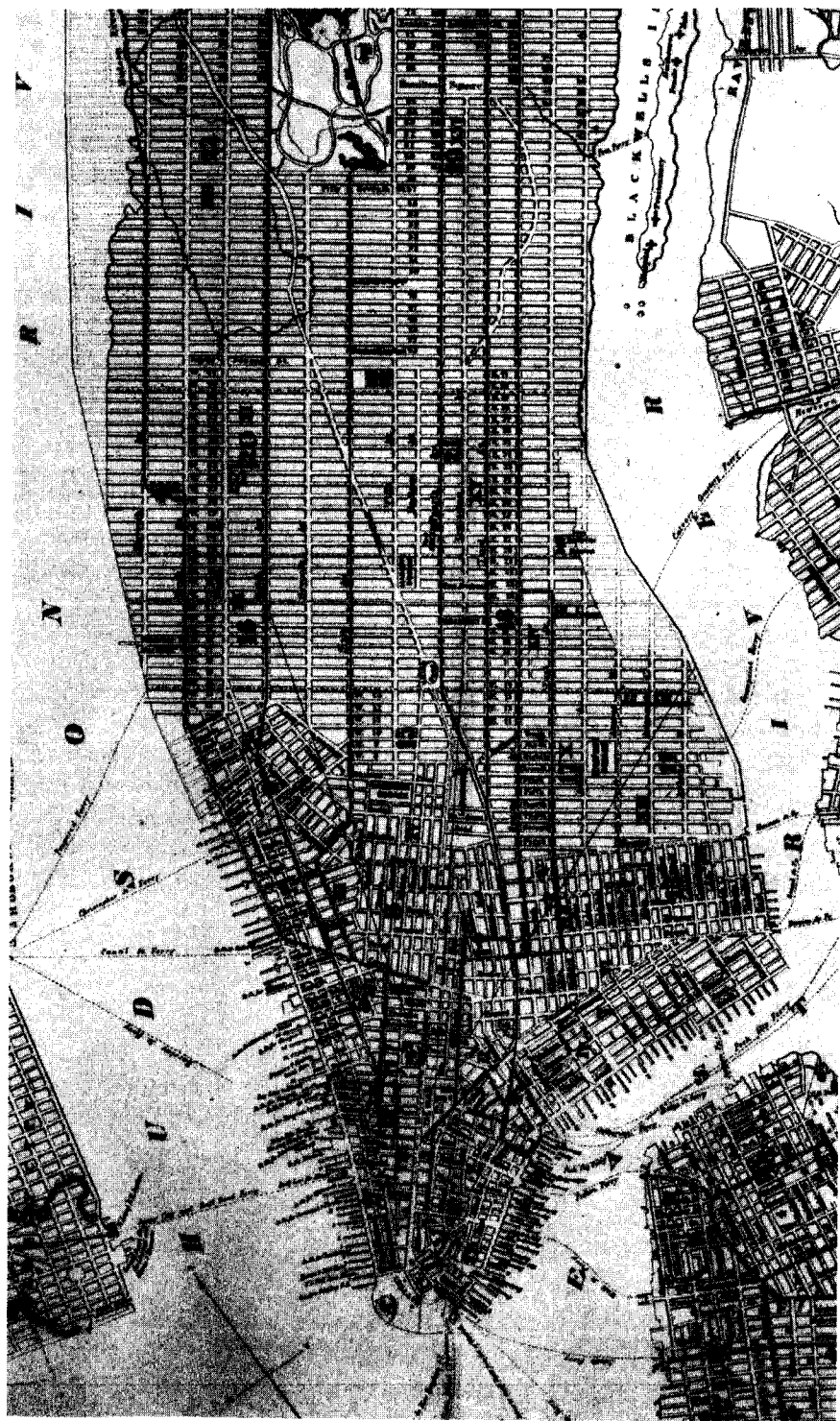




Map of New York City in 1859. Arabic numerals indicate the ward numbers.
Map courtesy of Harvard Map Collection.

The Monied Metropolis

New York City and the Consolidation
of the American Bourgeoisie, 1850-1896

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could shift the balance of power between workers and employers at the workplace, by allowing workers to proceed with boycotts, for example, the very issue that had inspired George's campaign in the first place.⁴³ *The Nation* direly anticipated that "[a] large vote for George will undoubtedly diminish the value of the law as a protection for non-union men and for employers in all parts of the country."⁴⁴ A George victory, predicted Samuel Barlow, would almost certainly precipitate a conflict between "order and disorder and between labor and idleness, between the madness engendered by German philosophy, French Anarchism and beer on the one side and common sense conservatism on the other."⁴⁵

Bourgeois New Yorkers took up the challenge. A wide range of individuals and organizations campaigned zealously against George, ranging from William Steinway and the Union League Club to the Dry Goods Merchants and the Committee of One Hundred, as well as the Business Men's Cleveland Association.⁴⁶ While they shared a mutual opposition to George, they faced a real dilemma: If the Democratic Party did not overcome its divisive factionalism in local politics of the prior twenty years, a victory for George lay on the horizon. Only a unification of Tammany and the elite County Democracy, the two dominant groups within the party, could defeat George.⁴⁷ And indeed, the two factions cooperated, nominating Abram Hewitt as their candidate for mayor. Even *The Nation*, which normally refused to support a candidate endorsed by Tammany, called upon Republicans and Democrats to close ranks behind the "candidate friendly to property and order" – Abram Hewitt.⁴⁸ Many Republicans heeded the call as well.⁴⁹

After a bitter campaign, the outcome of the election was ambiguous for the city's merchants, industrialists, and bankers. Although Hewitt won more than 90,000 votes, Henry George received 68,000 votes, significantly more than Theodore Roosevelt, the Republican candidate.⁵⁰ A third-party challenge, though defeated, had thus been extraordinarily successful. William R. Grace wrote to Hewitt with great relief that "the real danger" was averted, although he predicted that "this whole business brings up a new force in politics which will not be easy to handle."⁵¹ To Grover Cleveland he dropped a note contending that "the labor vote . . . surpassed my calculations + will be a difficult force to handle in the future."⁵²

George's campaign was the local manifestation of a national crisis. The juncture between an unprecedented mobilization of workers for the eight-hour day, the Haymarket bombing, and the spectacular rise of a third-party mayoral candidate in New York City (and also in other towns and

cities throughout the nation) pointed not only to a challenge to the bourgeoisie's economic and political power, but also to the lack of legitimacy of their claims to a reformulated republican legacy. It is only in the context of this multifaceted challenge in the fall of 1886 that the noisy panic of the owners of capital makes sense. As J. Bleecker Miller observed, "Anyone who looks back upon the last few years and sees how rapidly this discontent has spread and organized for political action, must realize that it is not a matter which this generation can afford to disregard."⁵³ And, indeed, it became this generation's most troublesome political problem.



From 1886 onward, the alarm engendered by the rise of working-class political movements, strikes, and unions would become a regular feature of bourgeois discourse.⁵⁴ Upper-class New Yorkers feared that American exceptionalism had come to an end – that a permanent proletariat had arisen quite like that of Europe, and that these workers might embrace dangerously radical ideas or even follow the example of the people of Paris. The *Commercial and Financial Chronicle* clearly recognized that the root cause of this frightening spectacle was that the relationship between employers and workers had changed fundamentally:

The old relation has been completely destroyed, and that which has taken its place is something far different and much less satisfactory. No longer does the farmer's "hired man" live in the house of his employer, and sit at his table; the journeyman carpenter or shoemaker, living on terms almost of equality with the slightly more prosperous or enterprising journeyman who paid him wages, has disappeared. The causes of the change which these examples illustrate are well known. They are, first, the magnitude of modern industrial undertakings, which has led to a minute subdivision of labor; second, the substitution of corporate for individual employers; third, the growth and adoption of the spirit of modern political economy, which logically inculcates the treatment of labor with the same consideration, and no more, that is accorded to any other of the raw materials or tools of manufacture.⁵⁵

The world had changed dramatically and bourgeois New Yorkers had to come to terms with it. The rapidly expanding business press played an especially important role in this conversation about the nature of workers and trade unions. These publications took a central role – not only because they formulated coherent ideological positions but also because they helped employers find out what other employers were doing and thinking. In effect if not in intent, they were a central tool for collective mobilization.⁵⁶ And these publications increasingly came to formulate "class" positions instead of those rooted in the specific exigencies of their trade. It was indeed in their discussions of the relationship to labor that

they transcended most decisively older particularist identities. This was a dramatic change. In the 1850s, for example, the industrialists' free-labor position still had been most prominently articulated by a paper, the *New-York Daily Tribune*, that counted Karl Marx among its contributors. Such proximity between bourgeois and socialist thinkers was all but unimaginable during the 1880s and 1890s.

By the 1880s, notions of a mutuality of interests based on commonly experienced social mobility and transgression of the line between employers and employees, which once had dominated the discourse of manufacturers, had diminished.⁵⁷ As the moral economy that had informed social relations in the artisanal workshop of midcentury crumbled, manufacturers increasingly saw labor as "a marketable commodity - quite as much as wheat," its price to be determined by the law of "supply and demand."⁵⁸

So great was the distance industrialists had traveled from the free-labor ideology of antebellum times that in 1893 *Iron Age* quoted approvingly a pamphlet by a Chicago manufacturer, who asserted that "[a]ggregations of capital are beneficial to society, as they reduce the cost of production," and concluded that because "[c]apital and labor are partners, but capitalists and laborers are not . . . [t]he obligations of capital to share profits with labor are no greater than those of others to share their surplus with the needy."⁵⁹ Classical liberalism now guided the city's economic elite in their understanding of the freedom of labor, a freedom that they defined as the right to enter or refuse to enter into a contract with an employer. Capitalists, they argued, "have an unquestionable right to make such contracts, rules, and regulations as may be necessary to promote the best interests of their business, as well as for the maintenance of good order."⁶⁰ Tellingly, in 1877 the American Institute, renowned for its free-labor thinking during the 1850s, invited the silk merchant (and Republican) Elliot Cowdin to speak at its semicentennial celebration, an occasion Cowdin took to explain that workers should not envy the "seemingly wealthy man of business" because a businessman is "[l]ashed to his task by the exigencies of his business, harassed by anxieties, [a state] ruinous to his peace of mind." As a result of these trials and tribulations, Cowdin argued, businessmen were about ten times more likely to commit suicide than workers.⁶¹

During the 1850s, manufacturers and others had seen propertied independence as the prerequisite of republican citizenship, but now bourgeois New Yorkers redefined republicanism itself as endorsing permanent proletarianization: while laborers still saw wage work as destroying the "independence" essential to workers as citizens, and "wage slavery" as its out-

1850s work = destruction of "independence"

workers defined as commodities!

come, elite New Yorkers emphasized "freedom of contract" as the principal freedom of the Republic.⁶² For them, the "law of supply and demand" was to structure the relationship between employers and employees a "law as invariable as those of the universe."⁶³ That labor refused to accept the denigration of citizens to permanent dependence was for *The Nation* the result of a peculiar "mental mood."⁶⁴

Mystifying the laws of the market into laws of nature allowed upper-class New Yorkers to account for their own exalted position. They explained to themselves and others that they had risen to the top of society because of their own superior intelligence, hard work, and diligence.⁶⁵ As John D. Rockefeller put it: "It is my personal belief that the principal cause for the economic differences between people is their difference in personality."⁶⁶ In this light, workers' collective action appeared as an effort by those with less beneficial endowments to redistribute income and power by force, undermining the pillars that kept society from sinking into anarchy and chaos. The economic elites' vision of their own beneficial role in society, in effect, allowed them to characterize challengers as threats not only to their own private wealth and power but also to the well-being of American society. Large industrialists in particular, such as Andrew Carnegie and John D. Rockefeller, assumed that natural hierarchies had put them into an elevated position from which they should steer their undertakings without outside interference.⁶⁷ They believed, after all, that at the center of American society was the right to control and accumulate property without interference, either from the state or the propertyless. In Smithian fashion they held that what is best for the individual is best for society. Upper-class New Yorkers effectively brushed aside questions of productive versus unproductive labor, the importance of independence to republican selfhood and citizenship, and the corrupting influence of large accumulations of capital, which had been such dominant tropes in antebellum discussions, and replaced them with an emphasis on the civilizing mission of business. As Andrew Carnegie argued, inequality today guaranteed prosperity tomorrow.⁶⁸ During the 1880s and 1890s, however, bourgeois New Yorkers failed to universalize this particular vision, encountering firm resistance from workers, farmers, and even the lower middle classes.

This vision of American society also structured their approach to trade unions: On the one hand, employers held unions as well as strikes to be legitimate institutions, though in a highly restricted fashion.⁶⁹ In their eyes, unions could help educate workers and protect them against mishaps, while strikes were an accumulation of numerous individual deci-

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sions to withhold labor to negotiate a better price for it.⁷⁰ According to *Iron Age*, "[o]ne of the fundamental principles of the so-called rights of labor is the absolute right of every man to sell his services to the best advantage to himself."⁷¹

On the other hand, the belief in the "laws of supply and demand" also provided an ideology that lent itself to aggressive hostility to trade unions and indeed American employers, it has been argued, were unusually hostile to unions.⁷² Especially during the 1880s and 1890s they conceived of workers' collective action as an essentially illegitimate interference with markets.⁷³ In 1882, *Iron Age* succinctly formulated this position by claiming that strikes were a struggle against "the state of the market," a struggle "[t]he market will win every time."⁷⁴ If economic conditions were poor, a decline in wages was "inevitable," no matter what workers did.⁷⁵ Jay Gould seconded this thought, arguing that unions were a positive good so long as they focused on providing mutual benefits and education to their members, but not on tinkering with "the law of supply and demand."⁷⁶ Because market laws were presumed to regulate all economic activity, higher wages or better working conditions were independent of either the collective pressures of workers or the goodwill of manufacturers. Therefore, strikes expressed a conflict not between employers and workers but of "labor against labor," that is, striking workers against strikebreakers.⁷⁷ Wages were entirely a result of supply and demand.⁷⁸ "No trades-unions, or riotous strikes, or leveling legislation, can suspend the operation of the inexorable law that has determined that labor . . . must be sold for what it will bring," contended Elliot Cowdin.⁷⁹

It was at this point that employers limited the legitimate sphere of collective action by workers. As they conceived of markets as an aggregation of individual decisions, unions could dangerously alter market outcomes by organizing the individual decisions of the many into one collective voice. Quite typically, the New York Chamber of Commerce, while reaffirming the right to join unions and to strike, resolved in 1886 that the full power of the state should be employed against those who prevent "any other man from working whenever and wherever the latter may choose."⁸⁰ By keeping strikebreakers out and by coercing workers to join unions, "workingmen . . . are violating the laws made for the government of the community," a violation that leaves "the officers of the law no choice but to proceed against them, even if it be necessary to invoke the aid of the military."⁸¹ In effect, this interpretation, by making the replacement of striking workers into a fundamental right of employers, limited unions' power to a very narrow scope. As *Iron Age* explained: "It is every man's right to sell

his labor and . . . any man or any set of men who take it upon themselves to be the guardian of his conduct in this matter are as great tyrants as ever lived on the face of the earth."⁸² Workers' organizations and collective action thus were represented as a direct threat to the workings of the market, a convenient assertion that neglected to account for the power of aggregations of capital represented by single entrepreneurs, and moreover, by entrepreneurs who were acting collectively. In this concept of things, workers were to have little power. This, the *New York Times* remarked laconically, was "the misfortune of their position."⁸³ ←

Bourgeois New Yorkers built their limited acceptance of unions and strikes on an assumption that legitimate unions and legitimate strikes embraced the "principles of political economy," principles that left de facto little power to trade unions.⁸⁴ Not surprisingly, they saw any effort of workers to assert their power as stepping out of the bonds of this legitimate sphere, in turn allowing employers to call on the state to enforce the violated "laws of supply and demand."⁸⁵ Such employers considered unions that did not follow these "laws" to be "essentially un-American" and "unnatural, founded on no principle of right or justice," and they questioned, "How long is society or a free community going to tolerate such an institution?"⁸⁶ The greater the degree of mobilization by workers, the greater the collective outcry of employers against such "tyrannical" orders.⁸⁷ Respectable circles viewed these strikers as the "dangerous classes," the "vagabond class," "the idle and vicious class," a "mass of envious discontent," or even a "wild beast."⁸⁸ In 1886, during the strikes of the Knights of Labor against Gould's railway system, *Iron Age* went so far as to compare the strike to the final months of the sectional crisis of 1860, and warned that "toleration will not be carried beyond the point of safety. . . . No tyranny was ever so absolute and irresistible as that which organized labor seeks to exercise over those who work without first paying it tribute."⁸⁹ Such "tyranny," asserted the journal, called for a response: "By resorting to [the argument of force] the working man at once antagonizes the whole machinery of Government, local, State and Federal, bringing upon himself certain defeat."⁹⁰

Employers feared most those unions that stepped out of the traditional bounds of craft unionism, organizations employers called the "socialistic" or "communistic element."⁹¹ It was these unions that truly struck fear into the hearts of the city's bourgeoisie.⁹² While we might think of their reaction as overdrawn hysteria, from the vantage point of 1886 or 1892, this seemed less of an exaggeration because the conflict between labor and capital was continually sharpening, and its outcome was unpredictable.

Paternalism

The celebration of the rule of the market and its presumably atomized individuals, packaged as an explicitly antiunion ideology, however, went along with the persistence of a certain form of paternalism. "[A] good understanding . . . is of benefit to both parties," suggested *Iron Age* in 1884, and the *Commercial and Financial Chronicle* editorialized that "by kindness, by considerate treatment, by a disposition to improve his lot, the laborer may be made to feel that his interests are identical with those of his employer."⁹³ At times, deeds followed words, such as when William Steinway, who employed 400 piano workers in 1883 at his factory in Astoria, "carried out our ideas of improving the conditions of the workmen by giving them light and air and good houses to live in, building them public baths, and laying out a public park."⁹⁴ Paternalist articulations ranged from the construction of company housing to ideas about profit sharing and suggestions such as the one *Iron Age* forwarded in 1894 that employers should "[t]ry stopping [when encountering workers] to cheerfully inquire after their welfare."⁹⁵

This paternalism, however, was quite distinct from the shared belief in social mobility of the 1850s. That *Iron Age* felt compelled to advise its readers to talk to their employees was in itself a sign of the growing distance between owners and workers. By the 1880s, paternalism was centrally concerned with undercutting the attractiveness of trade unions to workers and did not question the emergence of a permanent proletariat and the organizational separation of workers and employers, both of which were distinct departures from the 1850s. Banker Henry Bischoff, who saw the root of trade unions in the increasing social distance between workers and their employers, for example, expected relations to improve once employers found time for "a kind word" to their workers.⁹⁶ Machine builder John Roach similarly propagated the good effects of personal contact between employers and employees, yet asserted that his workers "must conform to my rules," which first and foremost included that "every man has got to speak for himself."⁹⁷

While paternalism as a defensive strategy against unions and strikes would persist, the paternalism of free-labor times that had at its core a shared pride of labor and social mobility had vanished. In effect, the belief in social harmony had weakened. Moreover, the rhetoric of paternalism was much stronger than the reality as, for example, was the case with Andrew Carnegie, who shortly after the conflict at his Homestead mills asserted that labor and capital were "twin brothers."⁹⁸ William Graham Sumner was more hard-nosed in these matters, calling the argument "that employers and employed are partners in an enterprise . . . a delusive figure of speech."⁹⁹

Ideologically, bourgeois New Yorkers reconciled harsh attacks against unions and strikes on the one side and limited paternalism on the other side by drawing a sharp distinction between the group of workers who were deserving of this paternalism and those who were not. "The majority of American workingmen are law-abiding citizens, but there is a violent class among them whose brutality leads them to jump at any chance to destroy property, and if needs be, to sacrifice life. . . . It is this class which can only be met with rifles," said *Iron Age*.¹⁰⁰ Often upper-class discourse presented these radical unionists, socialists, and anarchists as foreign and of inferior racial heritage, thus standing outside the Republic.¹⁰¹

As a result, many bourgeois New Yorkers combined their own sense of superiority with a disdain for immigrants. While in the early 1880s immigrants were still being lauded for bringing prosperity to the United States, the country "being enriched by the drafts we are making upon the population of the Old World," positive assessment of immigration shifted during the decade.¹⁰² The *Financial and Commercial Chronicle*, for example, still had asserted in 1882 that "[e]very immigrant . . . adds to the wealth-producing capacity of the nation," but by 1887 saw "immigration [as] far more potent for evil than for good."¹⁰³ Immigrants allegedly brought anarchism, socialism, and "almost every danger to the organization of society peculiar to the present time."¹⁰⁴ By 1889, the journal even supported restrictions on immigration.¹⁰⁵ Because of "the race changes" of immigrants, they now saw them as "vicious, degraded, ignorant, amenable neither to law nor reason, [without] code of morals, know[ing] nothing about the theory of our government, and in fact abhor[ing] all government."¹⁰⁶ And *Iron Age* concurred: "How America shall protect itself from the invasion of dangerous and otherwise undesirable classes of immigrants is becoming more and more a burning question."¹⁰⁷ Because the majority of American workers were born overseas, many bourgeois New Yorkers combined their fears of Catholics, Jews, and African Americans with their anxiety about trade unions and radicalism. Racism, hence, became an important part of their class identity.

Merchants came to share industrialists' relationship to labor and view of the world. They, like manufacturers, accepted trade unions and strikes as legal and legitimate. They, again like manufacturers, increasingly limited what they saw as the rightful sphere of unions' and workers' collective action.¹⁰⁸ The "laws of supply and demand" structured their view of society and explained their own exalted position within it. These laws, explained the merchants' *Journal of Commerce*, "cannot be repealed by