Iowa State University

From the SelectedWorks of Joshua L. Rosenbloom

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David Brian Robertson. Capital, Labor, and State: The Battle for American Labor Markets from the Civil War to the New Deal. Lanham, MD: Rowman & Littlefield, 2000. Pp. xxii, 297. $22.95, paper.

Joshua L. Rosenbloom, *University of Kansas*

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although the Western Union Collection contains payroll data for one office from 1861 through 1879, Jepsen makes little use of them. Hence, the book is likely to appeal to social and labor historians more than to readers of this JOURNAL. Still, the discussion contains much suggestive information on women telegraphers' work, confirming the discussion by Edwin Gabler (*The American Telegrapher, A Social History, 1860–1900*. New Brunswick, NJ: Rutgers University Press, 1988, chapter 4.)

Jepsen argues that as a new occupation telegraphy was gender-neutral and therefore open to women but economists may be more persuaded by Ezra Cornell's observation that they were "abundantly qualified to do the business better than any boy or man that we can afford to pay" (p. 4). By 1910 about 12 percent of telegraphers were women, and as the teletype reduced skill requirements the figure rose to 21 percent by 1920. Jepsen portrays women telegraphers as path breakers; workers whose characteristics and labor-market experiences differentiate them from most nineteenth-century women workers. While this is partly true—telegraphy, for example, was skilled labor, and these women seem to have been quite mobile—in many ways female telegraphers' lives were quite typical. Most were single and left work at marriage, and most were "second class" operators—the lowest rung on the skill ladder. A relative few pursued careers in telegraphy, becoming dispatchers in railroad telegraph offices, or office managers or chief operators, and most who did remained single.

Telegraphy was a general skill and as a result, women typically paid for their own training, sometimes by taking courses, sometimes through informal mentoring and sometimes by working as a trainee without pay. Initially offices sometimes erected partitions to segregate operators by sex, but these disappeared by the late nineteenth century. Nor was there evidence of firm-level segregation. Telegraphy paid better than being a seamstress, but women typically earned less than men. The author characterizes this as wage discrimination, although he admits that it cannot be disentangled from the effects of experience. Companies may also have used wages to motivate males who were expected to stay longer, for Jepsen informs us that "starting pay was about the same for men and women, but men moved up more rapidly" (p. 62). He also argues that discrimination was more common in Europe at state-run companies than in the United States. Yet rates of absenteeism were far higher for female than male telegraphers in Europe.

All in all, this book offers much of interest to social and labor historians, while historically minded economists may find it a useful source for students' papers and information to liven up lectures.

MARK ALDRICH, *Smith College*

David Brian Robertson. *Capital, Labor, and State: The Battle for American Labor Markets from the Civil War to the New Deal*. Lanham, MD: Rowman & Littlefield, 2000. Pp. xxii, 297. $22.95, paper.

American employers today enjoy considerably greater latitude in the labor market than do employers in other industrialized economies. Laws protecting unions are weaker, employers can more easily hire and fire workers, minimum-wage laws are less binding, the government plays a smaller role in managing the labor market through public employment offices, and work and unemployment insurance programs are smaller and less costly to employers in the United States than elsewhere. In this book David Brian Robertson, Associate Professor of Political Science at the University of Missouri, St. Louis, offers an explanation for the unique pattern of labor-market governance that has emerged in the United States.

The distinctive features of American labor markets first emerged, Robertson argues,

around 1900. Prior to this date similar efforts to regulate labor markets were undertaken in both Europe and the United States. Indeed, Americans were early leaders in the passage of laws requiring factory inspection, minimum wages, and maximum hours, establishing public labor-statistics bureaus and public labor exchanges, and creating government mediation and conciliation services (though most of this legislation was passed at the state not federal level). Moreover, unionization rates in the United States were comparable to those in Germany and close to those in Britain. After 1900, however, European labor markets began to become more regulated, and union membership started to increase.

According to Robertson, the key to understanding the unique history of American labor-market governance lies in the country's "singular policymaking institutions [which] forced labor leaders, employers, reformers, and politicians to invent distinctive strategies for labor market control" (p. 258). In particular, he identifies three aspects of the nation's policy making institutions that were especially important. First, the federal structure of political power made it impossible for the national government to enact uniform labor-market rules or regulations. Although state governments possessed wider authority to enact prolabor legislation, they were constrained by the strictures of interstate competition. If any one state adopted especially strong prolabor laws or regulation it risked substantially disadvantaging its employers. Second is the division of governmental power between legislative, executive, and judicial branches. Even when state legislatures passed prolabor legislation, the intent of these laws was often stymied by ineffective enforcement. In other cases court decisions effectively voided these laws. Third, the antimonopoly tradition in the American legal system both inhibited the growth of organized labor and created a business climate especially hostile to unionization. Anticollusion laws directly affected unions, because they could be used to prosecute them as conspiracies in restraint of trade. At the same time antitrust laws encouraged virulent and effective anti-unionism among American employers. In some industries prohibitions on cartels encouraged the emergence of big businesses that could effectively combat union organizing. In others antitrust laws blocked efforts by small businesses to collude that might have made them more receptive to reaching industry-wide agreements with organized labor.

Drawing on an extensive analysis of public and private documents as well as existing histories, Robertson shows how American policymaking institutions shaped the emerging "policy strategies" followed by union leaders, employers, government officials, and reformers. Although unions initially pursued government involvement in labor-market regulation and management to achieve their goals, their experiences in the late nineteenth century were almost uniformly discouraging. The failure of eight-hour laws and protective legislation limiting the use of women and children discouraged union leaders from relying on government regulation to achieve their goals. Their frustration was compounded by the limited benefits that they derived from the establishment of state labor-statistics bureaus, and the passage of laws legalizing their incorporation. The lesson that Samuel Gompers and other labor leaders drew from these experiences was that the American Federation of Labor (AFL) should pursue a strategy largely independent of government, relying on its control of labor supply to bargain with employers. The AFL did not, however, entirely abandon government regulation, but advocated such efforts only in those parts of the labor market that were difficult to organize, such as industries relying on child and female labor.

After 1900 the AFL's efforts provoked a strong open-shop counterattack by American employers, which resulted in the defeat of unionization efforts among miners and machinists—groups that might have advocated an industrial rather than craft-based approach to labor organization. These defeats left the AFL dominated by unions in the construction trades, printing, and railroads, a development that hardened the AFL's commitment to craft-based unionism and a narrow strategy based on winning benefits through the use of

union bargaining power. Although the AFL eventually came to support workers' compensation laws it opposed efforts to introduce public health or unemployment insurance schemes, resulting in a widening gap between organized labor and reformers. Finding themselves at odds with organized labor reform advocates allied themselves with employers, coming increasingly to advocate employer-based solutions to the provision of social insurance and labor-market regulation that gave employers much greater control over the market.

Although the economic crisis of the Great Depression provided the opportunity for a substantial expansion of government regulation and management of the labor market, the precedents of the past three decades encouraged the adoption of policies that preserved a much greater role for employers. Similarly, although unions finally won the right to organize and bargain collectively, the rules under which representation elections were conducted promoted a narrow, establishment-based system of representation that limited the scope of union concerns.

The argument that Robertson advances here for the importance of political institutions as a determining force in the development of American labor markets is provocative and should be of interest to many economic historians. Robertson is an effective advocate of this interpretation, and goes a long way toward documenting the way in which American policymaking institutions shaped this country's labor-market policies. His case would be stronger, however, if he could show a similar connection between institutions and labor-market policies in at least a few representative European countries.

JOSHUA ROSENBLOOM, *University of Kansas*

Banking Panics of the Gilded Age. By Elmus Wicker. New York: Cambridge University Press, 2000. Pp. xvii, 160. $49.95.

Feeling panicky? Elmus Wicker might be able to explain why. In 1996, he authored *The Banking Panics of the Great Depression* (New York: Cambridge University Press); now, pushing the frontiers of our knowledge forward (and chronologically backward!), he has tackled the late nineteenth century in the United States. In this new book Wicker asks an interesting and important question: Were banking panics different under the National Banking System than they were under the Federal Reserve System?

To answer this question Wicker collects data from a wide array of government reports and financial periodicals, including one data-rich *Bradstreet's* volume from 1893. Using these data and accounts from contemporary newspapers, he constructs a blow-by-blow narrative of financial upset in the post–Civil War period, accompanied by detailed tables of bank statistics. Wicker's first conclusion is that the Gilded Age was a relatively stable one: whereas there were five majors panics during the early years of the Great Depression, he can identify only three panics (1873, 1893, and 1907) and two "incipient" panics (1884 and 1890) during the entire National Banking era. He thus discredits the view that the structure of national banking in the postbellum United States was inherently unstable.

Wicker then quickly zeroes in on what he believes to be the real culprit in these panics: the New York Clearing House (NYCH). According to the author, this private organization "had the knowledge, the power, and the instruments to forestall banking panics" (p. 15). We are thus presented with a very simple counterfactual: if the NYCH had acted like a central bank, the panics of the Gilded Age could have been dampened or even prevented. Wicker's test of that proposition lies in an investigation of the "incipient" panics of 1884 and 1890. The logic goes something like this: In 1884 and in 1890 financial instability did