It's Hard Times, Cotton Mill Girls

Manufacturing, Gone With the Wind

by Tom Landess

Historians tend to make the same argument: The South lost the Civil War because its economy was agrarian rather than industrial, with too few munitions factories to supply Confederate troops with weapons and too few textile mills to clothe them. According to these same historians, the postbellum sharecropper system proved to be an economic disaster, in part because it was grounded in agriculture. Only when the South turned to industry in the late 19th century did she begin to live for the first time. Color flooded into her cheeks. She was able to get her hair done and buy a couple of new dresses. Looking at herself in the mirror, she asked, "Why didn't I do this before?" The textile industry in the Carolinas is routinely cited as the best example.

Such historical accounts illustrate the degree to which the ideology of industrialism has wormed its way into the soul of the nation, as if Southern farms were never prosperous or even self-sufficient and all antebellum women went around wearing ragged dresses made from flour sacks, their hair perpetually in tangles.

At the beginning, the rise of the textile industry in the South primarily enriched Northerners. Eventually, Southerners scraped up enough capital to get into the game—or else, like Confederate Capt. John Montgomery of Spartanburg, secured the backing of New England investors.

The Northerners did not come South to save the conquered region from hoeing and plowing in the hot Southern sun. They came for the same reason 21st-century manufacturers have begun moving their operations to Mexico and other Third World countries: cheap land, cheap labor, and few legal restrictions. The South had no child-labor laws in the 19th century, and New England mill owners preferred to hire children because they were more submissive, cheaper, and less likely to strike.

Sarah Norcliffe Cleghorne, a New England Quaker, wrote a memorable quatrain on this subject.

> The golf links lie so near the mill
> That almost every day
> The laboring children can look out
> And see the men at play.

By the 1830's, the trade-union movement had begun to take hold in the Northeast; and, from the beginning, unions criticized child-labor practices (though not necessarily out of humanitarian concern). In 1836, Massachusetts outraged local mill owners by passing the first child-labor law, which required children under 15 working in factories to attend school at least three months out of the year. In 1842, the state crossed the line between responsible government and zealotry by restricting the workday of children to ten hours.

Contributing editor Tom Landess is a retired English professor who has published a number of books and articles, many of which have appeared under his name.

Small wonder that, after the War Between the States, New Englanders saw in such states as South Carolina an oasis of half-starved children and few restrictive laws. With these optimum conditions, the textile industry blossomed in the Piedmont. In 1880, there were 14 mills in South Carolina. By 1920, there were 184, employing over 55,000 workers. And by 1925, the state boasted more mills than Massachusetts or any other state.

In order to lure folks down from the mountains, mill owners built entire villages for workers, the rent for each unit determined by the number of rooms. Lined up in rows on both sides of the street, the wood-frame houses were identical: Each was identically tiny, painted an identical off-white, its clapboard siding the color of unginned cotton. Each had an identical front porch almost too narrow to accommodate a metal glider comfortably, and the identical front lawns were so small they could easily be mowed in five minutes. Though mill houses were not in the backyards of owners, they were hauntingly reminiscent of the slave quarters. If these workers were not postbellum slaves, they were the Mexicans of the late 19th century.

In the South, the mills once again favored the hiring of children. In the late 1930's, Fannie Miles told a WPA interviewer about her first day at work in a textile mill:

> I was just nine years old when we moved to a cotton mill in Darlington, South Carolina, and I started to work in the mill. I was in a world of strangers. I didn't know a soul. The first morning I was to start work, I remember coming downstairs feelin' strange and lonesome-like. My grandfather, who had a long, white beard, grabbed me in his arms and put two one-dollar bills in my hand. He said, "Take these to your mother and tell her to buy you some pretty dresses and make 'em nice for you to wear in this mill." I was mighty proud of that.

Her story was by no means unique. An old folk song (or perhaps quasifolk song) has as its chorus:

> It's hard times, Cotton Mill Girls.
> Hard times, Cotton Mill Girls.
> It's hard times, Cotton Mill Girls, hard times everywhere.

A couple of stanzas reinforce the message:

> Us kids worked 14 hours a day

For 13 cents of measly pay.
It's hard times, Cotton Mill Girls. It's hard times everywhere.

When I die don't bury me at all.
Just hang me up on the spinning wheel wall.
Pickle my bones in alcohol. It's hard times everywhere.

This, then, was the industrial revolution historians have come to admire, the one that brought prosperity to the South and its emancipation from the torturous drudgery of farm life. Of course, children worked on subsistence farms. But that was seasonal, and they were still able to attend school for much of the year. In fact—as advocates of a longer school year now point out—a lengthy summer vacation is a relic of the nation's agrarian past, originally built into the school calendar so children could work in the fields.

Eventually, child-labor laws came South, after much finger wagging and lecturing from New England, which—by the early 20th century—had forgotten its own history, just as, in an earlier time, it had forgotten who first brought slaves to America. Strikes came South as well. In 1929, violence erupted in Gastonia, North Carolina, in one of the bloodiest labor-management confrontations of that era.

Indeed, the world the textile industry made was quite different from the agrarian world the South was leaving behind. Among other things, industry produced a substantial blue-collar class that had not existed before. The mill workers—also known as "mill operatives"—became a political bloc and were mobilized by such historically significant South Carolina Democrats as Cole Blease and Olin D. Johnston, each of whom served as governor and as U.S. senator, largely because of their appeal to textile workers.

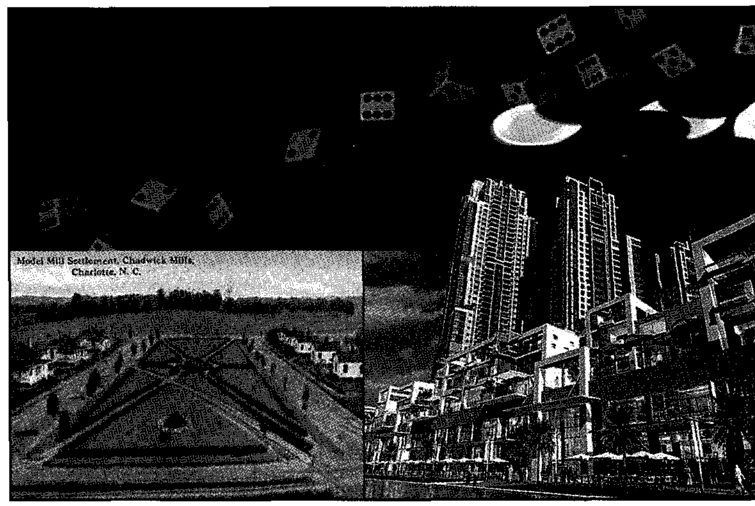
Yet, after more than 50 years of the redemptive textile industry and other industrial ventures, the region was still poor. In fact, in 1938, in the midst of the Great Depression, President Franklin D. Roosevelt called the South "the nation's number-one economic problem."

World War II took care of the Depression and the economic backwardness of the region. Today, the South is thriving—not only because of increased manufacturing but because of its expanding service economy, its financial institutions, and its tourism. Northern companies have migrated to Florida, North Carolina, and Texas to escape Northern cities, which have become dangerous and unlivable. Caught up in the euphoria of greed, Southern city councilmen, mayors, governors, and congressmen are knocking one another down, pulling hair and gouging eyes in their attempt to attract new companies to their respective jurisdictions. Members of Southern chambers of commerce have become, like ancient Jews, the watchers at the gate, scanning the northern horizon, looking for the Messiah to come roaring down I-95, driving a Lamborghini.

In the midst of all this prosperity, the textile industry has all but disappeared from South Carolina and neighboring states. In 2005, Spartanburg textile magnate Roger Milliken warned:

> Since January 2001, nearly 300,000 textile and apparel jobs have been lost—and that number does not even include the job losses from the tragic Pillowtex bankruptcy. Moreover, the United States ran a $61 billion trade deficit in textile and apparel goods in 2002. If the federal government refuses to change the flawed trade policies that generated those numbers, the U.S. textile and apparel industry is in grave danger. The government needs to act now to save South Carolina and Georgia textile jobs.

Indeed, in 2001 alone, 62 Carolina mills closed. Many now blight the South Carolina landscape, windows broken, skirted by head-high weeds—red-brick eyesores waiting to become rubble heaps. As if to mock its own fate, a textile mill in Anderson has been transformed into a dinosaur museum.



Melanie Anderson

No one knows for sure why dinosaurs disappeared from the face of the earth. But everyone agrees that the textile industry has died out because of international competition, principally from China. Spokesmen demand the return of quotas, arguing that China has been able to undersell American manufacturers by using slave labor and by subsidizing their industry.

Free-market economists reject this argument. Thus, Robert Barfield of the American Enterprise Institute has said: "The textile people have seen this coming for 10 years. The government should do something about trade adjustment assistance for workers whose jobs are put in jeopardy, but I don't think we ought to re-institute quotas."

The history of textile mills in South Carolina—and in several other Southern states—gives new meaning to Robert Frost's line "Nothing gold can stay." A once-lucrative industry is moribund. Mill villages—monuments to the idea that human beings are as alike as Ford carburetors—have become ghost towns, covered by green blankets of kudzu, or else salvaged by wrecking crews.

A century ago, the New South crowd would have bet their sacred fortunes that the textile industry would last until men and women stopped wearing clothes. Today, the same bunch is hailing the advent of high-tech companies and the automobile industry. After all, for New South adherents, paradise is always just around the corner, just over the next hill.

When presidential candidate John McCain was confronted by a textile worker who complained that his children would not be able to follow in his footsteps, Senator McCain replied:

> Sir, I did not know that your ambitions were for your children to work in a textile mill, to be honest with you. I would rather have them work in a high-tech industry. I would rather have them work in the computer industry. I would rather give them the kind of education and train-

The history of textile mills in South Carolina gives new meaning to Frost's line "Nothing gold can stay."

ing that's necessary in order for them to really [*sic*] have prosperous and full lives.

Putting aside the effrontery of publicly lecturing a father on what's best for his children, Senator McCain was up to his chin in shallow water. Like earlier boosters of textile mills, he clearly believed in the immortality of present economic conditions, the inviolability of the fragile industrial dream. He drew the wrong lesson from the father's complaint. The global marketplace is just as dicey as Las Vegas, whether the industry be textiles or high-tech or computers.

Economist Paul Craig Roberts recently wrote:

> The declines in some manufacturing sectors have more in common with a country undergoing saturation bombing during war than with a super-economy that is "the envy of the world." Communications equipment lost 43% of its workforce. Semiconductors and electronic components lost 37% of its workforce. The workforce in computers and electronic products declined 30%. Electrical equipment and appliances lost 25% of its employees. The workforce in motor vehicles and parts declined 12%.

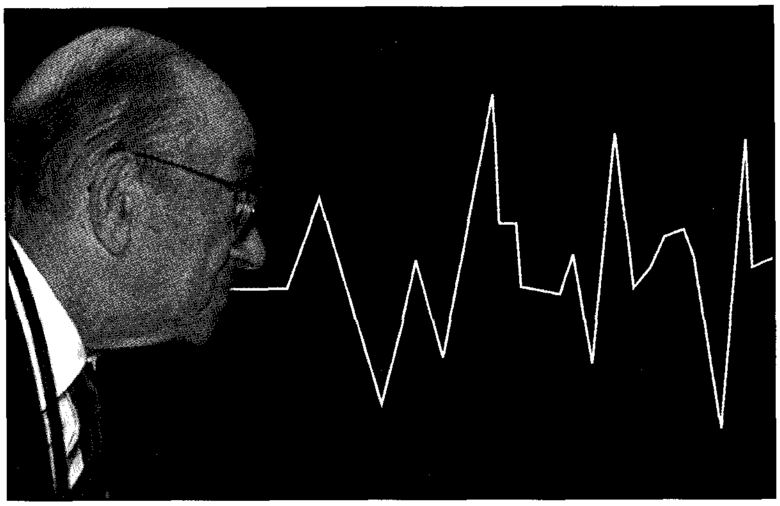
The father who addressed Senator McCain saw a world disappear before his eyes, one he had taken for granted his entire life. He may have lived in a mill village; been a textile machine setter and operator since graduation from high school; fed yarn, thread, and fabric through guides, needles, or rollers; and eaten a peanut-butter sandwich for lunch. But for him, those things constituted a precious reality, his own piece of God's created order—even more so, perhaps, than the check at the end of the week. He could not believe that such fine particularities could be gone forever, stolen by people chattering in a strange language on the bottom side of the earth. He just asked Senator McCain to explain why this had happened and what could be done to bring back that lost world. He is still waiting for an answer.

The irony of this history—shorn of ideology and boosterism—should be apparent: Whatever light the textile industry brought to South Carolina and its neighbors, most of the same conditions existed that led William Blake to wonder if Jerusalem could be built "among these dark Satanic mills." From nine-year-old Fannie Miles to that bereft father, the victims are scattered across a hard century like so many stars. None of us has the wisdom to measure accurately the worth of the light against the darkness. If you took a survey, most people would vote for the light. But then, they probably never heard the children singing in high, frail voices: "It's hard times, Cotton Mill Girls, hard times everywhere." <C>

How Neutral Is the Fed?

A Measure of Humility

by Greg Kaza



Melanie Anderson

The Federal Reserve Act, passed at the close of 1913, created the current U.S. central bank in order to "establish a more effective supervision of banking in the United States." However, in response to monetary-policy errors committed by the central bank, Congress has, from time to time, amended the act. For example, during the 1970's, when Americans faced double-digit inflation and unemployment—for which, according to some critics, Fed policy was responsible—Congress passed the Humphrey-Hawkins Act of 1978, sponsored by Sen. Hubert Humphrey (D-MN) and Rep. Augustus Hawkins (D-CA), which required the Fed to establish a monetary policy for the country that would "promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates." Of course, supporters of the central bank reject this sort of meddling and argue instead for a *laissez-faire* approach toward the Fed.

The Fed includes, according to its own literature, "a central governmental agency—the Board of Governors—in Washington, D.C., and twelve Regional Federal Banks." The Federal Open Market Committee (FOMC) is a major component of the system. It includes members of the board of governors, the New York Fed president, and presidents of four other Fed member banks who serve on a rotating basis. Meeting eight times annually, the FOMC oversees the bank's open-market operations, the main tool used by the Fed to influence monetary and credit conditions. The Fed chairman can also call the FOMC into teleconference whenever he deems it necessary. As an independent government agency, the board of governors must comply with federal transparency provisions, including the Freedom of Information Act.

Proponents like to describe the Fed as a neutral umpire. Yet FOMC transcripts, released (after a five-year time lag) for an entire year's worth of meetings, raise serious doubts about the impartiality of this powerful government agency.

The FOMC faced a crisis in the fall of 1998. Heavily leveraged trades by Long-Term Capital Management (LTCM), a private hedge fund, declined precipitously. LTCM's money managers, including Nobel laureates reputed to be among the best in finance, had underestimated the impact of a Russian fiscal crisis on worldwide financial markets. LTCM imploded when investors fled *en masse* into the U.S. Treasury market (a safe haven) after the Russian government defaulted on its bond obligations and the ruble collapsed. Market liquidity declined dramatically, leading Treasury spreads to widen beyond historic norms, which caused LTCM's leveraged portfolio to collapse. House Banking and Financial Services Committee Chairman Jim Leach (R-IA) later observed that LTCM had underestimated "the role of corruption in Russia." This miscalculation threatened huge losses for large money-center institutions and European central banks who found themselves on the wrong side of the deal.

FOMC transcripts reveal that Greenspan was clearly worried as he addressed the October 15, 1998, FOMC teleconference. "At this stage, after 50 years of looking at the economy on almost a daily basis, I would say that I have never seen anything like the current situation," he said. "Certainly, based on all the historic annals I have read, and I have done a good deal of reading in economic history, it would be an extremely rare event for this type of financial environment to emerge and eventually recede without having an impact on the economy." His remarks, and the teleconference itself, are revealing on several levels.

First, Greenspan spent his 19-year tenure as a *government*

Greg Kaza is executive director of the Arkansas Policy Foundation, an economic-research organization founded in 1995 in Little Rock. His research on financial transparency has been published in academic journals in Asia, Europe, and North America.