

Excerpt from *Without Consent or Contract: The Rise and Fall of American Slavery*, by Robert William Fogel (Norton, 1989, New York), pp 355 – 360 [transcription by Paul Nachman, 5/21/11]:

[Fogel, born 1926, is an economic historian, apparently *still* not emeritus, at the University of Chicago and a co-winner of the 1993 Nobel Memorial Prize in Economic Sciences. Some of his work, particularly on slavery, has been highly controversial, but it's held up. You can read about him in a 2007 article from the *University of Chicago Magazine* at <http://magazine.uchicago.edu/0726/features/human.shtml>. Notably, his wife is black.]

THE TRIPLE CRISIS FOR NATIVE, NON-FARM WORKERS IN THE NORTH, 1848 – 1855

One part of the free U.S. population failed to share in this prosperity. These were the non-farm manual workers, especially those in the North, and especially the native-born skilled males. Petty merchants who served this class in the cities probably also suffered. Together the native-born craftsmen, tradesmen, and petty merchants probably made up less than a sixth of the free U.S. labor force, although in the North they probably represented about a quarter of the region's electorate. Their repeated cries of distress were carried into one city council after another all across the land. In southern cities, they aimed their pleas against slave craftsmen who were their chief competitors. In northern cities they sought protection against the foreign-born Irish and German workers. Everywhere their pleas were repelled, or at best paid lip service, by the prosperous classes that controlled local governments: by the slaveholders in such cities as Charleston and Savannah; by a combination of rich merchants, landlords, manufacturers, and well-to-do professionals in Boston, New York, Philadelphia, Pittsburgh, and other large northern cities. Both individual and collective efforts to improve their lot were of little avail. Amidst the phenomenal economic growth, amidst the tremendous wave of expansion, this relatively small but important sector of the northern population suffered one of the most severe and protracted economic and social catastrophes of American history. Largely, but never entirely, lost from sight by scholars of the period, the full scope of this "hidden" economic depression and social catastrophe, as well as its political significance, has only recently been analyzed, and its various aspects are still under investigation. Nevertheless, the main outline of what occurred now seems to be fairly well established.

The root cause of the depression that engulfed native workers during 1848 – 1855, as during 1840 – 1844, was the high level of immigration, which once again surged upward after 1846, fed by the refugees of the Irish famine and of Continental revolutions. Immigration rose sharply from 1846 to 1854, reaching five times the level of the first half of the 1840s. Once again the migration was heavily concentrated in northern cities. As a consequence, the growth of the labor force in many cities was double or triple the natural rate of labor force growth. So large a rate of increase not only put heavy downward pressure on wages and upward pressure on rents, but greatly outstripped the capacity of local politicians to deal with the mounting problems of public health and crime.

Indeed, the whole period of 1840 to 1858 was one of hard times for native-born manual workers, broken only by three interludes. The longest of these extended from 1844 to 1846 or 1847; the other two (1851 – 1852 and 1856) were much weaker and briefer. During 1844 – 1846, the downward pressure on the earnings of native workers eased partly because of a brief interruption of the rapid climb of immigration, but mainly because of the strong recovery from the depression that bottomed out in most industries in 1843. During the recovery phase of the cycle, which lasted through 1846 or 1847, the northern economy expanded so rapidly that the rise in the demand for labor exceeded the rate of growth of the labor supply, despite levels of immigration that began exceeding earlier peaks in 1845. Consequently, the squeeze on urban workers that occurred during the early 1840s gave way to several years of improved conditions. It is not entirely clear whether the rise in money (nominal) earnings during these years exceeded the rise in the prices of goods and services purchased by workers since the available price indexes for the antebellum era inadequately measure the urban cost of living, but it appears likely that the real earnings (money earnings divided by an index of the cost of living) rose moderately in most northern cities for both skilled and unskilled workers.

The brief mid-decade interlude in the squeeze on native craftsmen came to a halt during 1847 or 1848. Not only did the immigration rate leap upward in these years, but food prices shot upward in 1847 – 1848 and the mild recession of 1848 had some locally severe pockets of declining labor demand. Iron workers probably suffered more than any other industrial group. The drop in the tariff on iron, combined with a brief slackening of the construction boom, had disastrous consequences in most phases of the iron industry. In Pennsylvania, half of all the furnaces that were in production in 1847 closed during the next three years, when many firms plunged into bankruptcy. Nationally, pig iron production declined by nearly 50 percent between 1847 and 1851 and did not return to the 1847 peak again until 1856. The widespread unemployment in the industry put heavy downward pressure on the wages of those still working. Strikes by foundry workers in Cincinnati, Pittsburgh, and other cities against wage cuts failed as employers imported immigrants to take the places of their former employees.

Since the depression in the iron industry was more severe than in other industries, the decline in wages of iron workers was probably greater than among those of other crafts. However, even workers in the booming construction industries suffered from the excess supply of labor created by the successive waves of Irish and German immigration. The combined effects of immigration and the business cycle on the wages of building craftsmen are illustrated by the experiences of carpenters in upstate New York. Between 1842 and 1844 when the labor supply surged and the demand for labor declined, the daily wage rates of carpenters fell by a third, a decline that was only partially offset by the decline in the cost of living. During the strong recovery of 1845 – 1846, however, the pattern reversed and wages rose toward earlier highs, only to decline again after 1849.

Declining daily wage rates, however, were not the only reason for the plight of native workers. They were also afflicted by reductions in the number of days worked per year, by the reclassification of their jobs from higher to lower skill categories, by various

changes imposed upon them by their employers (which were an indirect method of cutting wages), and by the permanent loss of jobs that occurred when foreign workers were hired in their place, a process that appears to have greatly accelerated during the early 1850s. This process of displacement has been most fully documented for weavers in one of the leading textile mills of Lowell. There the proportion of native-born workers declined from about 90 percent in 1849 to about 35 percent in 1855. Lowell weavers were mainly women but similar displacements occurred in such predominantly male occupations as carpentry, iron casting, shoemaking, tailoring, and cabinetmaking.

Not only was the decline in the real income of native workers large, but it persisted for nearly a decade. The worst phase of their depression came during 1853 – 1855. These were years of substantial decline in the nonagricultural demand for labor, with sagging wages and widespread layoffs in construction, iron, and lumber. Distress was particularly acute in the Midwest because of the large number of immigrants who migrated to the region during the early years of the 1850s, many of them responding to the heavy demand for labor in the construction of railroads. Railroad construction surged to unprecedented levels in Michigan, Ohio, Indiana, and Illinois during 1850 – 1854, requiring about 180,000 workers at the peak of the boom, which was about a third of the nonagricultural male labor force in these states. When railroad construction declined sharply, first in Michigan in 1850, then in Indiana in 1853, and then Ohio and Illinois in 1854, the railroad workers, overwhelmingly foreign born, were thrown into the general labor market where they competed with previously established native workers in urban labor markets, especially in the building trades. The flood of labor released from railroads created downward pressure on the wages of the established workers and led to heavy unemployment throughout the Midwest.

Although established workers sought to protect their jobs by forming labor organizations and striking, either to prevent wage cuts or to obtain wage raises to offset the sharply escalating prices of food and housing, these efforts usually came to naught. In the face of the excess supply of labor, employers had little difficulty in finding unemployed men, usually foreign born, who were eager to take their places at lower wages.

Indeed, a characteristic of the period was the general degradation of skill premiums by the downgrading of once highly skilled operations. Typical of the process was the so-called "Berkshire system," which was widely introduced in iron foundries during the 1850s. Prior to the introduction of this system, iron casting was performed by highly skilled journeymen. Afterward, journeymen were required to hire unskilled helpers (called bucks), each journeyman working in teams with from one to five bucks. Although the bucks were supposed to be purely helpers, the high-priced journeymen were often replaced by the low-priced bucks who, if given the opportunity, soon learned enough of the trade to be given a rammer (the tool used to pack sand around a mold pattern). Under these circumstances, employers were able to find new ways of reducing the wages of those journeymen who were retained, such as compelling them to buy rammers, shovels, sieves, dustbags, bellows, and other tools, as well as requiring them to pay rent for their floor room. To hold journeymen to these unfavorable contracts, one-third of their wages were withheld until the end of the year (in a period of rapidly rising

prices such a delay was the equivalent of a real pay cut of several percent) and they were also compelled to accept their wages in store pay (usable only at the company stores) rather than in cash.

At the very time that the demand for native craftsmen was at its lowest, the price of wheat, corn, and meats soared, due partly to short crops in Europe, which greatly increased the demand for American food products, and partly to short wheat crops at home caused by poor weather or infestations of insects. In general, the upward surge in food prices was sharpest in the Midwest, rising nearly twice as much between 1848 and 1855 in the Ohio Valley as in New York City. The distress suffered by workers who were squeezed between the excess supply of labor and sharply rising prices found reflection in the rash of strikes during 1853 and 1854 which broke out in nearly every craft in at least 20 cities of the northeastern and midwestern states. The distress of urban workers did not spill over to northern farmers, however, since the downward pressures on the aggregate demand for food in urban markets of the North were slight even in 1853 – 1854 and were more than offset by the surge in the foreign demand.

Although precise measurement of the combined effects of the various infringements on the real income of native-born craftsmen must await the completion of work still in progress, the average decline between 1848 and 1855 was probably in the range of 25 to 50 percent. In other words, native-born mechanics and tradesmen suffered one of the most severe economic disasters in American history, rivaling, if not exceeding, the economic blow suffered by urban labor during the Great Depression of the 1930s. In one respect the "hidden" depression of the antebellum era was far worse than the visible depression of the 1930s. The economic disaster of the antebellum era coincided with a wave of devastating epidemics, which were particularly severe in the North. These epidemics are the third facet in the triple crisis that beset northern native workers. Epidemics are usually treated as natural disasters, but these antebellum epidemics has a substantial economic component, related in part to the same circumstances that led to a glut in the markets for manual labor in the North.

The deterioration in the health and longevity of native-born Northerners was closely related to the surge in immigration and the accelerated pace of urbanization that began in the 1820s. These factors brought to an end a century-long improvement in health that made the northern states of the new nation the healthiest place in the world. Diseases that had plagued the North at the beginning of the eighteenth century, such as diphtheria, malaria, small pox, and yellow fever, were greatly diminished or had disappeared from the North altogether by the end of that century. Such other diseases as cholera, tuberculosis, dysentery, and typhoid – among the greatest killers of the second and third quarters of the nineteenth century – were still unknown in America or had not yet reached alarming proportions.

The exceptional health of native-born Northerners during the late eighteenth century is revealed by new time series on stature and life expectation recently constructed by cliometricians. [Here Fogel refers to his Fig 28.] They show that by the end of Washington's administration, native-born American white males were more than 68

inches tall (which was 2 to 4 inches taller than the typical Englishman) and had average life expectations at age 10 of close to 57 years (about 10 years longer than the English). However, both life expectations and stature began to decline early in the nineteenth century. The most rapid period of deterioration was between 1830 and 1860. By the eve of the Civil War life expectation was 10 years less than it had been just before the turn of the century and males born in 1860 reached final heights that were about 1.5 inches less than those born in the early 1830s.

Northerners were aware that rapid urbanization and heavy immigration were undermining the health and the moral fiber of their society. Many of those who sounded the alarm reaffirmed their fidelity to the Revolutionary vision of America as a refuge for the oppressed of Europe, but declared that "the founding fathers could never have foreseen that the deserving poor" of their age would "become the degraded and criminal refuse that polluted America's shores" in the 1840s and 1850s. Whatever doubts there might have been that cities were the incubators of killer epidemics were dispelled by the experiences of the cholera epidemic of 1848 – 1850.

This epidemic was brought to American shores in December 1848 by two ships carrying German immigrants, one bound for New York, the other for New Orleans. Although New York-bound passengers who were sick with cholera were kept in quarantine, others were allowed to enter the city. Within a few days, cholera broke out in the immigrant districts of New York; later it spread to the predominantly native-born, lower-class districts nearby and eventually to upper-class districts. In the case of the ship bound for New Orleans, public officials were able not only to tie the spread of the disease to New Orleans with the disembarkation of the immigrants there, but to follow the movement of cholera up the Mississippi and its tributaries. As immigrants from the infected ship boarded river steamers, cholera broke out aboard these ships and then in the cities at which the steamers called, including Memphis, Nashville, Louisville, Cincinnati, Wheeling (now West Virginia), Pittsburgh, and St. Louis. Soon after it reached these cities, cholera broke out in the surrounding countryside.

Cholera was the most dramatic disease of the antebellum era because it struck the nation suddenly, spread quickly, had a high fatality rate, and its victims often succumbed within 24 hours after they became sick. But such other killer diseases as typhoid, typhus, tuberculosis, and dysentery were also thought to be incubated in urban slums and immigrants were often singled out as their principal carriers. Cholera remained endemic in most northern cities during the first half of the 1850s and the crisis in public health associated with immigration and rapid urbanization went unabated.