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# Liberty is Innovation: Sources of Energy and Enterprise

American society in the decades of the early republic was dynamic, expanding in new directions, and filled with anxiety. In the post-revolutionary decades, observers from abroad as well as those within the United States remarked on the enterprising behavior of men and women from all ranks of society. Their comments were frequently derisive, casting Americans as grasping shopkeepers who originated among the middling and lower sorts, and who no longer deferred to the social and political authority of their betters. Linked with other contemporary evidence, these descriptions document the widespread transformation of behavior and attitudes toward the market—toward ways of getting a living, making goods, retailing wares, furnishing households, and consuming information and culture. This essay examines some of the diversity and breadth of changes in the early republic by focusing on innovation in the economy. It points to some of the reasons the bursts of commercial and technological activity came when they did, and how the American Revolution and the nation-building process contributed to these bursts. It examines as well some of the limitations and consequences of the “vigorous spirit of enterprise” that captured American society in the early republic (1).

Access to market opportunities favored white men who were, by virtue of their race, unhampered by permanent claims to their labor. The prospects of raising credit to rent manufacturing space and buy

machinery, the connections required for sending goods to retailers throughout a region, and the legal right to own, control, and sell property and to enjoy its profits all belonged to free white men. Such free agents enjoyed the chance to bid on canal contracts, the authority to hire workers and to assert power over men and women who worked

for them, the right to defend against creditors or to sue debtors, and even the right of physical mobility in the city, in the countryside, and from state to state. In the post-revolutionary decades, most states linked voting qualifications—the political marker of independent status and republican citizenship—to minimal property ownership, although over time increasingly democratic rhetoric and political maneuvering contributed to the elimination of property requirements for voting. Race and sex, nonetheless, continued to determine who could claim political rights in the early nation and to circumscribe entrepreneurial and innovative opportunities.

What was innovation? Students quickly identify mechanical inventions as new, but innovation ran deeper and broader than machine building. Many

subtle changes were made by small producers, consumers, and manufacturers simply going about their business. Consider, for instance, house building, an activity that even today people rarely associate with cutting-edge men and entrepreneurial methods. Yet carpenters who constructed residences for urban consumers showed a bold willing-



Early national Philadelphia was a bustling center of commerce. Its growth encouraged craftsmen like carpenter John Munday to participate in the post-revolutionary real estate boom. “South East Corner of Third and Market Streets. Philadelphia,” from William Birch and Son, *The City of Philadelphia . . . As It Appeared in 1800* (Philadelphia: W. Birch, 1800.)

ness to try new ways to juggle land, money, and resources, many on a scale much greater than their colonial peers. By the late eighteenth century, carpenters increasingly built dwellings on speculation rather than made-to-order, intended for undetermined buyers. Few craftsmen had ventured such advance, or speculative, building during the colonial period. The spirit and circumstances of the new nation, however, encouraged audacious behavior.

The case of Philadelphia carpenter John Munday illustrates the point. Apart from skill, Munday had few resources when he began his building career: no property, no connections to wealth, no family resources, and no track record. He even owed money. The stirrings of the economy in 1791-92, however, inspired Munday to try "his fortune" and build aggressively. Doing so tested his craft abilities, his business acumen, and his manhood, as well as his attitudes and expectations about the market. How much credit was it seemly for a craftsman to borrow? How extensive ought his operations be? How much of his business was it safe to risk in advance building? Would rapidly rising property values warrant the expensive prices promised to laborers, suppliers, and financiers? Alone, Munday might have hesitated to reach bold answers to these questions. But Munday was surrounded by Americans who were caught up in a booming economy and who found opportunity in every corner, from consumer retailing to western land speculation. They answered all of these questions with resoundingly enthusiastic endorsements of the era's promises. So the carpenter plunged head-on. Munday started several construction projects at a time, tailored his houses to consumers of diverse means, borrowed many times his wealth, and negotiated deals that demanded close timing.

Munday's undertakings deviated radically from those of the typical colonial house carpenter, but they mirrored the ambitions, methods, and pluck of fellow artisan-entrepreneurs in the urban building business. These men enjoyed a post-revolutionary real estate boom caused by a number of circumstances, some national and some particular to Philadelphia. Private fortunes had been made from war provisioning and profiteering, and such financiers were looking for new ways to invest capital and new ways to use newly established connections. The exigencies of war had the effect of enlarging people's points of view, and some men of wealth now saw the world through a more national perspective. Lands ceded to the federal government caught the attention of speculators, who energetically bought, sold, mortgaged, and dumped western acreage. Speculation in urban property was fueled further in the early 1790s by the daring and largely successful plan of George Washington's Secretary of the Treasury, Alexander Hamilton, to place the national economy on a promising and creditworthy footing. The speculative bubble burst shortly thereafter, ensnaring both wealthy speculators and ambitious upstarts—John Munday among them. The resulting tumult might have had an unanticipated democratizing effect, casting down into bankruptcy the merchant elite and inviting the entry of novice risk-takers from humbler backgrounds. Enhancing Munday's prospects was the federal government's choice of Philadelphia as the first capital of the nation, which brought wealth and vitality to a city that already was premier in commercial and cultural importance. Migration from the countryside and immigration from Europe further increased the demand for housing and the construction of dwellings in the city.

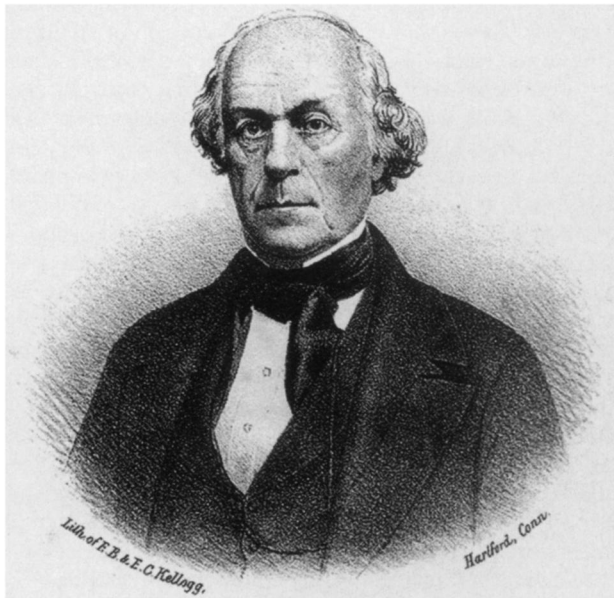
Not only did the boom spur carpenters to find novel ways to leverage credit and market houses, it pushed craftsmen to reorganize what they made and how they made it. Some shops, for example, began to specialize in making joinery—doors, window sashes, molding, and shutters—or building stairs. Master artisans invested capital in a range

of tools, personnel, and advertising that enabled them to increase the intricacy of woodworking design and to entice consumers with an array of choices. These innovations were not "mechanical" in the modern meaning of the term; not until the second quarter of the nineteenth century were steam-powered circular saws and wood planers used. Nevertheless, subtle transformations in hand production had begun to shape the woodworking shop before mechanization. Using templates for redundant cuts, standardizing door and window sizes, and bringing together four or five times as many men and boys in one shop to perform routinized tasks, innovative artisans turned urban shops in the building trades into "manufactories"—transforming themselves into master manufacturers. Once invested in specialized production, master manufacturers found themselves testing new business strategies to tap consumers throughout the country as well as overseas. Over time, when an artisan-manufacturer sought to expand his buyers to counter declining demand in his home market, to cope with supplies that outpaced demand, or to take advantage of lucrative opportunities, he was able to do so because canals, railroads, and better roads increasingly linked markets together. Innovations in making goods, even when machines played little or no role, put manufacturers and their employees in competition with producers in more distant cities and towns.

Local and distant markets beckoned to retailers, producers of consumer goods, and providers of services. In the retail trades of tailoring and cabinet making, for example, small artisanal venues became workshops that produced for a ready-to-wear or ready-to-use market; to take that step required confidence that goods would indeed sell to voracious consumers. New York City cabinetmaker Duncan Phyfe combined the old appreciation for custom work with the new methods of large workshop production to crank out fashionable furniture and amass his fortune. By the 1830s, few New York cabinetmakers depended on custom orders; most produced for wholesalers or for retail outlets that anticipated the wants of middle-class shoppers. Speculating in real estate and commercial paper, making or marketing producer and consumer goods, or serving as middlemen, agents, and clerks (the new "white collar" occupations) in a multitude of mercantile and commercial endeavors occasioned chances for enterprising men—and sometimes women—to share in the energy of the new republic.

Rural small-town consumers were vital to the success of urban innovators. Booksellers rode through swamps to peddle merchandise to distant readers; furniture makers shipped off wares to inland towns; and New York clothiers sent partners to southern centers. Rural areas also sprouted their own "village entrepreneurs" (2). In the diverse trades of printing, woodworking, and portrait painting, innovators captured the wants and particular tastes of the rural market. Initially rural artisans complemented craft work with farming or offered a wide range of craft skills to their customers. The increasing appetite of country consumers for the symbols and comforts of bourgeois gentility, however, enabled artisans to focus all their time on manufacturing, honing specialties, embracing productive innovations, and shaping aggressive selling strategies to fit regional customers. Economic innovation was not confined to workshops either. New allocations of the labor and capital resources in farm households—time spent on producing eggs to be sold or bartered at the country store, acres cultivated in broom corn (for braiding into hats to sell to the local merchant) or left for pasturage, and cash given out to buy cloth, books, or portraits—all necessitated new arrangements between men and women in farming families.

The experiences of Connecticut clockmaker Chauncey Jerome illustrate both the importance of rural and small town consumers in fueling demand and the ingenuity, timing, and courage that charac-



Connecticut clockmaker Chauncey Jerome experienced entrepreneurial success owing to a combination of personal traits and good fortune. His story illustrates the importance of rural and small town consumers in the market revolution. (From Chauncey Jerome, *History of American Clock Business for the Past Sixty Years and Life of Chauncey Jerome, Written by Himself* [New Haven, CT: F.C. Dayton, 1860.]

terized the efforts of scores of Americans in the young nation. Born in a respectable but poor farming family, Jerome's embrace of hard work, Protestant virtues, faith in invention, and the initiative that led to gaining a foothold in clock making rendered him a veritable poster boy for entrepreneurial success. Jerome revolutionized his trade by producing both clock cases and movements in one factory. Through constant innovations in production, and assisted by his tinker-brother, he fashioned a diversity of inexpensive products that appealed to consumers throughout the nation. He tailored products to regional tastes and established branch factories that brought manufacturing closer to his customers. He even made bold to sell his clocks in England at a time when English wares set the standard for manufactured goods and dominated American markets!

What accounted for the success of Jerome's clocks? Students living in the digital age might have difficulty imagining a time when few individuals owned clocks and watches. Before the precision of industrialized work, extensive mail service, and railroads, internalizing a sense of time as measured by a clock was unnecessary to the vast majority of Americans. But "necessity" is not sufficient for explaining why rural consumers who did not really need them bought Jerome's eight-day clocks. They were buying artifacts of ingenuity and progress—proof that they and their new country were keeping up to date. Jerome's clock linked them to a national fellowship of American consumers and a plethora of goods that were obtainable for cash or credit from the country merchant—so long as buyers had something to exchange. It symbolized a market revolution that made available to middling men and

women goods that in the previous generation were owned only by the privileged few.

Textiles also ranked high among the goods that both rural and urban consumers were eager to purchase rather than produce, and it is mechanization in textiles, especially cotton cloth production, that students will readily connect to American industrial development in the early republic. Migrating to New England in 1789, English textile mechanic Samuel Slater defied Parliament's ban on exporting machines and personnel, restrictions that were intended to preserve British technological superiority. He connected with merchant-capitalist Moses Brown to establish a spinning mill in Pawtucket, Rhode Island. Slater brought his knowledge of the latest British technology, modified it continuously to suit it to local conditions, and incorporated improvements gleaned from practice. In order to assemble a labor force, Slater blended his assumptions from England with realities he found within the agricultural economy of southern New England. The result was a paternalistic village that settled families on farms close to the factory: women and children worked in the spinning mill, and men farmed or wove the cloth from its yarn at home (3).

Sometimes innovation lay in recognizing the path to the future. Jacob Mayland owned a small snuff mill a few miles from Philadelphia. Sometime in the 1810s, Mayland spotted the potential of textile manufacture and invested profits from his tobacconist's business in the expansion of his mill complex. He enlarged the power machinery first, then built structures suitable for textile and paper manufacture, dyeing, and woodworking, as well as for housing mill workers. He also began to trade in coal to supply factories along the creek that ran exclusively or intermittently on steam power. Mayland created a setting where a number of small manufacturers (mostly artisan owners and managers) worked in close proximity with one another.

Despite the example of capitalist-landlords such as Mayland, most innovators in textile mechanization were craftsmen. These were individuals trained in "mechanical" skills who exhibited a relentless urge to tinker with machinery, materials, and processes to improve production. Samuel Slater collaborated with machine builder and brother-in-law David Wilkinson. In Massachusetts, Frances Lowell depended on mechanic Paul Moody to transform the drawings and notes Lowell smuggled back from Manchester, England, into working machines. Wilkinson and Moody had received their expertise from the master artisans with whom they apprenticed; but they were not bound by old methods and procedures. Such mechanical innovators—whether textile manufacturers, machinists, or sash-and-blind makers—were so enraptured by technological progress that they could not keep themselves from touting, displaying, and advertising the developments that gave them competitive advantages.

This curious and restless energy seems to have been particularly pronounced among machine makers who formed what one historian of early industrialism has declared to be an "international fraternity" (4). This cadre of a few hundred men in the United States, Britain, and continental Europe encouraged "pilgrimages" to learn about improved processes, free exchange of information for problem solving, and journeywork in the traditional sense of moving among shops early in one's career to become widely acquainted with fellow artisans and craft methods. In the second quarter of the 1800s, the dedication to technological promise epitomized by the machine builder led to the establishment of the Franklin Institute and similar mechanic-inventor societies to promote practical and "useful" science. Tinkering with machinery and materials, however, was rarely sufficient to realize mar-

ketable or useful inventions. The efforts of many a mechanical genius failed without vigorous promotion by a partner, successor, or competitor with business and legal acuity. Critical to realizing the profits of invention and development was energetic defense of patent rights in federal courts.

The famous textile works at Waltham and Lowell, Massachusetts, were dramatic additions to the New England landscape, but their most innovative contributions lay in business and managerial strategies. These corporate entrepreneurs did not invent much technology: Lowell, for instance, stole the initial machine technology, and subsequently European immigrants brought expertise in bleaching, dyeing, and printing chemical processes. But through an alliance of elites, known as the Boston Associates, several dozen men collected, organized, and managed a capital pool of unprecedented size. They got it by holding controlling interests and directorships in the region's banks and insurance companies, and they wielded it to build a city of factory buildings, canals, locks, streets, and (indirectly) worker housing. They used their insurance insights to develop mutual companies to spread the risks over multiple mills. They put pressure on the U.S. Congress to pass favorable tariffs and on state legislatures and courts to grant them control of the rivers. And they organized labor in new ways. Unlike Slater's enterprise, the Boston Associates brought weaving as well as spinning into the factory setting. Labor recruitment targeted girls and single young women from the New England countryside and then subjected these "daughters of free men" to unprecedented supervision, control, and regimentation.

The achievements of the Waltham–Lowell system highlight some of the negative consequences of innovation for those whose labor was captured by business, managerial, and mechanical creativity. The relentlessness of the pace of the machine, low pay and long hours, close confinement in factory rooms and (at Lowell) close supervision in the community, and subordination to a managerial hierarchy that upheld privileges of sex, race, and capital contradicted the utopian promises of Lowell's founders. Similar changes appeared in other settings. By the second quarter of the nineteenth century, many a journeyman who aspired to master his craft and set up his own shop found, instead, only wage employment for the rest of his life. Master manufacturers, forced to compete with workshops across regions and driven to meet the demands of wholesalers, exploited semi-skilled men and boys who needed no craft apprenticeship to perform simplified tasks. They looked constantly for ways to keep labor costs low and productivity high, resulting in some industries—most egregiously in clothing, shoes, and furniture—in "sweatshop" conditions. In metropolitan centers, contractors or subcontractors put out their stitching or finishing to neighborhood women sewing in their homes; this decentralized female workforce lacked collective power to negotiate compensation.

For the confident, optimistic, ebullient, and daring white men of the young nation, innovation was liberty: liberty to risk, to strike it rich, or to fail. The vagaries of the early national economy overturned house carpenter John Munday's plans, but with aplomb he tried his luck at importing. A decade of frantic speculative operations and trade ventures, however, left Munday a bankrupt and broken man. Chauncey Jerome's clock company ultimately ended in bankruptcy—a bankruptcy Jerome blamed on an ill-fated business merger and misrepresentations made by his new partners; but Jerome probably was over-extended and got caught in the "business cycles" that, in his day, were new and unexpected. Samuel Slater signed his textile operations over to his sons in an effort to recover financially and keep creditors from liquidating his

business. Few enterprising Americans, in short, eluded the anxieties of failure, and many experienced its bite. What is fascinating, nevertheless, is that the same men could and often did try again. Faced with daunting odds and abundant evidence of potential disaster, all kinds of early Americans tried their luck repeatedly in the revolutionary marketplace that took shape in the first several decades of the nineteenth century. □

#### Endnotes

1. Thomas M. Doerflinger, *A Vigorous Spirit of Enterprise: Merchants and Economic Development in Revolutionary Philadelphia* (Chapel Hill: University of North Carolina Press, 1986).
2. David P. Jaffee, "Artisan-Entrepreneurs in Worcester County, Massachusetts," *Dublin Seminar for New England Folklife, Annual Proceedings* 23 (1998): 100-18.
3. See Barbara Tucker's essay in this issue, pages 21-24
4. Anthony F. C. Wallace, *Rockdale; the Growth of an American Village in the Early Industrial Revolution* (New York: Knopf, 1978), 219.

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