by sea water, was quickly sold out to Lancaster's frugal housewives. Another special purchase resulted in a hundred hogsheads of molasses strung along the curb of West King Street for half a square.

The custom of always making payments in gold established unlimited credit for the young merchant. Although Lancaster was a stage town, filled with bustle and activity, there were few banks in the early days of Hager's Store. Purchase terms of credit were six months, with the privilege of an additional six months. Folks settled their bills in cash, usually on April 1, after the crops were sold. Hager's became a popular meeting place for people making settlement. Christopher Hager's reputation as a sound businessman grew. Farmers began to invest their cash surplus on

CHRISTOPHER HAGER



settlement day with him, instead of taking it to a bank.

In 1821, when the Hager Store was founded, Lancaster's population was about 8,000 of Pennsylvania's 1,000,000 and the United States' 10,000,000. The town had grown by only a few hundred souls when, in 1840, Mr. Hager took his fourteen year old son, John C., into the store.

While the population had grown slowly, a large number of business enterprises had sprung up in Lancaster. The railroad came to town in 1834, cutting the travel time between Philadelphia and Lancaster to a mere eight hours. Business was bound to be brisk when produce could be sent out and merchandise brought in so swiftly. Among the shops making the goods they offered for sale were tinsmiths, cobblers, tailors, gunsmiths, coachmakers, and cabinetmakers. General stores carried groceries and dry goods. In addition to these, taverns, printers, bookstores and druggists lined King Street for two blocks on either side of the Square, and Queen Street for three blocks North. The first block of South Queen was occupied by professional offices. Among the attorneys was Thaddeus Stevens. Senator James Buchanan's office was in the old Hager home on East King at Christian Street. While most of the doctors were on South Queen Street's "Professional Row," the name "Atlee," still prominent in medicine, was then to be found on East King Street.

In the midst of a host of competitors (dozens of stores opened in this period, many of them lasting scarcely any time), Christopher Hager's sound policies and good judgment built a soundly established business which came unscathed through the Depression of 1837. A quality-conscious businessman, he attracted quality trade. Young John C. was to see an increasing number of carriages waiting before his father's store while the ladies shopped for fine woolens, silk Swiss, muslin, shawls, and trimmings. In 1846, when only twenty years of age, John C. Hager joined his

father in the management of the store, which now became C. Hager & Son.

Shortly thereafter, no doubt at the younger man's urging, the store was greatly expanded, groceries were no longer stocked, dry goods and men's clothing became the principal lines.

Christopher Hager's trust in the youth's business acumen was so great that he retired from the mercantile firm in 1848, to become President of the Farmers Bank. For twenty years he served his community in civic and charitable enterprises. He bought the land and built the Fulton Opera House. He was a trustee of Franklin & Marshall College, and a member of the Building Committee when the first college buildings were erected on the present site. He brought the Farmers Bank through the difficult financial period of the Civil War. Christopher Hager's great interest in Lancaster's growth made him a leader in the effort that brought the Cotton Mill and Locomotive Works to the city. A mark of the respect which this energetic man earned from his fellow citizens, was his election as Treasurer of Lancaster County on the Whig ticket.

In the decade 1840-50, while John C. was so profoundly influencing the Hager Store, far-reaching changes were taking place in Lancaster County. The tide of the Industrial Revolution reached this land so rich in natural resources, increasing the population by 50%, to 12,369 persons in the city alone. Until now, most farm work was done by hand. While horses pulled the plow and wagon, planting, cultivating, and reaping were entirely hand operations. In the '40's, steel replaced wood and iron, and horse-drawn machinery came into use. In addition to abundant harvests, the soil of the county yielded timber, coal, limestone, and iron ore. Furnaces and forges dotted the countryside. The new Conestoga and Susquehanna Navigation Canal provided easy access to Baltimore markets. With stages in all directions connecting cities not reached by canals and railroads, Lancaster became a thriving center of commerce.

In 1853, two more of Christopher's sons, Charles F. and Henry W., joined John C. to form Hager and Brothers. Henry served in the Civil War, and died shortly thereafter, while Postmaster of Lancaster City. Charles became the Hager Store's first buyer. "Boss Charlie," as he was called by his fellow workers, combined ability and integrity to make him countless friends at home and abroad, an important factor in the expansion of the business.

Walter C. Hager, Charles' son, became a partner in the firm about 1885. He was followed by John's son, William H. Hager in 1889. These two young men worked closely with their fathers, learning every facet of the business. During this last quarter of the century, as a result of increased manufacturing activity, an amazing assortment of merchandise came on the market. Hager's began stocking miscellaneous items in addition to dry goods and men's clothing. About 1890, the store became department conscious. From that time, goods were segregated, buyers were increasingly employed for individual departments or groups of departments, and profits or losses were figured by departments. In this era New York moved ahead of Philadelphia as a source for a wider variety of merchandise, more closely attuned to world marketing opportunities.

Until 1895, April 1 remained annual settlement day in Lancaster. In

that year, the credit period was shortened to 90 days. This led to greater use of conventional banking facilities, both by farmers who used to invest their surplus on April 1 with Hager's, and by Hager's themselves. If a customer, instead of having a surplus, could not meet his bills, he now borrowed from the bank, rather than carry his obligations "on the book" for a year.

The shape of a modern business was imprinted on the Hager Store when, in 1897, the firm suffered the great loss of both senior members. Because of John C's failing health, William had been carrying an increasingly large share of business management. In 1898, he and his cousin, Walter, reorganized and continued the business as Hager & Brother. Mr. Walter Hager, a genial man of artistic nature, was in charge of the home furnishing departments of the store. W. H. Hager was President and General Merchandise Manager. His great energy and ability as a merchant made him a well known figure in department store circles throughout the country. He was a founder and director of the National Retail Dry Goods Association, and the first President and founder of the Pennsylvania Retailers Association. Active in college, civic and church circles, he became one of the leading laymen of the United Lutheran Church in America. If it had not been for his energy and vision, the Hager Store would have closed with the nineteenth century. In 1911 he erected the present five-story building on King Street, and in 1925, the newest additional structure extending to the corner of Grant and Market Streets. These members of the third generation involved in the operation of the store increased the business volume fourfold before the fourth generation came into the partnership in 1920.



Hager & Bro. at the turn of the century

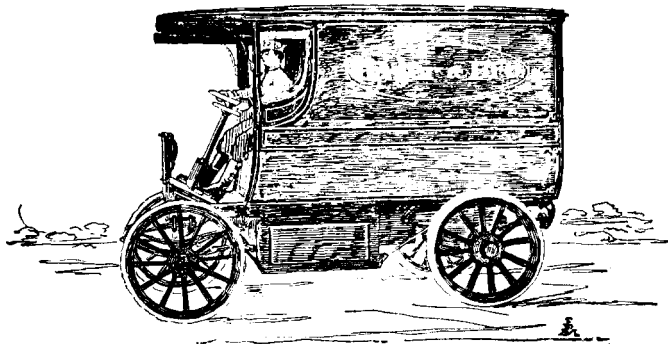
Edward T. Hager, son of William H., became a member of the firm of Hager & Brother in 1920. In 1921 his brother, William H., Jr., joined him. In 1926, the firm incorporated, becoming Hager & Bro., Inc. In the years following Walter C. Hager's death in 1930. William brought his three younger sons, Nathaniel E., John C., 3rd., and Redmond C., into the business. Edward T. succeeded his father as President of the Hager Store in 1939, which post he filled with distinction until his resignation, shortly before his death in 1956.

Under Edward's gifted leadership, the close-working unit of five brothers quadrupled the volume of business by applying in modern interpretation the sound principles passed on to them by their father. These men, as was traditional with C. Hager's descendants, continued to endorse and support civic, social, business and charitable enterprises designed to improve the community into which the family had grown deep roots.

With Wm. H. Hager, Jr., succeeding Edward T. as President, four brothers of the fourth generation are expanding the business, while they are teaching two members of the fifth generation to assume merchants' responsibilities. Wm. H. Hager, III, son of Wm. H., Jr., became a member of the Corporation in 1953. John R., son of John C., 3rd. came into the store in 1953.

There are interesting contrasts and similarities between the facilities and services C. Hager was able to offer and those available at Hager's today.

While, in 1914, the credit period was cut to 30 days, modern credit practices have grown to resemble the generous yearly settlement allowed by C. Hager. Today, Hager's offers five systems of credit. There are the Thirty-Day-Charge and Revolving Credit Plans. There is the Four Payments in 90 Days Plan, with no carrying charge. The Layaway Plan requires a deposit of 10%, with the balance in 30 days. Finally, there is the Lease, or Installment Plan, with a year or more to pay.



The Delivery Department has grown from a single wagon, with horses stabled behind the store, through the earliest models of motor vehicles, including one elegant battery-driven truck, to a fleet of seven modern delivery trucks.

In the late 1870's, John C. Hager joined 37 other progressive Lan-

castrians to form a telephone company. One operator, who also served as lineman, was on duty at the telephone exchange from seven A.M. to seven P.M. There was no service at night. In the early 1900's a young girl was employed to answer Hager's two phones (one for each of the then existing companies), and to run messages through the store. Today, Hager's operator handles one of the busiest switchboards in Lancaster, helping customers to shop without leaving their homes. Hager's own exchange makes possible calls within the store, without the service of an operator.

For half its history, Hager's store had only one Buyer. Today it is staffed with 30 skilled Buyers, who make frequent trips to the New York, Chicago and California Markets. Since 1921, Hager's has been a member of a New York buying syndicate. At present, the store is affiliated with Arkwright, Inc., with offices in New York, Chicago, Los Angeles, London, and Paris. The combined purchasing power of Arkwright's member stores is almost a billion dollars a year. Hager's, through Arkwright, can buy on the lowest price basis, and is able to compete in price with anyone in the retail distribution field.

It is a far cry from the Conestoga wagon bringing merchandise from Philadelphia in three days, to the ten wheel trailer trucks, the fast express trains, and the air freighers bringing merchandise from all parts of the world to Hagers. A far cry, too, from the ladies' carriages tied to the hitching posts before C. Hager & Co., to the streamlined automobiles left at Hager's Pigeon Hole, to be lifted on elevators and tucked safely in one of the 240 berths of the ten level parking garage.

There is no doubt that the four small boys, one fifth and three sixth generation Hagers who helped break ground for the Pigeon Hole, will complete the helicopter landing field on top of the parking building. Quite possibly, they will use it each day when they come to work.

M. JANE DOWD

SOURCES

- "Lancaster's Golden Century," by Dr. H. M. J. Klein
"Lancaster County 1841-1941," by Frederic Shriver Klein
"An Old Store Still Young," by N. S. B., Gras of Harvard University, Pub. in Bulletin of Business Historical Society, Inc., June, 1940.