

# Proprietary capitalism

The textile manufacture at Philadelphia,  
1800–1885

PHILIP SCRANTON

CAMBRIDGE UNIVERSITY PRESS

*Cambridge*  
*London New York New Rochelle*  
*Melbourne Sydney*

This publication was supported by a grant from the  
Merrimack Valley Textile Museum.

PUBLISHED BY THE PRESS SYNDICATE OF THE UNIVERSITY OF CAMBRIDGE  
The Pitt Building, Trumpington Street, Cambridge, United Kingdom

CAMBRIDGE UNIVERSITY PRESS

The Edinburgh Building, Cambridge CB2 2RU, UK  
40 West 20th Street, New York NY 10011-4211, USA  
477 Williamstown Road, Port Melbourne, VIC 3207, Australia  
Ruiz de Alarcón 13, 28014 Madrid, Spain  
Dock House, The Waterfront, Cape Town 8001, South Africa

<http://www.cambridge.org>

© Cambridge University Press 1983

This book is in copyright. Subject to statutory exception  
and to the provisions of relevant collective licensing agreements,  
no reproduction of any part may take place without  
the written permission of Cambridge University Press.

First published 1983

First paperback edition 2002

*A catalogue record for this book is available from the British Library*

*Library of Congress Cataloguing in Publication data*

Scranton, Philip.

Proprietary capitalism.

Includes index.

1. Textile industry – Pennsylvania – Philadelphia –

History – 19th century. I. Title.

HD9858.P5S35 1983 338.4'7677'00974811 83-10155

ISBN 0 521 25245 8 hardback

ISBN 0 521 52135 1 paperback

# Contents

<i>List of maps and figures</i>	page viii
<i>Preface</i>	xi
<b>Part I Pathways to textile industrialization</b>	
1 Introduction: the matrix of accumulation	3
2 The textile manufacture in corporate Lowell and rural Rockdale	12
3 The proprietary alternative at Philadelphia	42
<b>Part II “On their own account”: the proprietary textile trades at Philadelphia</b>	
4 The Philadelphia textile manufacture in the early republic	75
5 Interim decades, 1830–1850	135
6 Proprietary textiles at midcentury: Kensington	177
7 Proprietary textiles at midcentury: Germantown and Manayunk	224
8 The sixties: war and prosperity	272
9 Flexibility and specialization: Philadelphia as the “paradise of the skilled workman,” 1870–1885	314
10 Continuity and crisis: the early 1880s	353
11 Conclusion: separate establishments	414
<i>Index</i>	423

# *Maps and figures*

## Maps

1. Philadelphia and its neighborhoods, 1850–30	<i>page</i> 45
2. The city and county of Philadelphia, 1850	185
3. The wards of Philadelphia, 1860	269

## Figures

James and John Dobson	63
A Manayunk page from the 1870 Manufacturing Census Schedules	67
Advertisement for Henry Korn's trimmings manufactory, circa 1820	117
Glen Echo Carpet Mills, McCallum, Crease and Sloan, Germantown	141
Charles Spencer	162
The Germantown mills of Charles Spencer and Co., circa 1875	165
Knitting hand frame from the early nineteenth century	168
Weavers' housing, Germantown	226
The Wakefield Mills, Germantown	232
John and Conyers Button	235
Thomas Dolan	299
View of Philadelphia from the Spring Garden district, circa 1875	316
Kensington, circa 1875	324
Frankford, circa 1875	327
Venetian carpet handlooms in James Pollock's weave room	333
Smyrna carpet handlooms and handweavers at the Bromley mills	367

Maps and Figures

ix

John Bromley	379
Manayunk, along the canal	383
Advertisements, circa 1895, for two specialty firms	400

# 1

## *Introduction: the matrix of accumulation*

The motive of business is pecuniary gain, the method is essentially purchase and sale. The aim and usual outcome is the accumulation of wealth. Men whose aim is not increase of possessions do not go into business, particularly not on an individual footing.

Thorstein Veblen, *The Theory of Business Enterprise*

In January 1880, a company of men, aimed at accumulation and in business on an “individual footing,” gathered to banquet and plan the affairs of an association they had recently formed. They were the chief figures in a local industry that represented “seventy five millions” in invested capital and that provided the National Association of Manufacturers with its first two presidents. Their spokesman, Thomas Dolan, asserted proudly that their division of the nation’s textile industry was “composed almost exclusively of individuals and individual firms, in the aggregate, 849, no corporations.”<sup>1</sup> These were the textile manufacturers of Philadelphia. They had created the single greatest assemblage of textile mills in the nation, without recourse to the device of corporate ownership that keyed the development of New England’s heavily capitalized mass-production mills. By the 1880s they and their 55,000 workers had erected a manufacturing system that stood as a fully realized alternative to the corporate industrial model. For historians who sought to trace the evolution of corporate America, the Philadelphia experience in textiles has been of little significance. But for those who would undertake to establish how capitalist industry functioned in the nineteenth-century context, who see some value in the reconstruction of industrial development as a moving totality, the documentation of a mature “small-business” alternative to industrial gigantism will add a missing dimension to economic history.

This study has three goals. It aims to detail the emergence of a vital and complex textile industry in Philadelphia, a manufacturing enclave characterized by the multiplication of small, separate, specialized firms. Second, in

<sup>1</sup> *Public Ledger*, January 28, 1980. Pennsylvania enacted a general incorporation statute in 1874, but textile manufacturers did not rush to secure the protections of limited liability.

contrasting this production format with the bulk staple system inaugurated at Lowell, it will demonstrate the historical coexistence of multiple successful paths to profit and accumulation. Recognition of these sharply different forms of textile capitalism, each productive of "pecuniary gain," lays the base for reconceptualizing the development of this industry in a more comprehensive fashion than previously attempted. Third, as a device to facilitate comparison of the several formats for textile manufacturing, the notion of an "accumulation matrix" will be introduced. The matrix is a catalogue of the broad range of social and economic factors that together constitute the total situation for production and profit faced by entrepreneurs. In stressing the interlocks between various factors and the sequential effects of decisions regarding them upon future firm options, the full complexity of the manufacturing environment will be revealed.

The matrix concept is introduced to allow alternative solutions to the problems of production and accumulation to be viewed on an equal footing. To assume that the productive systems established in the great New England firms were a form of industrial "best practice" and to chart variations from those forms would serve to prejudice the outcome of analysis, for on that model differences could subtly become deficiencies. Instead, by assembling the common set of factors that affect the success chances of all manufacturers, we introduce the possibility of multiple correct solutions, each fitted to a particular constellation of givens, choices, and responses to the dynamics of historical changes within the firm and in the external environment. "Matrix" here refers to an interrelated array of determinants bearing on behavior across time, a usage present in the social sciences from political studies to family therapy.<sup>2</sup> For manufacturing, the "accumulation matrix" designates the constituent elements of the historical situations within which accumulation originates, develops, and is constrained.

All industrial firms, whatever their form of organization or their output, are linked by the drive for profits, feasible only through the mobilization and exploitation of productive labor, a process solidified by the extension of the base from which it is mounted through accumulation. Whereas profits are the short-term results of exchange, the accumulation of capital is the residue of longer-term profitability, that is, a surplus that may become embodied in simple additions to existing plant and machinery, in ventures toward innovative technology or marketing, or in the form of proprietors' personal funds, which when sufficient may allow them to cease operations and lead a life of

<sup>2</sup> See, for example, Frances Stewart, *Technology and Development*, London, 1977, chap. 1; Ivan Boszormenyi-Nagy and Geraldine Spark, *Invisible Loyalties: Reciprocity in Intergenerational Family Therapy*, New York, 1973, chap. 1; Donald Kingdon, *Matrix Organization: Managing Information Technologies*, London, 1973; and Joseph Berliner, *Factory and Manager in the USSR*, Cambridge, Mass., 1957, Foreword.

leisure or public service. The factors that bear on this accumulation project may be clustered in three groups: material, sociocultural, and external.

Eight material elements can be specified: raw materials, transport and communications, marketing, production processes and technology, labor (supply and skill use), firm structure and organization, space (land and the built environment), and finance (capital and credit). Over them, businessmen can reasonably hope to exercise a measure of control or influence; they are the subject of customary decision making. Moreover, given their openness to manipulation by firm directors, they will, in particular, divergent combinations, illustrate alternative paths to accumulation. Decisions about these material elements cannot be abstracted from the sociocultural context within which the firm seeks to function. A range of institutions, values, and practices fundamentally condition capitalist manufacture, creating both opportunities and impediments to accumulation, for it is amid a concrete social thicket that the firm must establish the mechanics of production. Manufacturers are rarely in a position to control the social context of production with anything like the same decisiveness with which they may contract for new equipment or construct an addition to their facilities.

Most visible among the contextual elements are the several levels of state structure whose laws, taxes, tariffs, police, and educational and other services all impinge on the capacity of the firm to accumulate. Likewise operating continually as elements in the social relations of production are religious beliefs and culturally derived notions of time, hierarchy, justice, and labor, along with the rhetoric and rituals embodying them (from riots to parades, from St. Monday to testimonials for manufacturers). These intersect and overlap with patterns of family and community organization and action to flesh out the sociocultural elements. Communities, composed of families in many configurations, elites and immigrants, literary societies, pool halls and sodalities, form networks of authority and action of which the firm and the mill are but a part, more or less dominant but hardly omnipotent, outside the pure and unstable case of the company town. Finally, the quality and cost of housing and provisions and the related issue of public health are physical elements in the social context of industrial operations.

The external elements influencing a firm's capacity to accumulate are the events and processes utterly beyond the control of businessmen that have a fortuitous or catastrophic impact on them – disasters, fires, and floods, as well as wars and commercial panics and depressions. Yet the often double-edged quality of such events becomes evident when we ask for whom they are disastrous. A flood at Fall River may immobilize the city's mills, providing a rash of orders for rivals at Lowell or Philadelphia. Wars may imperil firms dependent on embattled areas for supplies or markets, yet may benefit others who can meet military demands for tents or blankets. More pro-

cessual are the effects of immigration, internal migration, and altered patterns of fertility, life-span, and infant mortality. In addition to these demographic issues, the collective results of individual decisions that urban agglomeration represents can have a substantial effect on manufacturers, whether in increased competition for labor and markets or in providing multiple possible sources for inputs and services.

Decisions manufacturers make about the particular configuration of material factors reflect the links among these elements at a particular time and place. Raw materials must be selected so as to match the capacities of the technology at hand, whose choice must in turn be in part based on an appraisal of the availability of workers with sufficient skill to run the machinery effectively. The presence of numerous firms already producing yarns appropriate to the fabrics entrepreneurs seek to manufacture may permit the saving of capital on spinning equipment and the purchase of a larger complement of looms for a single-function weave shed. The adoption of a standardized output may simplify production processes so that lower-skill, cheaper, and readily replaceable labor can be employed by the firm. Handing over marketing tasks to a commission agency may free proprietors, allowing them to become more directly involved in production and thus lead to better quality goods.

Yet once the format for production is established, and initial risks have been taken and surmounted, contingency resurfaces again and again. Naturally, once a firm has exercised certain options and forgone others, it proves difficult and costly to redirect its productive strategy. A decision to secure technology that is fast but of limited flexibility may prove problematic as other firms follow the same path and glut the market with nearly identical goods. Moreover, should demand develop for sophisticated weaves, none of these firms will be able to respond without massive alterations and concomitant capital spending. The firm relying on skilled workers to manufacture a wide range of fancy knits will be ill placed to profit from an influx of immigrant peasants who would be welcomed by a mass-production enterprise seeking to cut costs in its routinized operations. Examples could be multiplied indefinitely, but the core point is that necessary initial decisions about the configuration of production entail constraints on future decision making. There is no permanent solution to the manufacturer's problems, for the material and social elements bearing on accumulation are ever in motion, creating new dimensions of risk for the firm.

To be sure, an emphasis on contingencies does not imply boundless chaos, just as the sequential actions that structure and revise manufacturing processes cannot be reduced to the formulas of economic determinism. Yet if the matrix notion is at all useful, it should help us realize that focus on one or several of the elements in accounts of industrial development to the

exclusion of others will lead to “histories” that are fragmentary and distorted. Keeping in mind the tentative conceptual framework just described, we can proceed to question historical materials in search of the patterns and clusters of factors and actions that brought forth quite different trajectories of textile industrialization. Until recently, most research on nineteenth-century textiles centered on the New England experience, viewed along two dimensions. For early scholars, the developmental track of the cotton trades, from handwork to Slater’s spinning mill with outwork weaving to the Waltham-Lowell integrated model, seemed to chart the course for industrial development in America, a course repeated in the experience of other trades. Primitive early forms were superseded by a more modern corporate system, whose competition eradicated its predecessors. This simplified and linear “textile paradigm” has been largely rejected, for other industries departed from this neat pattern as they matured.<sup>3</sup> It is my contention that the imagined paradigm fails as well to account for the development of the industry it initially treated, once elements omitted from its chronicle are included.

A second focal point for research on New England textile firms has been the pioneering role of the Lowell corporations as modern mass-production firms. Though Alfred Chandler has offered a substantial corrective to this view,<sup>4</sup> his recent work continues the traditional emphasis on the evolving corporation as the unifying thread in American business history. Consistent with the search for the roots of contemporary corporate practice, nineteenth-century joint-stock companies have claimed by far the greatest share of historians’ attention, with their wide dispersal of ownership and fascinating gap between stockholders and operating personnel. Meanwhile, the closely held corporation, in textiles or elsewhere, and the incorporated proprietorship have gone largely unexamined, much less analyzed, partly, to be sure, a result of the privacy prized by their owners. The array of unincorporated formats for capitalist production (partnerships, family firms) has been quietly passed over. What harm does this do to historical analysis? Are the uninterrogated merely unimportant?

Part of the answer may be drawn from the shortcomings of the textile paradigm. The corporate focus underlying its creation thoroughly blocked perceptions of the persistent alternatives that capitalist inventiveness sustained in textiles and in other productive arenas. The result of historians’

<sup>3</sup> Ralph Samuel, “The Workshop of the World: Steam Power and Hand Technology in Mid-Victorian Britain,” *History Workshop Journal* 3:6–72; Bruce Laurie and Mark Schmitz, “Manufacture and Productivity: The Making of an Industrial Base, Philadelphia, 1850–1880,” in Theodore Hershberg, ed., *Philadelphia: Work, Space, Family and Group Experience in the 19th Century*, New York, 1981, pp. 43–92.

<sup>4</sup> Alfred Chandler, *The Visible Hand: The Managerial Revolution in American Business*, Cambridge, Mass., 1977.

acceptance of the joint-stock company as the agent of economic dynamism is a remarkably one-dimensional account of nineteenth-century industrialism.<sup>5</sup> The twentieth-century prominence of giant manufacturing corporations has given rise to business histories that probe the past for their antecedents. This effort reflects an implicit teleology in which the essential and inherent superiority of corporate structures is assumed.

Three things are troubling about such approaches. First, given that the triumph of mass production and the efficiency of corporate forms are “known” in advance, inquiry and explanation may take place largely in technological and organizational terms. The broader material and sociocultural context of corporate development remains external to the analysis, presumably “held constant.” Second, such shrunken boundaries of inquiry prevent our comprehending in anything like their totality the historical relationships through which corporate and proprietary capitalist manufacturing shaped our society and were in turn shaped in the struggles for profit and power that industrialization sparked. If corporate economic dominance was necessary but merely latent until its potentials were exploited by enterprising technicians and executives, contingency drops from industrial history, and economic development can be described through a chronicle of discoveries and discoverers (from the power-loom and steam-engine versions of technological determinism to the biographical tradition encompassing Rockefeller, Carnegie, Steinmetz, and Ford). Not only is there a reductionist and determinist core to this method, it also generates a history ironically depopulated of both capitalists and workers. Manufacturers outside the main line of development seem peculiar, anachronistic, and doomed, and workers become ciphers. Culture, family, and religion are viewed through a filter that merely assesses their acquiescence, resistance, or indifference to the inevitable. Such history is again “idealist” in the sense that we are called upon to witness Progress or Modernity unfolding themselves through the great men and great firms of the last century. Third, within this perspective, the corporation becomes concretized as a “thing” rather than seen as a set of relationships more or less adequate for dealing with the challenges of production, realization, and accumulation. Just as the concept of class becomes frozen and lifeless when regarded as an entity, so too does the firm lose its dynamic, open, and problem-solving profile when it is similarly objectified as an institution through which the agency of historical progress materializes.

What seems to me to be needed is a more inclusive empirical investigation

<sup>5</sup> Chandler's *Visible Hand* is particularly valuable in documenting substantial variations from a simpler linear “progress” account and in tying these variations to concrete differences in productive arrays and organizational forms.

into the socioeconomic relationships that constituted capitalist manufacturing a century or more ago, a specification of the ways in which a variety of firms sought to “create” and appropriate value, the blocks to that end they had to overcome, and the range of strategies that emerged under different concrete conditions. The goal of this effort would be to document the accumulation process in motion, as a contingent phenomenon that men and women activated, opposed, and shaped. It is the process, the uncertainty, and the variation that are ignored by idealist tales of corporate deployment. In recovering these aspects of economic history, we may come to understand that the boundaries of possibility in both the past and the present are wider than we had imagined. To restore the integrity and complexity of the past is simultaneously to liberate our imagination in the present.

A second broad rationale for reexamining the unfolding relationships of capitalist manufacturing stems from the flood of recent scholarship in labor history. For if E. P. Thompson, Herbert Gutman, and David Montgomery have rightly stressed the richly varied initiatives and relatively autonomous cultures of workers in the social and economic struggles accompanying industrialization, the bald fact of capitalist power remains. As historians have reconstructed the interacting moments of religion, politics, family, and community that informed workers’ resistance or accommodation, it seems timely to ask similar questions of the capitalists and their institutions and to explore the variety of paths to accumulation they followed. This is the main theoretical question that triggered the present study: given a heterogeneity of material and sociocultural conditions under which capitalist production proceeded in the nineteenth century, what variety of strategies and formats for accumulation can be specified? What are the relations conditioning success for each? How do various structures of production, finance, marketing, labor relations, and so forth relate to historical conditions of regions and communities and their situation within a national political entity and an international marketplace? Ultimately, if various roads to profitability can be documented and their persistence be allowed to imply a measure of success over time, how are we to revise our accounts of capitalist development in a fashion that accommodates historical experiences that to this point have been ignored or dismissed?

It is toward beginning to respond to such questions that this work is presented. The central focus will be on Philadelphia, but through the depiction of the characteristics of textile production in a corporate mill city and rural seat in Chapter 2, a base of reference will be offered for the contrasting patterns established in the main body of the text. Moving to Philadelphia, Chapter 3 will present two case studies for comparison with the formats described in Chapter 2, rounding out Part I and setting the scene for a more detailed exposition of textile capitalism’s development in the Quaker City. In

Part II, Chapters 4–7 will portray the emergence of the city’s textile trades during the period 1800–60.

Through these chapters it will become clear that by 1860 there existed in Philadelphia a complex of specialized and flexible manufacturing enterprises of all sizes, employing labor of recognized skill in the production of wools, cottons, blends, hosiery, carpets, silks, and trimmings. There were connections among the firms of both a productive and a cultural character. The form of ownership was private, in proprietorships and partnerships, and often a manufacturer’s family was welded to the relations of production. Capitalists ran their enterprises directly, ranging from small-scale shop-floor labor to sophisticated marketing postures. The city provided transportation and communication systems and a central sales district that facilitated flows of information and goods for those sufficiently well fixed to locate their agencies there. Artisanal and paternalist cultural elements merged profitably with market rationalizing. Immigrants played a major role in the development of the local industry, their strategies and actions perhaps significantly different from those of native-stock manufacturers and certainly at broad variance from their colleagues in New England. Mills were shared, older and newer technologies combined, and on occasion factory, outwork, and artisanal relations of production were mixed in the same firm. The first families of Philadelphia and their financial institutions, indifferent to all this hubbub, were nowhere on the stage.

With this much established, in Chapter 8 the Civil War’s dramatic impact on Philadelphia textile manufacturing will be assessed and contrasted with the near catastrophe that the war brought to Lowell. The twenty-year period following the war, an era of enormous growth, will be reviewed in Chapters 9 and 10, ending with the crisis events of the mid-1880s. The conclusion will summarize the main themes and will suggest directions for additional research.

In the preparation of this book both traditional and “quantifiable” sources provided crucial production-centered information, and the secondary literature provided the evolving scenic background against which the accumulation process unfolds and with which elements of it interact. Primary data on textile manufacturing appeared in the manuscript schedules from four federal censuses of manufacture (1820, 1850, 1860, 1870), the *McLane Report* (1832), and one city manufacturing census (1882). Business and industrial directories provided useful additional information, principally for the postwar period. Population census linkages for many manufacturers in the 1850 and 1880 counts (compiled by the Philadelphia Social History Project) profiled household composition and ethnicity. The Hexamer Insurance Survey, preserved at the Free Library of Philadelphia, yielded a glimpse of the physical facilities for manufacturing from the late sixties,

documenting the role of tenancy. Judy Goldberg's meticulous review of the daily *Public Ledger* exposed the quotidian activity of an emerging working class in the seventies and eighties. Some neighborhood newspapers have also survived, and for the 1830s *Hazard's Register of Pennsylvania* was often valuable. It is from these and other raw materials that I have assembled this portrait of proprietary textile capitalism.