

Company Store: The Hearst Mercantile, 1879-1942

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In 1877, one year after George A. Custer was defeated on the bluffs above the Little Bighorn River, George Hearst, a mining venturer from San Francisco, traveled to the Black Hills of Dakota Territory. Tall and lanky, with a chest-long beard, the man literally had the ability to smell out gold and silver deposits, or so his fellow miners and speculators whispered. He was making this trip, however, because he had not always relied on those well-known instincts. Trusting the advice of others several years before, he had lost nearly his entire fortune and been forced to sell even his wife's carriage and horses. This time he would be shrewder with his investments, checking them out himself.¹

With Custer's reports of gold in 1874, the Black Hills had come alive with panners and sluice boxes. In 1876, an associate had excitedly wired Hearst about a mine high in a gorge. A year later when Hearst reached the small mine that had been chiseled into a wall of quartzite and supported by roughly cut timbers, the sight interested him so much that he immediately made arrangements to purchase the claim for himself and his partners.² The mine became known as the Homestake, and, due greatly to its success, George

1. Mildred Fielder, *The Treasure of Homestake Gold* (Aberdeen, S.Dak.: North Plains Press, 1970), p. 39; W. A. Swanberg, *Citizen Hearst: A Biography of William Randolph Hearst* (New York: Charles Scribner's Sons, 1961), pp. 12-13; Oliver Carlson and Ernest Sutherland Bates, *Hearst, Lord of San Simeon* (New York: Viking Press, 1936), p. 10; Joseph H. Cash, *Working the Homestake* (Ames: Iowa State University Press, 1973), p. 18.

2. Fielder, *Treasure of Homestake Gold*, p. 45.

Hearst and his family would never have to worry about money again. The Homestake Mining Company, operating what would eventually become the largest gold mine in the Americas, made Hearst a rich man and his family's name a household word. It also produced one of the most famed company stores of the period.

Because of the Homestake's isolated location, Hearst immediately had difficulties getting the equipment needed to operate the mine and equip his miners. To make matters worse, the mining camp of Lead (pronounced Leed), which had sprung up around the mine, had no retail outlets to speak of. The Black Hills, still a distant region of the country, were accessible only by a few trails that led to the gold-rich mountains from the more populated regions of the country. For example, eighty ore-crushing mill stamps, weighing seven hundred fifty pounds apiece, had to be hauled by ox team from the nearest railhead, which at that time was in Sidney, Nebraska—nearly three hundred miles away. For the mine to operate at peak efficiency, a solution had to be found. In 1879, two years after Hearst first visited the Homestake, he directed the construction of a store that would put an end to shortages. Two years later, he authorized the creation of a company railroad.³

The store, when it opened for business in April of 1879, was not a typical western retail outlet or, for that matter, a late nineteenth century company store. Unlike the wooden-frame structures of the mining towns of the West, the store was made of brick, like the buildings of Hearst's San Francisco. Built not only to last but also to make an impression on the new town of Lead, the store would furnish the Homestake and its miners with anything and everything. In typical Hearst fashion, nothing was too big—not even a brick mining store in a shanty town in the middle of practically nowhere. The original dimensions of the store—fifty feet by one hundred feet—were huge by the standards of the day. With a basement and two stories above ground, it was the largest building of its kind in the area. To the people of Lead, who watched its construction from the firing of the first bricks next to the building site to its opening, it became known as the "Brick Store."⁴

3. William Bronson and T. H. Watkins, *Homestake: The Centennial History of America's Greatest Gold Mine* (San Francisco: Homestake Mining Co., 1977), pp. 31, 34, 46; Donald Toms, William J. Stone, and Gretchen Motchenbacher, eds., *The Gold Belt Cities: Lead & Homestake: A Photographic History* (Lead, S.Dak.: G.O.L.D. Unlimited, 1988), p. 84; Fielder, *Treasure of Homestake Gold*, pp. 106-7.

4. *Lead Daily Call*, Special Edition, 17 May 1953; Joseph H. Cash, "A History of Lead, South Dakota, 1876-1900," *South Dakota Historical Collections* 34 (1968): 67-68; Fielder, *Treasure of Homestake Gold*, p. 97.



Miners like these, photographed by W. R. Cross, patronized the Hearst Mercantile in the 1890s.

Carrying practically everything a person could want and more, the store provided an oasis for the rugged miners and their families. Boots, dynamite, dry goods, groceries, hats, shoes, ladies clothing, toys, furniture, carpets, draperies, and even buggies were part of the inventory. Its magnitude allowed it to act as a wholesaler to smaller retail outlets that began springing up as the area became

settled.⁵ An 1894 store advertisement on the front page of a local paper stated the situation simply, "Everything at the Big Brick Store."⁶

Operated by a Hearst representative named Thomas James, the store originally carried his name, but the watchful eye of the Homestake manager was also upon it. After a booming immediate success, the store began to falter financially in the mid-1880s, and Homestake manager Samuel McMaster wrote Hearst, asking that he investigate its finances. The problem could not be a lack of business at the Brick Store. After all, it was the only one of its type in the area, and Homestake employees were allowed to charge their goods interest free. James and several of his cronies appeared to be mismanaging the enterprise. Hearst dispatched a representative from San Francisco to investigate the situation. According to one story, a comical example of the pitfalls of management from a distance followed. The Hearst investigator arrived in Lead after a long, wearisome journey, whereupon James greeted him with a stiff drink to clear the dust from his throat. One drink led to another and finally to a party, with the representative failing to complete the intended investigation. The scenario repeated itself with several different investigators before Hearst caught on and sent a final representative, a teetotaler. James and his associates were tossed out of the store, and it was renamed the Hearst Mercantile.⁷

As the Homestake continued to grow, bringing Hearst millions of dollars, so did the store, eventually expanding in size until it covered nearly an acre. In 1888, Hearst took another giant step. Nine years before, Thomas Edison had invented the incandescent lamp and had just completed the development of a dynamo that would generate electricity for the lamp. The town of Lead lived in darkness every time the sun set, and underground the miners of the Homestake went about their daily work by candlelight. Hearst saw that Edison's lamps would benefit the operation and efficiency of not only the mine but also the town. Although the invention was considered risky at the time, Hearst quickly ordered a dynamo with sixteen lights from Edison and had it placed in the Brick Store. On Christmas Eve, the switch was turned on, and a warm glow lit the inside of the Hearst Mercantile, radiating out through the windows. With the lamps' success, Hearst ordered additional dynamos to light the stamp mills of the Homestake.⁸

5. Cash, *Working the Homestake*, pp. 62-63.

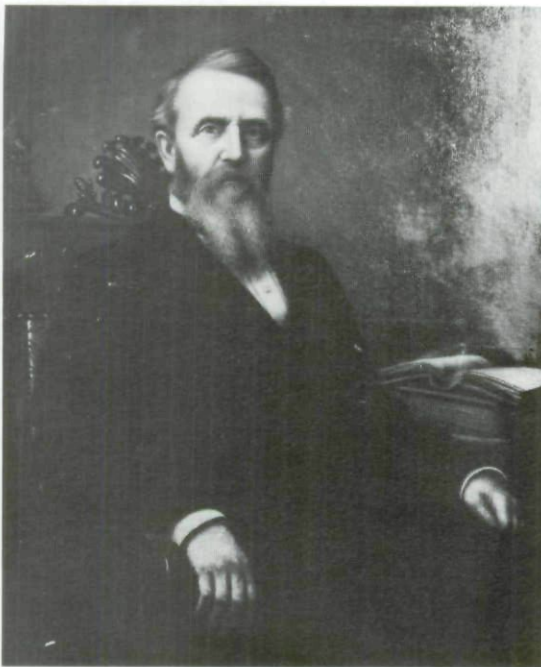
6. *Lead Evening Call*, 3 Aug. 1894.

7. Cash, *Working the Homestake*, pp. 62-63; Fielder, *Treasure of Homestake Gold*, pp. 129-30.

8. Fielder, *Treasure of Homestake Gold*, pp. 145-46.

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Although Homestake and his other mining investments, such as the Anaconda in Montana, were making him a wealthy man, Hearst turned his attention to politics and in 1887 was elected to the United States Senate from California. Prior to his election, Hearst offered his only child managership of the Homestake and the Hearst Mercantile after the young man was kicked out of Harvard for a never-ending series of pranks. William Randolph Hearst, known both affectionately and with revulsion as Willie (depending upon whether



By the 1880s, the Homestake Mining Company and similar investments had made founder George Hearst a wealthy man.

you were his mother or his schoolteacher), refused. He wanted to pursue a career in journalism. George Hearst, even though he thought the business unlikely to make any real money, finally capitulated, turning over to Willie the *San Francisco Examiner*, a paper that the elder Hearst had purchased as a political organ. It was a move that launched one of the most famous, although at times questionable, newspaper careers in American history.⁹

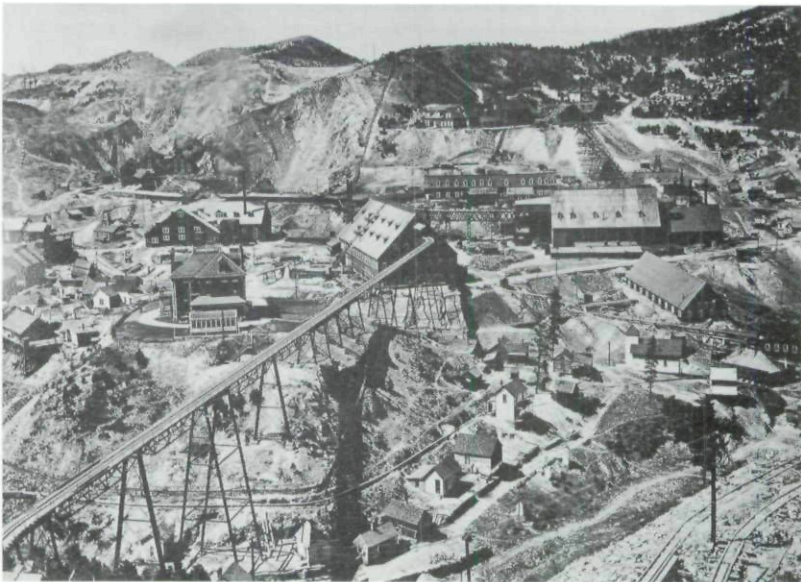
9. Carlson and Bates, *Hearst, Lord of San Simeon*, pp. 24-25, 32-33, 43, 47; Swanberg, *Citizen Hearst*, pp. 22, 33-37.

The late 1880s and early 1890s were a busy time for the Black Hills. South Dakota achieved statehood in 1889, the Populist party was gaining momentum on the plains amid cries for a silver-backed economy, and Sitting Bull was killed during an arrest attempt in December 1890—triggering the massacre at Wounded Knee two weeks later. Lead and the neighboring mining camp of Deadwood were becoming settled, with wooden-frame houses replacing the tents and miners' shacks of a decade before, and the Hearst Mercantile was building an addition. Six-shooters and knives began to disappear from the streets of the two mining towns, but the restless, rough-and-tumble nature of residents continued.¹⁰

In March of 1891, after being ill for several months, seventy-year-old George Hearst slipped into death. He turned over his entire fortune, including his holdings in the Homestake and the Hearst Mer-

10. Bob Lee, ed., *Gold, Gals, Guns, Guts* (Deadwood and Lead, S.Dak.: Deadwood-Lead '76 Centennial, Inc., 1976), p. 142. Not until 1979 and 1980 did South Dakota law-enforcement officials forcibly close the Deadwood brothels, the last vestige of the gold rush of the 1870s.

W. R. Cross photographed the Homestake mine, which occupied a prominent place in both the scenery of the town of Lead and the lives of its residents in the 1890s.



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cantile, to his young wife. Phoebe Apperson Hearst approached her new, independent wealth differently than her late husband had. Except for a continuous stream of loans to her son that ranged in the millions, she spent over \$21 million on social causes and issues of interest to her, quickly becoming known throughout the nation as a philanthropist. The Hearst Mercantile and the town of Lead became the focal point of much of her interest. A former Missouri schoolteacher, she was especially interested in education.¹¹



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causes.*

Knowing that miners of many nationalities lived in Lead and that education and exposure to the world in the isolated town were limited, Hearst wanted to enlarge the knowledge of the community,

11. Fielder, *Treasure of Homestake Gold*, p. 152; Swanberg, *Citizen Hearst*, pp. 61-62, 75, 321; *Lead Daily Call*, Souvenir Edition, 1 Jan. 1905. Phoebe Hearst had a special fondness for kindergartens, providing financial support for the Hearst Free Kindergarten in Lead as well as kindergartens in Montana and California.

particularly the children. On Christmas Day 1894, she presented the citizens of Lead with a special gift that is still in use today—a library. In true Hearst fashion, it was not just a library composed of a few classics, which was common in the small towns of that period, but a library of two thousand volumes on every topic imaginable. It was Hearst's way of saying thank you to the residents of Lead. Originally located at the miner's union hall, it moved in July 1896 to the Hearst Mercantile, where it became known as the Hearst Free Library. Walls of shelves housed the books, while bulky newspaper and magazine racks competed for space with huge oak library tables and wire-backed chairs. For the isolated citizens of Lead, the library subscribed to eighty-one different magazines and newspapers, many in the native languages of the miners, including Italian, Slavic, Finnish, Swedish, and Lithuanian. The library, like the store, became instantly popular, and residents pored over its contents amid coal stoves and low-wattage Edison light bulbs.¹²

In presenting the library, Hearst made a stipulation, one that may now seem odd but upon closer examination shows her concern for the people of Lead. She required that music recitals be held in the library frequently. Hearst, who loved music, could find no better way to wrap her Christmas gift than with a note or two of the popular music from the period. So, added to the books and newspapers and the dim lights of the upper levels of the Hearst Mercantile were violins and voices in song. All in a community whose population had just reached three thousand.¹³

In 1897, Phoebe Hearst paid twenty-seven thousand dollars for another addition to the Brick Store. The basement and part of the first floor of the expansion held the store. The rest of the ground floor contained the new Lead post office, and the upper level housed the library. A local paper reported that the post office was doing a larger money-order business than any other post office for a city of that size, with an average of twenty-five orders sent out daily. The library, which had grown to twenty-five hundred volumes, averaged one hundred sixty patrons a day during 1897.¹⁴

12. Marion Bedsaul, "History of the Homestake Library," 8 Jan. 1968, pp. 1, 3-4, Phoebe Apperson Hearst Library, Lead, S.Dak. (Bedsaul was librarian from 1967 to 1978); Cash, *Working the Homestake*, p. 71; Toms, Stone, and Motchenbacher, *Gold Belt Cities*, p. 45.

13. Cash, *Working the Homestake*, pp. 71-72. Hearst supported the library until her death. Later, the Homestake Mining Company provided the necessary funding when the Hearst estate refused to continue its support. *Lead Daily Call*, Special Edition, 17 May 1953.

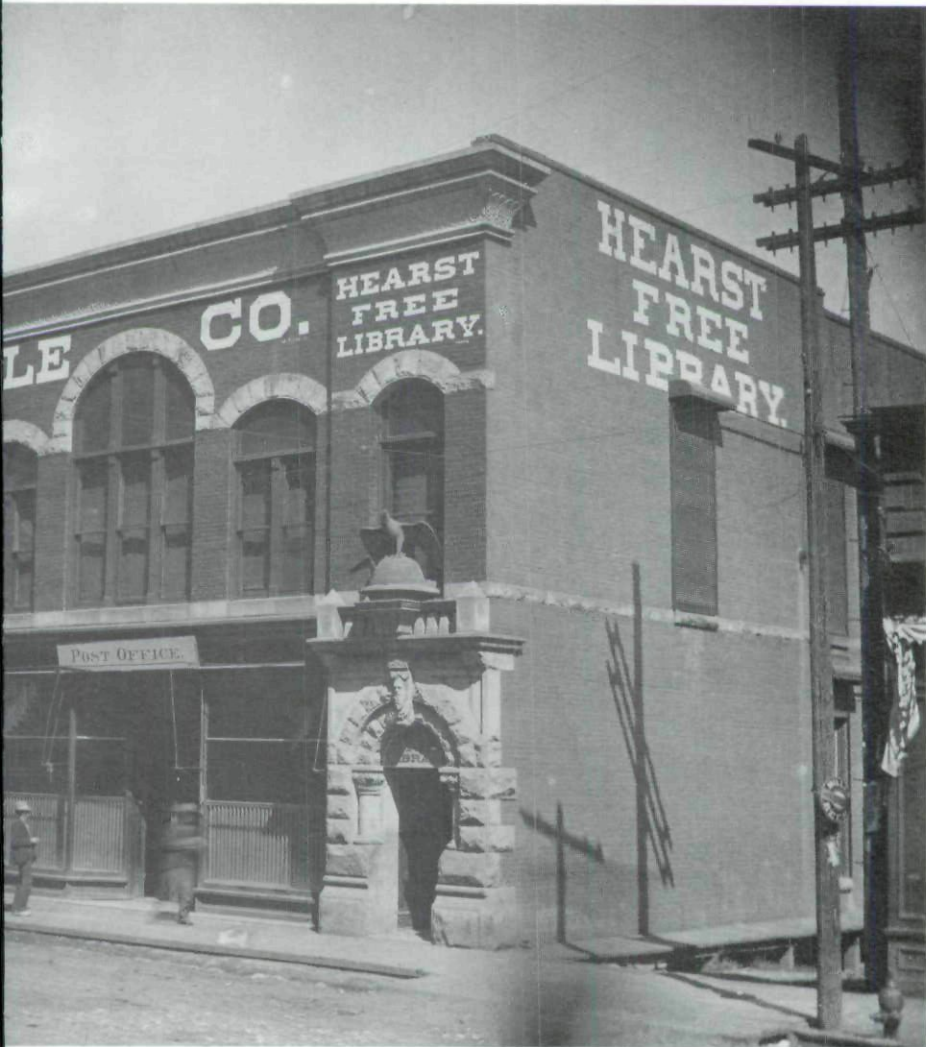
14. Lee, *Gold, Gals, Guns, Guts*, p. 166.

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After its expansion in 1897, the Brick Store on North Mill Street housed the Hearst Free Library and the Lead post office in addition to an enlarged department store section.



Lead, built of crowded, wooden-frame buildings of sap-drenched spruce and pine, was constantly in danger of fire. Even today, whenever the fire whistle blows, residents shudder with thoughts of previous blazes, the biggest of which occurred on 8 March 1900 and became known as the Great Lead Fire. Swept by mountain winds,



the March fire turned Lead's commercial district into an inferno. As the blaze jumped out of control, roaring from building to building, Hearst Mercantile employees formed a ring around the store, dousing and fighting back flames that crept close. While powder stocks from mining supply stores exploded and huge flames caused



Sales clerks await customers in the millinery section of the Big Brick Store during its 1897 spring opening.

Stacks of men's clothing fill tables and shelves in the Hearst Mercantile of the 1890s.



by the ignition of several saloons lapped into the streets, employees carried the finer merchandise from the Mercantile to the fireproof vaults of the Homestake. The next day, as fires still smoldered, one quarter of Lead's commercial district lay in ash. Shops, saloons, houses, and businesses in a four-block area were obliterated. Amid toppled walls and smoldering beams, the Hearst Mercantile continued to stand, thanks to its employees and the fire department that had moved into the lower level of the store after its expansion. Except for smoke damage, the building was unscathed, and the library's priceless volumes had been saved so that the following year Phoebe Hearst could personally visit her gift to the city of Lead.¹⁵

In April 1919, Phoebe Hearst succumbed to the great influenza epidemic and died at Hacienda del Pozo de Verona, thirty miles southeast of San Francisco. Lead, the Hearst Mercantile, and the Homestake mine closed to mourn her death. The majority of her interest in the Homestake was put into trusteeship. William Hearst, who by then had built a massive newspaper and magazine empire with the help of loans from his mother, ultimately received ten thousand shares of Homestake stock and the ownership of the Hearst Mercantile.¹⁶ The role of the Hearst family in Lead would soon change and so would the store.

In the early 1920s, much of the business district, including North Mill Street where the Hearst Mercantile was located, started to settle and was in danger of collapse. The business district had been built near the huge open-cut mine of the Homestake, and the millions of tons of rock that had been removed from the stopes that funneled the ore to the mill had never been replaced. The timbers supporting the stopes and passageways that zigzagged underneath Lead were starting to rot, and the town was beginning to feel the effect. The rapid drop in elevation in the commercial district could literally be measured in feet. Many businesses were closed and torn down, while others were relocated down the hill in Deadwood. The Hearst Mercantile Company decided to build a new store several blocks west of the original site—on a Main Street hill that was safe from slippage. However, one small item stood in the way. The Episcopal church had been built of brick several years before on the site of what was now Homestake Mining Company property. In a prearranged agreement, the Homestake had the church dismantled brick by brick and rebuilt a few blocks farther up the street.¹⁷

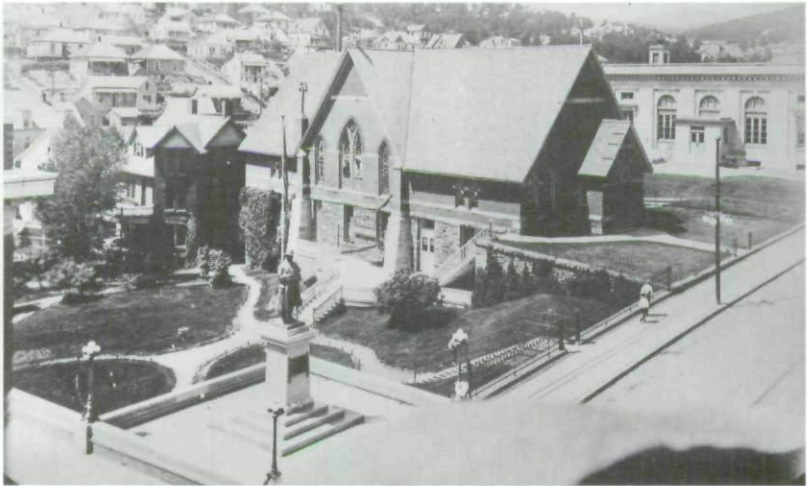
15. *Lead Daily Call*, 5 Mar. 1950; Fielder, *Treasure of Homestake Gold*, pp. 164-65.

16. Swanberg, *Citizen Hearst*, pp. 75, 321; Bronson and Watkins, *Homestake*, pp. 59, 62; Carlson and Bates, *Hearst, Lord of San Simeon*, p. 297.

17. Cash, *Working the Homestake*, p. 61; Lee, *Gold, Gals, Guns, Guts*, p. 240; *Black Hills Weekly*, 13 Jan. 1971.

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In September 1921, as it neared completion, the new Hearst Mercantile slowly began to open, department by department. In January 1922, as winter chilled the streets of Lead and the surrounding mountains, Cecile B. DeMille's movie *The Forbidden Fruit* was playing at the Homestake Opera House, William Hearst was courting the idea of running for governor of New York, and the local paper bounced against the ice-covered doors of Lead, announcing the new departments of the Hearst. A shoe repair shop, a record and pho-



Settling ground forced the Hearst Mercantile to relocate in 1921. The new store was built on the site of the Episcopal church, shown here, which was dismantled and rebuilt in a new location.

nograph department with a "talking machine booth" where customers could try out the latest releases, a meat department, a bakery, a grocery store, a men's wear department featuring the new six-button Eagle shirts, a ladies' wear and millinery department, hardware and appliance departments, a furniture department, and a watch repair and jewelry department lined the inner walls of the Hearst. The store, which was made of brick like its predecessor, was 160 by 130 feet and consisted of four stories—two above ground and two below the street level—making it the largest department store

in South Dakota.¹⁸ However, since there were now other brick stores in Lead, the new Hearst Mercantile became known simply as the Hearst.

Besides being a department store, the Hearst also housed the corporate offices of the Homestake Corporation, which were adjacent to the Hearst's accounting department on the street level. On the upper floor, the Homestake law firm of Chambers Kellar was located along the west wall. Kellar, a fervent hunter, had his collection of



*Newspaper magnate
William Randolph
Hearst acquired
ownership of the
Hearst Mercantile
Company following
the death of his
mother.*

big game trophies spread throughout the rows of law books and tables with zebra-skin chairs. The lower two levels of the Hearst, which were visible only from the alley that ran behind the store at the bottom of the hill, contained a bakery, a window-making room, cavernous storage rooms, a plumbing shop, and loading docks for

18. *Lead Daily Call*, 26 Sept. 1921, 23, 31 Jan., 2 Feb. 1922; Swanberg, *Citizen Hearst*, p. 340; Toms, Stone, Motchenbacher, *Gold Belt Cities*, p. 84.

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delivery trucks. A warehouse directly behind the building held a mountain of coal, which the store sold by the ton.¹⁹

The new Hearst Mercantile carried goods popular with the ethnic makeup of the mining community. Yearly, the narrow-gauge train that ran between Deadwood and Lead carried up boxcars of zinfandel grapes so that the immigrant miners could make homemade wine, much as they had in Italy or other European homelands. Since wine presses were in short supply, fishing boots were often scrubbed clean and used to stomp the juice from the grapes. Processed in the fall, the wine was ready by Christmas. The narrow gauge discontinued operation in 1928, and faster, more reliable trucks took over delivery of grapes, as well as other goods.²⁰

Built in the spirit of the old Brick Store, the new Hearst added even more goods and services to meet the demands of the American consumer of the 1920s. The only feature missing was the Hearst Free Library. In 1914, the mining company had constructed the Homestake Recreation Building, and the library and its impressive collection had moved into the building's second floor. Had it not moved, the library would have been out of place in the new Hearst Mercantile. Unlike its predecessor, the new building was not designed to be a community center—it was all business.²¹ The Hearst was, in certain respects, a forerunner of the modern shopping mall, a true provider of "one-stop shopping." It was more than just a department store in a bustling mining town. As one Lead resident said years later, "It was downtown."²² However, unlike many of the shopping malls of today, with independent stores lining concrete corridors, the departments of the new Hearst were designed to work together to benefit the whole.

The front of the building consisted of a row of huge, ever-changing display windows that faced the main street. These windows featured items that had been advertised the day before in the local newspaper with encouragements of "see our show room window."²³ At Christmas, the windows contained massive displays of toys. Inside, the watch repair department was across from the men's wear department. To get to the grocery department, you had to pass the cos-

19. Interview with Richard Furze, 10 Oct. 1985, Spearfish, S.Dak.; interview with Ted Pascoe, 16 Oct. 1985, Lead, S.Dak.

20. Interview with Pascoe; Fielder, *Treasure of Homestake Gold*, pp. 255, 290.

21. *Lead and the Homestake Mine, Black Hills, South Dakota* (n.p., n.d.), Vertical Files, s.v. "Lead," State Archives, South Dakota State Historical Society, Pierre, S.Dak.; Bronson and Watkins, *Homestake*, pp. 56-57.

22. Interview with Elizabeth Lacy, 16 Oct. 1985, Lead, S.Dak.

23. *Lead Daily Call*, 31 Aug. 1922.



Perhaps the most eye-catching feature of the new Hearst Mercantile was the large "show room" windows that displayed an ever-changing array of goods.

metics department. A bank of free telephones stood adjacent to the grocery department and were commonly used by children, who would call their mothers after school to let them know what they were doing and ask if they needed groceries brought home. Of course, as a child leaned impatiently against the wall of telephones trying to memorize the grocery list, he or she could not help but notice the candy department.²⁴

Getting to the ladies' wear department was, in itself, a major battle against the temptation of spontaneous buying. First, one had to pass all of the departments on the street level, including the appliance department with its popular Maytag washers, and climb the wide, squeaky wooden stairway to the top floor. There, a woman could find many of the latest clothing fashions purchased in New York by the Hearst buyers or watch new styles of hats being made by the Hearst's own milliner. If preschool children were in tow, keeping them at one's side was not a worry. The toy department, with

24. Interview with Richard Furze, 10 Oct. 1985, Spearfish, S.Dak.; interview with Pascoe. Pascoe worked in the hardware and furniture departments of the Hearst, and he sketched for the author a detailed diagram of the store and its departments.

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enough toys to keep a child's gaze busy for weeks, was directly across from ladies' wear. When the shopping was completed, the child could simply be retrieved from within the stacks of toys, which were located adjacent to the furniture department—a convenient place for a husband to sit and relax while waiting for his wife to finish shopping.²⁵

The Hearst's greatest lock on the shopper, though, came through the medium of exchange. If tempted by a new kitchen hutch or an "automatic" washer, a shopper did not have to worry about a dwindling supply of cash or a limited checking-account balance, he or she could simply charge it. In fact, according to Jimmy Cotton, who was the Hearst Mercantile's bookkeeper in the 1930s and early 1940s, ninety percent of the store's business was done on credit. If this method of delayed payment was not already attractive enough, the terms certainly were. All charges at the Hearst were interest free. Cotton said that the terms, combined with the goods the store carried, made the Hearst corporation over a million dollars per year while he was in charge of the accounting department. "They made a lot of money. Good money," Cotton recalled.²⁶

The Hearst's business practices were not accomplished without controversy, however. The same system that made the store a financial success often spurred distaste and, at times, hatred. Even today, one of the favorite jukebox hits at a Lead restaurant and lounge is "Sixteen Tons." Its chorus of "Saint Peter don't you call me 'cause I can't go—I owe my soul to the company store" is often recalled when residents talk about the Hearst.²⁷ While the Homestake did not pay its employees in script (a form of cash redeemable only at the company store) as many other mining companies of the period did, a miner could, upon showing his Homestake employment card, walk into the store and charge anything he needed—food and clothing for his family, a few toys for the children, work boots and gloves for the mine, and even a new kitchen appliance for his wife. When payday rolled around, the employee would walk into the Homestake offices in the Hearst building, be shown a balance of what he owed the store—minus his paycheck—and be given twenty dollars cash to pay any other bills he might have around town. The employee could then turn around and walk into the store and charge his food and supplies for the next month, only to have the process repeat

25. Interview with Lacy; interview with Esther Eklund, 16 Oct. 1985, Lead, S.Dak.; interview with Pascoe. Eklund worked in a variety of departments at the Hearst, including ladies' wear, millinery, and cosmetics.

26. Interview with Jimmy Cotton, 16 Oct. 1985, Lead, S.Dak.

27. "Sixteen Tons," Merle Travis, American Music, Inc., 1947.

itself at the end of the next pay period. Many new miners took advantage of the charge system, only to be "one month behind" for the rest of their lives.²⁸

The managers of the Hearst were well aware of the advantage of having the Homestake paymaster a door away in the same building. Big payday sales, advertised in the local paper, would feature such popular items as house dresses and furniture brought back from buying trips to major metropolitan areas.²⁹ The fact that the charge system was prejudicial added to workers' dislike of the store. If you were in management at Homestake, you did not have the same requirements that were attached to miners. According to Jimmy Cotton, "The big shots didn't have to sign an agreement turning their checks over, just the working people."³⁰ For those miners who appeared to be overcharging to a point where they would continue to fall deeper into debt instead of maintaining a monthly debit somewhere near the size of their paychecks, the Hearst would tighten the financial reins. A "no charge" ledger, much like the modern day credit-risk list, would be circulated among the store's clerks.³¹ To the Hearst, debt was not a problem, just as long as the debt was not too large.

Yet, it was also the Hearst that kept many fatherless families alive in the belief that, someday, a son or two would work in the mine, thus eventually paying off the debt. Richard Furze, who became a Lead city commissioner in 1946 and the community's municipal judge during the 1950s and 1960s, came from one such family. In 1920, his father joined hundreds of other miners in youthful death as the result of silicosis, a disease more commonly known as miner's consumption, caused by breathing in the sharp, dustlike fragments of the shiny quartz that yielded gold. "The people of Lead knew who the fatherless families were, and they took care of them," Furze said. The generosity of the Hearst, however, could be limited in comparison to that of other businesses in the bustling gold town. "When our mother would send one of us to a meat market to ask for a soup bone, they would make sure that there would be meat on the bone. When you went to the Hearst, all you got was the bone," Furze recalled. It took Furze and his family years to pay off the debt they owed to the Hearst, and when the day finally came, "It was like emancipation." Being "a cocky eighteen-year-old," Furze remem-

28. Bronson and Watkins, *Homestake*, pp. 55-56; interview with Cotton.

29. Interview with Eklund.

30. Interview with Cotton.

31. Interview with Pascoe.

bered, he walked into the store, down the hall to the Homestake paymaster, and demanded his check instead of going to the Hearst accountants to be shown his balance sheet. The paymaster walked back to the accountants, got him his check, and Furze paid off the final balance himself.³²

Generally, however, the memories of Furze and others—especially employees—are ones of fondness for the Hearst. Recollections of huge toy displays and trains going round and round in the display windows at Christmas, of listening to records by Fred Waring and Johnny Marvin in the record-demonstration booth, and of groceries being delivered twice per day, first by horse and buggy (horse and sleigh in the winter) and later by the fleet of Hearst delivery trucks, rest gently in their consciousness.³³ “I guess there is no such thing as bad memories,” said Furze.³⁴

Because of the charge system and the price of gold, the Hearst continued to thrive. Unlike much of the rest of the nation, particularly the corn and wheat regions of the Midwest, Lead did not feel the effects of the Great Depression and Dust Bowl of the thirties. Gold became an extremely stable investment amid faltering businesses and a crashing stock market, and Lead continued to prosper through the Homestake, its stock jumping from \$5.86 per share in 1928 to \$44.00 per share in 1935. People flocked to Lead with the hope of finding a job in the mine. Daily, a pool of the unemployed stood outside the offices of Homestake, waiting to fill the one or two jobs that were occasionally announced. With a Homestake employment card, they could charge food and clothing for their family at the Hearst and make it through the hard times.³⁵

Even though Homestake, Lead, and the Hearst Mercantile weathered the depression gracefully, Hearst himself fared poorly. Unlike his father, who was known for his keen mining instincts, and his mother, who was renowned for her generosity, William Randolph Hearst had become known for his excesses. A man who drank little, he was his own vice, buying anything that caught his eye. An admirer of castles since childhood, he maintained estates that dwarfed those of medieval lords. His holdings included the million-acre Mexican ranch of Babicora with its forty-eight thousand cattle; the 135-room Saint Donat's castle in Wales; the beach house at Santa Monica with over \$3 million in art and antiques; and the

32. Interview with Furze.

33. Ibid.; interview with Cotton.

34. Interview with Furze.

35. Carlson and Bates, *Hearst, Lord of San Simeon*, p. 283; Cash, *Working the Homestake*, p. 110.

estate of San Simeon with its 239,000 acres, its three guest "mansions," its zoo containing the largest private collection of wild animals in the country, and its ancient furnishings sent back from Hearst's worldwide buying tours. The price tag on San Simeon alone was estimated to be \$30 million. Collections of art and antiques and even an entire Spanish monastery were housed in crates in huge Hearst warehouses and never seen again after their initial purchase. Newspapers that lost money, Hollywood productions that went nowhere except to please his companion, actress Marion Davies, and repeated ventures into politics, including bids for Congress, the Senate, the governorship of New York, and even the presidency—all played a role in draining Hearst's fortunes. Like a wolf drags down a weakening bull elk, Hearst's personal excesses finally brought him low. In 1937, his entire publishing empire was turned over to a trust for consolidation and liquidation, much of it piece by piece, in order to cover his staggering debts. Hearst, now a man in his seventies, had his own salary cut from five hundred thousand to one hundred thousand dollars.³⁶

Ironically, as the Hearst family fortune finally stabilized and the great machines of America began to turn once again with the dawn of World War II, the future of the Hearst Mercantile began to dim. With the announcement of war, the United States government classified gold production as nonessential, meaning that all new gold production was to be reduced. The miners were to be moved to mining operations of strategic importance to the machines of war, such as copper and iron ore sites. As the war expanded, it became clearer and clearer that gold production would be completely curtailed. With the mine shut down, Lead would take on the appearance of a ghost town, and the Hearst Mercantile would not only be without its Homestake employee checks but without its customers, as well. Files of unpaid charge accounts would be left behind. The situation troubled Hearst managers and clerks who faced the prospect of locked doors and boarded-up display windows. The problem was resolved when fire once again struck Lead.³⁷

On 31 August 1942, the *Lead Daily Call* interrupted its front page coverage of Russia's efforts to hold Stalingrad to bring a story of greater magnitude to its readers. "FIRE GUTS THE HEARST MERCANTILE BUILDING," the headline blared in two-inch letters. The stories that followed recounted a fire just before noon that had started in the basement of the adjacent Seely Drug Store and spread into the

36. Swanberg, *Citizen Hearst*, pp. 207, 379, 407-8, 413-15, 452-53, 484-85, 493, 508.

37. Fielder, *Treasure of Homestake Gold*, pp. 330-31; interview with Cotton.

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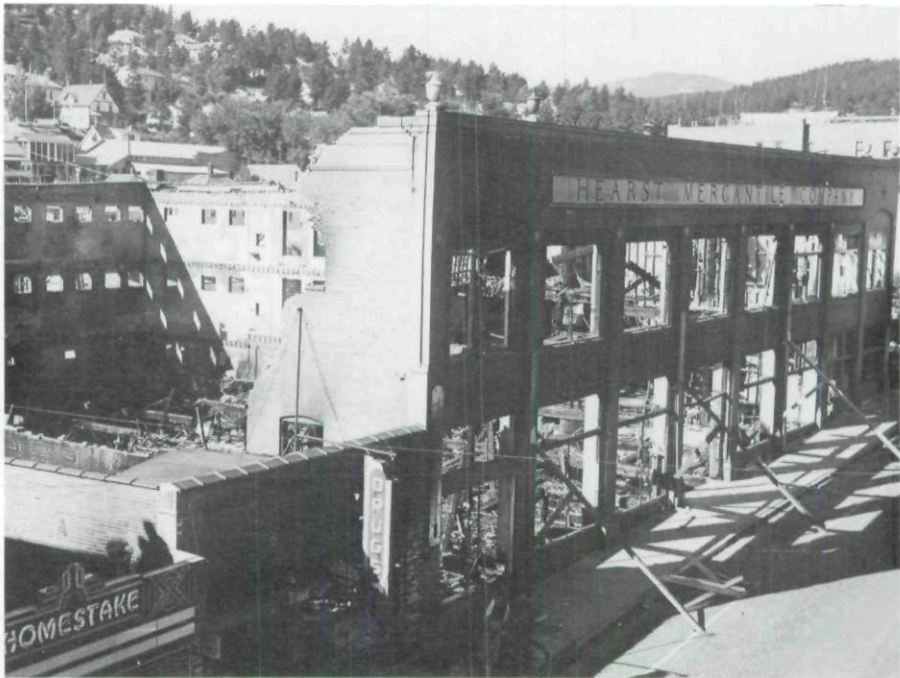
Spectators gather to watch firefighters battle the August 1942 blaze that consumed both the Hearst Mercantile building and the Seely Drug Store.

lower levels of the Hearst. Martin Osterhaus, a young pharmacist who had come to Lead during the depression, was manager of Seeley's and, according to a Hearst employee, had discovered the fire.³⁸ However, forty-three years later his account was different from the newspaper's on the day of the fire.

Smelling smoke and thinking that it was coming from a soda fountain motor that had previously given him trouble, Osterhaus went to the basement of the drugstore. He could smell smoke but could not see any sign of fire or smoke in the small basement. After he went back upstairs, the smell became stronger, and he returned to the basement again, where, this time, he saw a fire breaking through the wall from the Hearst. Osterhaus's efforts to inform the fire department were slowed when the trap door to the basement closed

38. *Lead Daily Call*, 31 Aug. 1942.

The destruction of the Hearst Mercantile left a void in the business district and marked the closing of the company-store era in Lead.



behind him—its only handle being on the upper side of the door. Luckily, a young boy who swept the floors of the drugstore had not yet left for lunch. Hearing calls for help, he freed Osterhaus, who suffered from smoke inhalation.³⁹

The Hearst, with its wooden beams and polished floors, made perfect fire tinder. Its square design gave it the appearance of a firebox, and the elevator, used for goods and produce, acted like a chimney. Fire and smoke spewed into the streets, threatening the commercial district and the adjacent Homestake Recreation Building, which held Phoebe Hearst's opera house and library. Ammunition stocks in the hardware department exploded, sending live rounds spinning into the streets.⁴⁰ Jimmy Cotton, who had returned to Lead from a vacation to see a pillar of smoke rising from the Hearst, rushed to the store and climbed through a side window, risking his life to retrieve the financial records and charge ledgers. "They never even said thank you," Cotton said quietly forty-three years later.⁴¹

When it was over, all that stood of the famous store were three broken walls. Gone were the display windows, the huge stocks of furniture and toys, and the collection of records and their demonstration booth. Except for the bakery oven in its fireproof walls, nothing remained of the Hearst but a charred hole.⁴² Ironically, the Lead paper carried a Hearst back-to-school advertisement on the same day it reported the fire. "Dressy shirts" for boys were being sold in the main-floor clothing department for ninety-eight cents, Big Chief tablets were four and eight cents from the school supply department, and ribbons and anklets could be found for twelve cents in the second-floor dry goods department—all in a building without walls or ceilings.⁴³

The store was never rebuilt, and the void it left in Lead was never filled. The newspapers reported that wartime shortages prevented the store from being rebuilt or restocked in another location. Other sources suggested that the closing of Homestake during the war made reopening an impossibility. Still others whispered that the Hearst Mercantile had been torched for its insurance value.⁴⁴ One

39. Interview with Martin Osterhaus, 30 Nov. 1985, Mitchell, S.Dak. Osterhaus continued his pharmacy practice in Mitchell and later became the community's mayor.

40. *Lead Daily Call*, 31 Aug. 1942. On 2 April 1984, fire once again struck Lead, gutting the opera house. The majority of the library's books, including Hearst's original contributions, were saved when Lead residents rushed into the building and carried them out.

41. Interview with Cotton.

42. Fielder, *Treasure of Homestake Gold*, p. 331; interview with Pascoe.

43. *Lead Daily Call*, 31 Aug. 1942.

44. *Ibid.*, Special Edition, 17 May 1953; interviews with Cotton, Eklund, Furze, Lacy, and Osterhaus.

Lead resident perhaps summed it up most succinctly when he remarked: "It was a store whose time had come. The era of the company store and the way it was operated was over."⁴⁵ Small neighborhood stores took over the grocery business from the Hearst for a time, and people could shop in the few small stores in Lead or travel down the hill to the commercial district of Deadwood for other items. The medium was always cash, however, and the massive displays of nearly everything the customer could want were gone. By the mid-1980s, the situation was similar to the time when George Hearst first rode into the Black Hills—a miner could not find a pair of mine boots or a box of nails in Lead.

The location of the Hearst stayed vacant for years, a reminder of a time that had been. Then, in June of 1957, the local paper announced that a grocery store would be built on the location. The store would represent a different era, with "a new-style pylon, holding aloft the strikingly designed 'Red Owl' [that] will highlight the exterior design of the store"—a building of face brick, cement block, and steel.⁴⁶

45. Interview with Furze.

46. *Lead Daily Call*, 5 June 1957.

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