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978-0-521-79039-0 - The Monied Metropolis: New York City and the Consolidation of the  
American Bourgeoisie, 1850–1896

Sven Beckert

Excerpt

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## Introduction

On February 10, 1897, at the tail end of the most severe economic depression the United States had experienced in the nineteenth century, 700 merchants, industrialists, bankers, and professionals assembled at New York's Waldorf-Astoria Hotel for a costume ball. Invited by lawyer Bradley Martin and his wife Cornelia, the guests arrived in fancy historic costumes. Fifty celebrants impersonated Marie Antoinette, while others, according to the *New York Times*, came dressed as "Kings and Queens, nobles, knights, and courtiers whose names and personalities take up pages of history."<sup>1</sup> Real estate mogul John Jacob Astor, wearing a Henry of Navarre costume, brandished a sword decorated with jewels; Ruth Hoe, daughter of printing press manufacturer Robert Hoe, "appeared in a dainty Louis XIV"; banker J. P. Morgan donned a Molière costume; and Caroline Astor had gems worth \$250,000 sewn into her dress.<sup>2</sup> Cornelia Martin, not to be outdone, wore a necklace once owned by none other than Marie Antoinette herself.<sup>3</sup> To receive her guests, Cornelia Martin sat on a raised platform resembling a throne, her husband, Bradley Martin, standing next to her, wearing a "Court dress of Louis XV, white and pink brocaded satin, knee breeches, white silk hose, diamond buckles on low, red-heeled shoes; powdered wig."<sup>4</sup> Furthering such aristocratic pretensions, the rooms themselves were decorated to resemble the great hall of Versailles, and the guests dined on such delicacies as "Terrapene decossée à la Baltimore" and "Sorbet fin de Siècle."<sup>5</sup> It was, as the *New York Times* continued to comment only one day after the ball, "the climax in this form of entertainment thus far reached in the metropolis."<sup>6</sup>

Indeed, the ball was so lavish and ostentatious that it galvanized all of New York, making it the "universal and engrossing subject of interest and discussion."<sup>7</sup> Cornelia Martin had justified the extravaganza as helping the country overcome the depression, arguing that it would "give an impetus to trade."<sup>8</sup> Many New Yorkers, if we are to believe the *New York Times*, objected to such rationalizations in the midst of economic crisis,

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and threats of bombs kept not only New York's police but also a hired army of Pinkerton detectives on alert, watching "for thieves or for men of socialistic tendencies."<sup>9</sup> As a further precaution, the first-floor windows of the Waldorf Hotel were nailed shut.

This "most elaborate private entertainment that has ever taken place in the history of the metropolis" pointed to a dramatic departure from the past.<sup>10</sup> The event and the frame of mind that inspired it were part of a series of transformations that had remade the city's economic elite between 1850 and 1890, economically, socially, ideologically, and politically. Forty years earlier, New York's wealthy citizenry, steeped in the country's republican heritage and the moral imperatives of frugality and thrift, would have looked with disdain upon the ostentatious displays of wealth and conspicuous consumption that flourished at century's end.<sup>11</sup> Championing northern society as the land of liberty and equal opportunity in opposition to Europe and the American South, they could not have imagined a world of such deep class hostilities evident in bomb threats, boarded windows, and Pinkertons. And in contrast to the armed-camp setting in which bourgeois New Yorkers of the 1890s displayed their social position to the world, New York's "respectable classes" forty years earlier had proudly paraded up and down Broadway each afternoon exhibiting their status to one another and to the city, a ritual in which they shared public space with other social groups. Indeed, the Martins' ball was far removed from a time when Alexis de Tocqueville observed that "in the United States the more opulent citizens take great care not to stand aloof from the people; on the contrary, they constantly keep on easy terms with the lower classes: they listen to them, they speak to them every day."<sup>12</sup> The ball symbolized other changes as well: Forty years earlier, manufacturers and merchants would hardly ever have assembled at the same social occasions. And while forty years earlier "society" events usually brought only upper-class New Yorkers together, now the Martins' ball was national in scope, with "people [coming] from distant cities to attend."<sup>13</sup> The ostentatious display of riches, the depth of class conflict, the national reach of social networks, and the unification of New York's upper class across economic sectors evident at the ball symbolized a significant departure from antebellum times.<sup>14</sup>

This book tells the story of the consolidation of a self-conscious upper class in New York City in the second half of the nineteenth century, and with it the genesis of the world represented by the Martins' 1897 ball. It

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is the history of a small and diverse group of Americans who accumulated unprecedented economic, social, and political power, and who decisively put their mark on the age. The book explores how capital-owning New Yorkers overcame their distinct antebellum identities, rooted in the ownership of different kinds of capital, to forge in the wake of the Civil War dense social networks, to create powerful social institutions, and to articulate an increasingly coherent view of the world and their place within it. Actively engaging with a rapidly changing economic, social, and political environment, these merchants, industrialists, bankers, real estate speculators, rentiers, and professionals metamorphosed into a social class.

This book, then, is about the making of a social class: New York City's bourgeoisie. It is also, however, about the tremendous power upper-class New Yorkers amassed during the second half of the nineteenth century and how they employed this power. This is the second story the book will tell. On a journey that will take us from the factory floor to the opera house, from the family parlor to Congress, I will show how bourgeois New Yorkers dominated the drama of production, culture, ideas, and politics. I will, for example, examine how their capital helped to revolutionize the way most Americans worked and lived, effectively forging their firms into the most powerful institutions of nineteenth-century America.<sup>15</sup> I will also explore their central part in the spectacle of the Civil War and Reconstruction. And I will inquire into their active role in making the trajectory of American labor "exceptional."<sup>16</sup>

In this book, in short, I investigate how bourgeois New Yorkers in the course of the nineteenth century became "structurally dominant."<sup>17</sup> It is striking, indeed, that nowhere else in the world did an economic elite emerge as powerful as that of New York City, effectively making the United States the most bourgeois of all nineteenth-century societies.<sup>18</sup> Upper-class power was such that more than a hundred years later, it is not presidents but prominent bourgeois New Yorkers, such as John D. Rockefeller and J. P. Morgan, who still symbolize the age to most Americans. Consequently, understanding the history of this economic elite in the nation's greatest metropolis is critical to understanding the history of the United States in the last half of the nineteenth century.<sup>19</sup> Unlocking the history of upper-class Americans, the central social actors of the quintessential bourgeois century, provides one important key to understanding the dynamics of economic, social, and political change between 1850 and 1900 and with it the emergence of modern America.<sup>20</sup>

It was in New York that these developments unfolded most dramati-

cally and from there had the greatest impact on the rest of the nation. Capital and capitalists gather in cities, and nowhere did economic, social, and political power coalesce more than in New York City.<sup>21</sup> New York's bourgeoisie dominated the nation's trade, production, and finance and served as the gatekeeper of America's most important outpost in the Atlantic economy.<sup>22</sup> The city's merchants, bankers, and industrialists staged the most elaborate social events anywhere, setting the bourgeois standard for the nation. And their economic, social, and political power reverberated from California to South Carolina, from the factory to the farm, from City Hall to the White House.<sup>23</sup> For these reasons, no other site of inquiry promises such rich insights into when, how, and why an upper class formed as a cohesive group with a shared identity, as well as the place of this emerging economic elite in the political, social, and economic context of the nation.<sup>24</sup>



Throughout the Western world, the nineteenth century saw the rise of the bourgeoisie and bourgeois society. As a result of the unfolding of capitalist economies and the emancipation of society from the state, owners of capital decisively shaped economic change and the newly emerging societies. As the first elite not to derive its status from the accidents of birth and heritage, the rising bourgeoisie worked hard, lived in modest comfort, and celebrated individual accomplishment. Accumulating ever more capital and power, this new social class gained the upper hand over an older, feudal, social elite and eventually shaped the economy, ideology, and politics of all Western nations.<sup>25</sup>

In the United States, the history of this social class was exceptional.<sup>26</sup> In the absence of an aristocracy or a feudal state, both bourgeois society and the bourgeoisie burst more powerfully onto the scene than anywhere else. By the end of the American Revolution, a socially distinct group of merchants had gained ever more prominence in the cities of the eastern seaboard. During the second quarter of the nineteenth century, these traders were joined by a group of artisans who had recently turned into manufacturers, and who were accumulating capital in production, not commerce. Unlike in Europe, where conflicts with an entrenched aristocracy at times drove bourgeois citizens to articulate shared identities as early as midcentury, the economic elite of the United States did not forge such bonds. While both merchants and industrialists developed social networks, cultural orientations, and institutions, as well as ideas and politics that diverged from those of farmers on the one side and workers on the other, even by as late as the 1850s they remained divided, articulating

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sharply different identities, creating competing social networks, and envisioning very different kinds of political economies.<sup>27</sup>

By the 1870s and 1880s, however, bourgeois New Yorkers articulated a consciousness of separate class identity. In a process that accelerated during the depression of the 1870s, upper-class social life and politics increasingly manifested a new and greater distance from other groups – especially from workers, whom the economic elite perceived as a double threat to their economic and political power. As a result of these fears, many elite New Yorkers abandoned their belief in a socially cohesive society without deep class divisions and their reluctant wartime support for a state-sponsored social revolution in the South. Instead, they advocated the unquestioned primacy of unregulated markets and, most dramatically, restriction of suffrage rights in municipal elections.

Proletarianization and the overthrow of slavery drove the process of bourgeois class formation. The overthrow of slavery and the destruction of the political power of slaveholders sped the economic development of the North, benefiting industrialists and bankers while increasing the political power of the northern bourgeoisie over the federal government. It also provided the basis upon which different capitalists could find common ground. Before the war, the city's industrialists, in particular, had embraced the emancipatory promises of republicanism, seeing in the eradication of slavery, or at least its limitation, the possibility for preventing the emergence of a permanent proletariat.<sup>28</sup> Merchants, in contrast, aimed at building a paternalist relationship to the city's workers, supported by the profits derived from a slave-based plantation economy. When the war destroyed slavery, it also destroyed the grounds for these arrangements.

The destruction of slavery, in effect, moved the process of proletarianization to center stage. During the war and its aftermath, those segments of New York's economic elite who based their economic activities on wage labor – namely, industrialists and financiers – became the dominant segment within the bourgeoisie itself. A coincidental challenge from the increasingly militant workers in the North compelled merchants, financiers, and industrialists to unify in defense of property rights, and to become more ambivalent about democracy, in fact, challenging some of their older assumptions about the nature of society. Many of them also increased the amount of capital they controlled, thus sharpening social inequality. As a result, the emancipatory vision of many antebellum bourgeois New Yorkers, with its universalist preoccupations, gave way to an articulation of class identities. Their political ideas focused ever more nar-

rowly on the guarding of their own elevated social position. A new industrial liberalism replaced the producerist liberalism of antebellum manufacturers and the communitarian liberalism of merchants. New York’s bourgeoisie was made and had made itself.



But before we embark on the epic story of New York City’s bourgeoisie a word about terminology. The term “bourgeoisie” was not frequently employed by capital-rich New Yorkers during the nineteenth century, who preferred to refer to themselves at first by the specific line of business they engaged in and, later, as “taxpayers,” or “businessmen.” Similarly, historians have employed various other terms to describe the group under review here, such as “elites,” “aristocracy,” “plutocracy,” “ruling class,” and “middle class.”<sup>29</sup> I believe, however, that the term bourgeoisie grasps more precisely the historical formation with which I am concerned. “Elite,” for example, while a useful term, does not sufficiently distinguish the bourgeoisie as a fundamentally different kind of elite from other elites who have come before or after.<sup>30</sup> Aristocracy, while used derogatorily by nineteenth-century workers and lower-middle-class citizens resentful of the wealth and power of the bourgeoisie, is problematic because it is the distinguishing feature of United States history that no true aristocracy emerged.<sup>31</sup> Plutocracy, in turn, insufficiently grasps the totality of the bourgeoisie, calling to mind only fat, cigar-smoking robber barons who reigned tyrannically over their enterprises and the government.<sup>32</sup> Ruling class assumes the political power of the bourgeoisie instead of investigating it. The term middle class (or middle classes), in contrast, by referring to a distinct elite based on the ownership of capital rather than heritage and birth, as the “estate” situated between inherited aristocracy on the one side and farmers as well as workers on the other side, describes the group this book is concerned with quite well. Its usage, however, has become so overwhelmed with present-day concerns that it lacks sufficient analytical clarity. Today, “middle class” can stand either for all Americans, past and present, who are neither extremely wealthy nor homeless, or for a distinct social group that corresponds somewhat with the European notion of the “petite bourgeoisie” – artisans, shop owners, and lesser professionals.<sup>33</sup> For these reasons, the term that best fits the group of people I am looking at is bourgeoisie, which I use interchangeably with “upper class” and “economic elite.” It refers to a particular kind of elite whose power, in its most fundamental sense, derived from the ownership of capital rather than birthright, status, or kinship. Bourgeoisie, moreover, focuses our attention squarely on the relationships between members of

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the city's economic elite, allowing us to put into the center of our investigation the question of what they did and did not share.<sup>34</sup>

In order to come to a workable definition of the term, we have to acknowledge that its meaning will always be somewhat ambivalent, because it is the essence of modern societies that boundaries between social groups are imprecise and to a certain degree porous. Still, for the purposes of this book, the bourgeoisie most prominently and unambiguously includes the city's substantial merchants, industrialists, and bankers, along with rentiers (people who lived off investments they did not manage themselves), real estate speculators, owners of service enterprises, and many professionals. Taken together, this was the entrepreneurial or economic bourgeoisie par excellence.<sup>35</sup> They shared a specific position in New York's social structure in that they owned and invested capital, employed wage workers (or, at the very least, servants), did not work for wages themselves, and did not work manually.<sup>36</sup>

Since, as I have argued, social boundaries in the nineteenth-century United States were open, we need to acknowledge that many nineteenth-century New Yorkers were on the margins of the city's bourgeoisie. For one, there were the small shopkeepers and artisans. They, just like the more substantial industrialists and merchants, owned capital and frequently employed others, but in contrast to their wealthier neighbors, participated actively in the production process or stood behind their retail store's counter. Artisans, in particular, defined themselves less by the control of capital than by their skills. Their independence, moreover, was more tenuous as they were easily wiped out by the smallest of economic misfortunes, their capital so limited that it needed monthly replenishment in order to guarantee its owners even the most marginal of bourgeois lifestyles. Yet because this group provided the most important reservoir of people rising into the bourgeoisie and because they shared some of the social and political sensibilities of their betters, artisans and shopkeepers, especially in the earlier years of the century, were not sharply divorced from the city's economic elite.<sup>37</sup>

The second group with a complicated relationship to the city's bourgeoisie were the professionals, experts, and intellectuals. Many of them were clearly part of the bourgeoisie in their role as rentiers or landowners. As the century went on, however, some also found access to bourgeois networks and bourgeois institutions solely based on the educational capital they controlled.<sup>38</sup> This book, however, while interested in the relationship between economic elites and professionals, as well as the lower middle classes, decisively focuses on the *economic* or *entrepreneurial*

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bourgeoisie. It was unambiguously at the center of New York's bourgeoisie, distinguishing the city's bourgeoisie sharply from that of many European cities, where high-ranking civil servants, military officers, church officials, and state-employed professors often constituted an important part of this class.

The diverse entrepreneurial bourgeoisie that is at the center of this work was deeply divided and notoriously unstable. It was unstable for the simple reason that it was not based on accidents of birth. It was also unstable because bourgeois New Yorkers were committed to social mobility. Therefore, the boundaries of this social class, while real, were in constant flux.<sup>39</sup> Moreover, the bourgeoisie was marked by deep internal divisions. Certainly, one of bourgeois New Yorkers' defining characteristics, the ownership of capital, drove them apart as market competition and divergent demands on the state threw them into constant struggles. They, moreover, owned different kinds of capital, its cultural and political imperatives sharply diverging. And they were diverse in other ways: They had different religious beliefs, they had deeply rooted and conflicting loyalties to different political parties, they were born in many places all over the world (thus lacking a shared history), and the amount of their wealth differed sharply, as did its relative "age." This book poses the questions when, how, and why the coherence between these different groups became dominant over their differences.

To speak of the bourgeoisie in a meaningful way, then, the term must be more than a merely descriptive term defining an economically heterogeneous group. One needs to look beyond social structure to discover if, at certain points, something more than the shared ownership of capital held this group of New Yorkers together.<sup>40</sup> Indeed, it is only in this specific sense that this social class, like any other, has a history. Bourgeois defines not only a certain space in the social structure but potentially also a shared culture and identity.<sup>41</sup> And because social identities often emerge in conflict with other social groups, it was in the process of distinguishing themselves from others, especially from workers, but by the late century also from the lower middle class or the petty-bourgeoisie, that bourgeois New Yorkers came to an understanding of themselves as a class and at times were able to act collectively upon this identity.<sup>42</sup>

In the emergence of this identity, culture in the broadest sense played a central role.<sup>43</sup> Especially by the late nineteenth century, a common cultural vocabulary increasingly defined bourgeois New Yorkers, transcending divisions rooted in economic competition, the ownership of different



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kinds of capital, and ethnic and religious differences.<sup>44</sup> This class culture emphasized rationality, discipline, and individual effort. It expressed itself in shared habits and manners (such as rituals of eating at the dining room table), preferences in interior design, definitions of “high culture,” and gender roles (women occupying a “separate sphere” from men).<sup>45</sup> The bourgeois family, in particular, was central to the definition and production of this bourgeois cultural world. Eventually, all these identities and inclinations were institutionalized in clubs, debutante balls, voluntary associations and museums, and, in exceptional circumstances, even in political mobilizations.<sup>46</sup> These institutions, in effect, bound different segments of the city’s (and the nation’s) bourgeoisie together. By emphasizing culture as well as conflict, this book allows us to see the creation of a bourgeoisie as the result of an active process of class formation, not as the automatic or necessary outcome of a shared position in the social structure.<sup>47</sup> It also allows us to talk about class without falling into the trap of teleology.<sup>48</sup>



Considering the central role of the nineteenth-century bourgeoisie in the most bourgeois of all countries, the United States, recent historical scholarship has produced few in-depth discussions on the nation’s merchants, industrialists, and bankers. Historians have shied away from a comprehensive analysis of the formation of the United States bourgeoisie, except in portraits of hinterland towns where its members exercised only local power, or in studies on isolated aspects of bourgeois life, especially social networks.<sup>49</sup>

On the one hand, this lack of interest is hardly surprising, as bourgeois Americans, especially in the twentieth century, denied the existence of classes – most particularly their own.<sup>50</sup> The economic elite’s position in society, moreover, was so hegemonic that their interests, ideas, and passions seemed to be those of most Americans and, thus, hardly the stuff of historical inquiry.

On the other hand, however, the dearth of interest in the American bourgeoisie is surprising, considering that class and power have played a central role in the writing of social and political history over the past three decades.<sup>51</sup> Social historians have shown persuasively how during the first half of the nineteenth century, a working class began to emerge in the United States. While emphasizing the uneven trajectory of its development, and the wide variation between regions, cities, ethnic groups, and industries, they have demonstrated that workers embraced a culture, ideas, and at times organizations and politics distinctly stamped by their

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class position. These historians, moreover, suggested sophisticated methods for the study of social groups. They emphasized the openness of the process of class formation, regional variation, and, especially, the relational nature of class.<sup>52</sup> In the process of writing the history of labor, they have also persuasively established that American society, especially during the second half of the nineteenth century, was socially stratified. And, while disagreeing about their meaning, they have shown that class institutions, class ideologies, and class politics emerged.<sup>53</sup>

Yet despite the focus on class stratification and working-class formation, and despite one perceptive observer's comment that "[c]lass consciousness is not equally characteristic of all levels of American society: it is most apparent in the upper class," few studies have undertaken to trace the history of the formation of the nation's economic elite as a class.<sup>54</sup> One reason for this omission is certainly that many social historians desired to uncover the once-hidden history of "common people" and to de-emphasize those who for so long had dominated historical narratives. Moreover, these scholars found it easier to write about people with whom they could identify and whose struggles they viewed sympathetically. Yet in their desire to rescue the historical agency of the downtrodden, social historians often ignored the balance of social power and relocated the struggles over social power into the sphere of culture.<sup>55</sup> As a consequence, they neglected the most powerful social group in the nineteenth-century United States – the bourgeoisie.<sup>56</sup> Many business historians, who resisted the new methods of social history and therefore failed to make business people relevant to modern historiographical concerns, exacerbated this lack of attention.<sup>57</sup> While they made the important point that business as an institution and business people as historical actors are significant to understanding United States history, they often looked at them in isolation from society and the state.<sup>58</sup>

Both consensus and progressive school historians, writing from the 1930s through the 1950s, on the other hand, had been more cognizant of the nation's upper class. Louis Hartz, for example, thought of Americans as "a kind of national embodiment of the concept of the bourgeoisie," but saw the "bourgeois class passion [as] scarcely present." He made the very hegemony of the bourgeoisie responsible for its absence as a social analytical category.<sup>59</sup> Richard Hofstadter, too, conceptualized the United States as a largely middle-class society and thus, by default, gave the country's bourgeoisie a central place in its national story.<sup>60</sup> While both Hartz and Hofstadter identified one of the central facts of American history – the absence of feudal structures in opposition to a bourgeois way of life – their stress on consensus undermined their ability to see the bourgeoisie