

## CHAPTER 1

# Deindustrialization in New England

Nineteen twenty-eight, 1929, 1930, very bad. No jobs, no work, nowhere.

NEW ENGLAND TEXTILE WORKER JOHN FALANTE,  
IN BLEWETT, *LAST GENERATION*

It is like going through a city of the dead  
when you go through one of our closed mills.

EDITH NOURSE ROGERS, U.S. REPRESENTATIVE FOR LOWELL,  
MASSACHUSETTS, "ADDRESS BEFORE THE COMMITTEE"

New England became one of the first parts of the United States to experience deindustrialization when textiles and other traditional sectors went into decline in the 1920s. Its pioneering role here was fitting, for the region had been the first area of the country to industrialize on a broad scale. A brief survey highlights the principal characteristics of the region's industrialization and the social and political impact of industrial growth.

## Industrial Growth and Social Reform in Nineteenth-Century New England

The earliest successful American experiment with the modern factory system took place in New England. Samuel Slater, a migrant from the English Midlands with knowledge of the revolutionary industrial techniques used in textile production there, teamed up with a pair of Rhode Island merchants to set up an automated cotton spinning mill in Pawtucket in 1793. Similar ventures soon sprang up across the region. Two decades later, a group of Boston merchants took the New World's industrial revolution a step farther. Introducing the automated weaving techniques developed in England shortly before, the Boston entrepreneurs integrated spinning and weaving in the same

establishment. When their first works could not handle demand, they set up a series of mills at a spot along the Merrimack River called Lowell. Others invested at riverside locations elsewhere in the region. By the 1830s cotton textiles—based almost entirely in New England—had become one of the nation's leading manufacturing sectors.<sup>1</sup>

Other New England enterprises achieved significant advances in metalworking. The textile industry provided one stimulus to growth. Early textile manufacturers fabricated their own production equipment, but as volume increased, free-standing companies were set up to equip the mills, giving rise to an independent textile machinery sector. Momentous advances took place in the manufacture of firearms. At the federal armory in Springfield, Massachusetts, and in private shops around the region, early nineteenth-century mechanics developed innovations making possible the production of identical and thus fully interchangeable parts. Known as the American System of Manufactures, the methods were gradually adopted in other industries with a strong New England presence, including clockmaking and machine tools.<sup>2</sup> A highly diversified metalworking industry eventually developed in the region. Based in centers such as Worcester, Springfield, Providence, and Hartford, metalworking firms turned out steam engines, valves, motors, and countless other devices. A focus on high-precision products won New England machinists a reputation as the finest in the nation.

Additional industries flourished in New England. Entrepreneurs applied advances developed for cotton manufacturing to the production of woolen goods, and wool textiles became another of the region's leading sectors. Massachusetts had many of the largest and most advanced woolen factories in the country in the pre-Civil War period and was the nation's largest producer of woolen goods. The manufacture of boots and shoes was a major New England activity even before the introduction of modern production techniques. Artisans laboring in small workshops fabricated the various elements of the shoe, with assembly operations put out to rural households. Following the development of sewing and stitching machines in the mid-nineteenth century, the locus of boot and shoe production shifted to urban factories. New England accounted for 60 percent of the value of U.S. footwear output in 1860, with Massachusetts alone fabricating half the national total. A constant stream of innovations aided the growth of all of the region's industries. In the middle of the nineteenth century, the New England states had the highest per capita rate of patents and patents by outstanding inventors of any region in the country.<sup>3</sup>

Specializations in certain service industries paralleled the nineteenth-century expansion of New England manufacturing. Insurance of vessels and cargoes was an important service in the eighteenth century, when economic activity centered around trade. The demand for insurance increased as the American economy modernized, and life and property coverage evolved into important area industries in their own right, with Boston and Hartford the principal centers. New England financiers virtually invented the field of money management in the mid-nineteenth century, devising the trust fund so that regional industrialists could pass on their wealth to future generations. Management of the funds of the affluent grew from these roots into an important area specialization. The vacation industry that developed in scenic northern New England in the late nineteenth century drew crowds of well-off visitors from outside the region.<sup>4</sup>

New England's economic expansion in the period up to World War I progressed at a regular pace. Established industries like textiles and shoes grew steadily as demand increased. Success in one field repeatedly spilled over into allied sectors and even brought into being entirely new industries, such as textile machinery and insurance. The burgeoning growth of the manufacturing sector made New England one of the wealthiest regions in the country. The area's per capita income stood 34 percent above the national average in 1880 and remained 18 percent above the national average as late as 1920.<sup>5</sup>

The expansion of industry in New England produced numerous social problems. Manufacturing centered in cities, which mushroomed in size. Foreign migrants searching for jobs poured into the factory districts, forming a new polyglot working class. Hours of work were long and conditions dangerous. The economic gains from industry went mostly to the property-holding classes, creating bitter antagonism among those lower on the social ladder.

New social movements emerged in New England to confront these challenges, as occurred in other places in which modern industry took hold. Since New England was the first part of the United States to industrialize, it is unsurprising that some of the earliest labor and reform agitation in the country also took place there. The commonwealth of Massachusetts, the Bay State, was at the heart of the region's economic transformation and saw a particularly high level of activity. The largely female workforce of the Lowell cotton mills carried out its first strikes in the 1830s. Massachusetts enacted restrictions on child labor in 1836, and the campaign for a ten-hour day for all commonwealth workers began in the same decade. The 1860 "Great Strike"

of Bay State shoemakers was the largest walkout by workers the country had seen at that time.<sup>6</sup>

Labor and reform activism continued at a significant level as the industrial economy of New England matured in the decades after Reconstruction. In occupations ranging from textiles to carpentry, regional workers enthusiastically joined the era's leading union organizations, the Knights of Labor and the craft bodies affiliated with the American Federation of Labor. When the radical, western-based Industrial Workers of the World sought to establish a presence in the East after the turn of the century, they had dramatic success among the textile operatives of Lawrence, Massachusetts. Pressed by unionists and social reformers, Massachusetts in the post-Civil War era enacted a series of legal protections for workers, frequently setting precedents for the rest of the country. The Bay State passed pioneering factory inspection legislation in 1866, was the earliest to establish a state department of industrial statistics, and in 1887 approved the first employers' liability law in the country. Massachusetts had one of the nation's earliest workmen's compensation systems and in 1912 enacted the first state minimum wage regulations for female workers.<sup>7</sup>

When traditional sectors went into decline after World War I, New England had roughly a century's experience with modern industry. The rise of manufacturing had transformed the economy; generated great wealth; given rise to burgeoning cities with large working-class populations; produced significant contention; and led to considerable social reform. In all these ways, New England constituted a classic example of the economic, social, and political impact of industrialization. The region—and the state of Massachusetts in particular—typified the complexity, conflict, and promise of industrial society.

### The Decline of Traditional New England Industries After World War I

With the advent of modern manufacturing in New England at the beginning of the nineteenth century, economic growth in the region took on an apparently automatic character. Established industries developed steadily, and a continuing stream of innovations gave rise to numerous new sectors. How to manage this expansion and distribute its fruits were the central questions relating to economic life. The continuation of growth itself could seemingly be taken for granted.

Despite these appearances, the New England economy at the beginning

of the twentieth century had significant structural vulnerabilities. To begin with, the region depended heavily on manufacturing. Industry accounted for a larger share of total economic activity in New England than in any other part of the country: half of all the region's wage earners earned their pay in factory work in 1920.<sup>8</sup> Moreover, although significant diversification had taken place since the pre-Civil War period, traditional sectors like textiles and shoes accounted for a large share of total New England manufacturing. This was problematic because the factors that had facilitated the establishment of these industries in New England (relatively simple technology, limited requirements for capital and skilled labor) made feasible their growth elsewhere, particularly in less developed regions. Heavy reliance on older sectors also left New England vulnerable to the tendency in mature industries for demand to fall off due to changes in technology and consumer taste.

New England's high dependence on traditional industries can be seen in figures on the sectoral distribution of employment and output just after World War I. At that time, cotton textiles, boots and shoes, woolen and worsted goods, and some smaller, related industries (knit goods, leather, textile finishing, and textile machinery) together accounted for 38 percent of manufacturing employment and 35 percent of manufacturing value added in New England. Reliance on these sectors was even higher in Massachusetts, where they provided 46 percent of employment and 41 percent of manufacturing value added.<sup>9</sup>

In the years after World War I these core sectors fell on hard times. At that point New England's generations-long record of vigorous economic growth ended, as plant closures spread across the landscape. The most severe problems occurred in cotton textiles. The largest industry in the region, with a 1919 high of 209,000 wage earners, cotton manufacturing sank into depression soon after the war as production moved to southern states with lower labor costs. In boots and shoes, with 114,000 employees in 1919, New England firms lost market share to competitors elsewhere in the United States. Stagnant demand, rather than interregional competition, plagued the woolen and worsted industry, with 106,000 wage earners in 1919. (After World War II, wool would follow cotton to the South.) Spillover effects exacerbated the difficulties in these sectors. Factory closures and the southward shift of cotton textile production reduced demand for textile manufacturing machinery, eventually leading to New England plant shutdowns in that industry. Slumping local output of boots and shoes produced significant job losses in leathermaking.

Employment statistics demonstrate the cumulative impact of the difficul-

**Table 1.1. Manufacturing Employment in Massachusetts, New England, and the United States, 1923, 1929, and 1939**

(in thousands of workers)			
	Massachusetts	New England	United States
1923	667	1,253	8,194
1929	557	1,099	8,378
1939	461	954	7,803
Percent change 1923–1929	-16.5%	-12.3%	+2.2%
Percent change 1929–1939	-17.2%	-13.2%	-6.9%
Percent change 1923–1939	-30.9%	-23.9%	-4.8%

Sources: Commonwealth of Massachusetts, *Report of the Special Commission Relative to Establishment of a State Department of Commerce* (December 1945), 75–76; U.S. Bureau of the Census, *Historical Statistics*, Part 2, 666. New England totals are my calculations.

ties in regional industry. Manufacturing employment in the New England states fell from 1.25 million in 1923 to 954,000 in 1939, a decline of 24 percent. Conditions were most dire in Massachusetts. There the number of manufacturing jobs plummeted from 667,000 in 1923 to 461,000 in 1939, a 31 percent drop. Table 1.1 presents statistics on factory employment in the Bay State, the region, and the nation during this period. Using this measure, the economic performance of Massachusetts in this era was by far the worst of the twenty-one leading industrial states in the country.<sup>10</sup> Available statistics on employment suggest a similarly dismal picture, as outlined in appendix 1.

Figures for Massachusetts reveal the extent of decline in particular industries. Between the years 1923 and 1939, commonwealth employment in boot and shoe manufacturing fell from 69,400 to 44,800, down 35 percent. In woolen and worsted, employment dropped from 64,800 to 44,600, off 31 percent. In the well-paid textile machinery industry, the number of workers declined from 18,700 to 8,300, a drop of 56 percent. Most dramatically, employment in cotton textiles plummeted from 116,800 to 38,900, a fall of 67 percent. Table 1.2 shows the number of Bay State factory jobs in these industries in 1923, 1929, and 1939.<sup>11</sup>

Firms in the troubled sectors often clustered together, concentrating the effects of industrial decline in certain New England locales. The textile manufacturing centers established along the Merrimack River before the Civil