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Industrial and Labor Relations Review, Vol. 40, No. 1. (Oct., 1986), pp. 61-74.

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COMPETITION, RACISM, AND HIRING PRACTICES AMONG CALIFORNIA MANUFACTURERS, 1860–1882

MARTIN BROWN and PETER PHILIPS*

This paper examines the participation of Chinese men in four California industries in the late 1800s to determine the relationship between product market structure and racist hiring practices. Because white women, a traditional source of cheap labor, were scarce in post-Gold Rush California, white employers hired Chinese men, despite widespread anti-Chinese racism. As white women became plentiful, the canning and woolen mills industries began to switch to them, whereas the more competitive shoe and cigar industries continued to employ Chinese men. Factors other than market structure, however, resulted in particularly virulent anti-Chinese attitudes in the more competitive industries, and those attitudes indirectly stimulated the exclusionary hiring practices in the less competitive industries.

THERE is a dialectic in the relationship between racism and market structure. On the one hand, competitive pressures may force market participants to set aside racist attitudes to attain economic goals. On the other hand, fears engendered by competition may excite and reproduce pre-existing racist stereotypes and antagonisms. Scholars have studied anti-Chinese racism after the Gold Rush in California partly to present a comparison with anti-black racism found throughout the United States to the present day.¹ Their research has emphasized the anti-Chinese move-

ment in the gold mines and among urban white male unionists. In contrast, this paper highlights the relationship between the employment of Chinese men and white women. Specifically, we assess the extent to which racist pressures forced the substitution of white women for in-place male Chinese workers in four California manufacturing industries in the 1870s as the proportion of white women in the state rose. The main question this paper asks is to what extent Chinese men were protected from the influx of white women in the more competitive industries under study.

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¹The major works on the history of competition between Chinese and whites in post-Gold Rush California are: Ira B. Cross, *A History of the Labor Movement in California* (Berkeley: University of California Press, 1935), Chaps. 3 and 4; Alexander Saxton, *The Indispensable Enemy* (Berkeley: University of California Press, 1971), Chap. 1; and Ping Chu, *Chinese Labor in California* (Ann Arbor: Edward Bros., 1963).

Chinese Men as Surrogate Female Labor

Although the explosive development of the northern California economy after 1849 was initially based on the mining and export of gold, it was soon augmented by the growth of local consumer goods industries. These industries were located mainly in the San Francisco Bay Area, the early center of California trade and population. Due to

the productivity of gold claims in the 1850s, high wages were required to attract laborers into manufacturing. This put would-be California manufacturers at a distinct competitive disadvantage relative to their East Coast and European competitors. High transport costs offered some shelter in local markets, but the labor-cost disadvantages faced by California manufacturers were exacerbated by the dearth of women and children in the post-Gold Rush population (see Tables 1 and 2). Early California capitalists were denied the low-wage female and child labor pool that was available to their out-of-state competitors.

Fortunately for would-be California manufacturers, the largely male population of Chinese immigrants in California had been excluded from gold mining by the collective antagonism of white prospectors,² making available a pool of workers who did not have the option to mine gold. Because the Chinese who sought industrial employment could not afford to be too demanding, early California manufacturers turned to them for cheap labor.³

Table 2 shows the importance of female labor to Massachusetts manufacturers in the four industries—woolen mills, canneries, boots and shoes, and cigars—that were the major employers of Chinese labor among urban manufacturing industries in California. It can be seen that the percentage of women in the California branches of these industries falls well below both the national norm and the percentage in Massachusetts. The high percentage of Chinese men in the California branches of these industries, ranging from 19 percent in boots and shoes to 91 percent in cigars, confirms contemporary accounts stating that in California Chinese men did “women’s work” in manufacturing.⁴ Data for gender-based relative wages in Massachusetts indicate

Table 1. Women and Chinese in the California Population and Labor Force, 1860–1900.

Year	Chinese as a Percentage of California's Population ^a	Women over 10 Years Old as a Percentage of California's Population ^b	Women as a Percentage of the California Wage Labor Force ^c
1860	10	20	0
1870	10	34	6
1880	9	38	8
1882	11	NA	NA
1890	6	40	11
1900	3	44	14

Sources: Mary R. Coolidge, *Chinese Immigration* (New York: H. Holt, 1909), pp. 425–27; U.S. ninth *Census*, Vol. 1, *Statistics of the Population of the United States* (Washington, D.C.: GPO, 1872), Table 26; U.S. Bureau of the Census, fifteenth *Census*, Vol. 4, *Population* (Washington, D.C.: GPO, 1933), Table 1, p. 171.

^aIncludes women. Women, however, accounted for only 5 percent of the Chinese population in California in 1860 and 1880. By 1900, as Chinese immigration declined, the proportion of the Chinese population that was female rose to 11 percent. U.S. eighth *Census*, Vol. 1, *Population* (Washington, D.C.: GPO, 1864), Table 1, p. 27; U.S. tenth *Census*, Vol. 1, *Population* (Washington, D.C.: GPO, 1883), p. 545; U.S. twelfth *Census, Population*, Vol. 2 (Washington, D.C.: GPO, 1902), pp. xxiii–xxv.

^bIncludes Chinese women, but see note a above.

^c“Wage Labor Force” refers to gainful workers employed.

wide gaps between average wages for men and women in each of these industries. Thus, both in relative numbers and in relative wages, Chinese men provided California manufacturers with a low-wage labor force similar to the pool of female factory hands used in Eastern plants.

Once Chinese labor had been hired and trained, the employment of Chinese became self-reinforcing, even as political and economic conditions evolved to create an anti-Chinese atmosphere among groups of California workers and employers. Having “started in with” Chinese men, employers found that two factors made them a “necessity.”⁵

²Lucile Eaves, *A History of California Labor Legislation* (Berkeley: University of California Press, 1910), Chap. 3.

³United States Senate, “Report of the Joint Special Committee to Investigate Chinese Immigration” (hereafter JSC), 44th Cong., 2d sess., Report No. 689 (Washington, D.C.: GPO, 1877), p. 607.

⁴Henry George, “The Chinese on the Pacific Coast,” *New York Tribune*, May 1, 1869, pp. 1–2.

⁵JSC, p. 608.

Table 2. Proportional Representation and Relative Wages of Women and Chinese in Four Industries in 1870.

Industry	Percent Female			Percent Chinese (San Francisco)	Women's Wages as a Percentage of Men's Wages in Massachusetts	Chinese Men's Wages as a Percentage of White Men's Wages in California
	U.S.	Mass.	Calif.			
Woolen Mills	35.4	41	4.7	64.4	70	60
Canneries	58.5	63	0	60.0	33	60
Boots & Shoes	14.1	20	7.3	19.1	50	44
Cigars	10.0	24	0	91.5	35	55

Sources: U.S. ninth *Census*, Vol. 19, *Wealth and Industry* (Washington, D.C.: GPO, 1872), Table 8B; U.S. ninth *Census*, Vol. 1, *Statistics of the Population of the United States*, Table 33; Massachusetts Bureau of Statistics of Labor, fourth annual *Report* (Boston: State Printing Office, 1873), Table 3; J. S. Hittell, *Hittell's Scraps* (Bancroft Library, n.d.), n.p.; U.S. Senate, "Report of the Joint Special Committee to Investigate Chinese Immigration," 44th Cong., 2d sess., Report No. 689 (Washington, D.C.: GPO, 1877), pp. 313, 334; Ping Chu, *Chinese Labor in California* (Ann Arbor: Edward Bros., 1963), p. 92.

The first consideration that led employers, particularly in capital-intensive industries, to cling to in-place Chinese was sunk training costs. For example, Donald McLennan, a woolen mill operator, resisted the suggestion to make the switch to non-Chinese workers in 1876 testimony before a Congressional committee:

Q. What are the Chinese generally engaged in—tending looms?

A. Tending looms, and assorting, and doing light work. . . .

Q. Those branches are carried on by the white girls in the East, are they not?

A. Yes, sir; but there are more white girls in the East than there are here.

Q. Do you think they are unteachable here?

A. No, sir; but . . . it takes them a long time to learn; and the experiment is too costly in a country like this to teach them. . . .⁶

The second consideration that some San Francisco industrial employers voiced was the usefulness of Chinese workers as a check on the demands of male white labor.⁷ With white labor scarce and expensive in the 1860s, Chinese were trained by employers as skilled and semiskilled workers in many industries, including woolen mills and canneries.⁸ The absence of an in-place pool of

skilled white labor was actually something of an advantage to employers, since in-place workers often are reluctant to cooperate with or train new hires if the new employees are seen as their potential replacements. With no entrenched white craftsmen to buy off or bully into submission, early manufacturers faced less resistance and lower costs in the initial training of Chinese. Furthermore, the boom of the 1860s justified the costs of experimenting with the training of untried Chinese workers. As a result of such experimentation, employers learned that Chinese could do skilled "white" work, and promptly created a sizable pool of Chinese craftsmen.

White women, on the other hand, could not play as effective a counterweight to white craftsmen's demands for three reasons. First, women entered the California labor force in significant numbers only after a trained and proven Chinese male labor force had been established in the 1860s. For employers, the payoff for training a novice labor force was much higher in the 1860s, when boom conditions justified the risks and the absence of alternatives opened the entrepreneurial mind to untried possibilities, than afterward. Second, women entered the California labor market after in-place trained workers were already there and ready to resist the training of women. White men may not have objected to the

⁶JSC, p. 613; also see footnote 29.

⁷JSC, p. 613.

⁸J. S. Hittell, *Hittell's Scraps* (Bancroft Library, n.d.), n.p.

training of white women for unskilled Chinese men's jobs, but neither Chinese men nor white men were eager to cooperate in training white women for their own jobs.⁹

Third, employers could count on complete antagonism between Chinese and white men. Chinese were excluded from the white labor movement and white working class society in general. Consequently, they could be counted on to show no sympathy for white craftsmen's strikes. Although white women were also excluded from male labor unions, they were nonetheless more closely integrated into the society and interests of white men.¹⁰ Thus, from the employers' viewpoint, white women formed a riskier counterweight in any strategy to deter white male strikes.

Industry Response to Pressure for Chinese Exclusion: 1870–1882

From the time that Chinese were excluded from the gold fields in the 1850s, some segments of California society consistently opposed the employment of Chinese. The pressure to exclude Chinese increased, however, with the economic stagnation and unemployment of the late 1870s.¹¹ The growth of the white female population combined with the slowdown of employment opportunities in the 1870s to create a pool of unemployed white women

workers who resented Chinese men doing "women's work." Although there are no direct data on female unemployment in California, the magnitude of the problem can be inferred from data presented in Table 1. In each decade from 1860 to 1900, the percentage of women in California's population grew significantly. In lockstep with this growth, the percentage of women in California's manufacturing labor force also grew significantly in each decade except the 1870s. In that decade the proportion of women in California's population grew by 4 percent but the proportion of women in the California labor force grew by a scant 1 percent. This suggests a growing pool of unemployed or discouraged white women workers in the 1870s.

With the slowdown of the late 1870s, the notion that Chinese men and white women could share the work normally "allotted" to women became doubly difficult to maintain. The depression made it appear to white women that the Chinese had not only usurped jobs from women but forced down the wages of those women who had jobs.¹² Thus, women along with others chose to focus their political efforts on the exclusion of Chinese labor.

California manufacturers divided in their reaction to this heightening pressure to exclude the Chinese. Both sunk training costs and established anti-union employment strategies continued to be important, especially in high capital cost industries. But in industries such as shoes and cigars, with low entry barriers, white employers themselves felt directly threatened by Chinese competition. The Chinese hired and trained in the 1860s tended to set up shop for themselves in the 1870s in industries that required little capital. Chinese capital entry in a period of economic stagnation and excess capacity was especially galling, and small employers tended to join with shopkeepers and white labor in pressing for exclusion of Chinese labor to solve the problems of economic depression.¹³

⁹Not only was it common to find white workers resisting the introduction of Chinese, but occasionally Chinese workers were sufficiently well entrenched and organized to resist the introduction of white workers. See Saxton, *Indispensable Enemy*, p. 217.

¹⁰*California Rural Press*, August 9, 1873, p. 84.

¹¹Based on newspaper accounts, Ira Cross concludes that 1871 and 1872 were slow years, with 1873 to 1876 showing signs of recovery. From 1877 to the end of the decade there was a deep depression, again according to Cross's reading of newspaper accounts. See Cross, *Labor Movement in California*, pp. 60–72. Cross's account is consistent with data in the U.S. Bureau of the Census's "San Francisco—Historical Sketch," *Tenth Census, Report on the Social Statistics of Cities*, Part 2 (Washington, D.C.: GPO, 1885), p. 802, and with a business cycle index constructed by the authors from annual employment data obtained from San Francisco City Assessor, annual *Report*, 1867–82, found at the San Francisco Public Library (hereafter SFCA). (Details of SFCA employment data available from authors).

¹²JSC, p. 899.

¹³Ira Cross, *Frank Roney, Irish Rebel and California Labor Leader* (Berkeley: University of California Press, 1931), p. 385. The line between a white cigar roller who worked for others and the owner of a tobacco

Responses to the pressure to exclude Chinese varied from industry to industry and even from firm to firm. The following section focuses separately and in detail on the canning, woolen mills, shoe, and cigar industries in order to analyze industry-specific hiring responses to the changed circumstances of the 1870s.

High Entry Barrier Industries: Canneries

Throughout the 1870s and 1880s, California canning was growing in importance. Whereas only one cannery was reported in the 1870 census, nine canneries existed in 1876, and the 1880 census found twelve. The 1890 census counted 61. In 1870, the average start-up costs for a cannery were around \$25,000, and canneries employed somewhere between 60 and 400 workers.¹⁴ The canning industry grew exceptionally fast because it was tapping the state's newly discovered agricultural potential.¹⁵

The large capital requirements in canning made moot the threat of Chinese entry. Not fearing Chinese capital entry, white cannery operators had no direct interest in Chinese exclusion. On the other hand, employers' reasons for keeping their Chinese employees had become less convincing in the 1870s. Enjoying the natural advantage afforded by the development of California agriculture, California canneries were shielded from much of the potential competition of Eastern manufacturers even as the cost of transport to California

fell. Another reason that competitive pressures in the canning industry were relatively weak was that it was an industry in the early phase of its product cycle, experiencing a high secular growth rate in product demand. In contrast to the output of most other California manufacturing industries, which stagnated during the years 1873 to 1879, output in California canning actually increased by about 30 percent.¹⁶ Under less competitive cost pressure than employers in mature industries or low capital-cost industries, the California canning employers found it less difficult to replace their low-wage and compliant Chinese labor force.

In addition, industry growth in a period of general stagnation and in-migration altered the canners' labor market options. Due to its seasonal nature, canning was well placed to tap the growing pool of women workers. The wide range of work durations desired by women fit in well with the seasonal and unstable labor demand of the canners.¹⁷ Chinese men's desire for year-round employment, by contrast, was a source of difficulty with the in-place Chinese work force. The training costs for the seasonal work force were minimal, because the wage payment system for these jobs was by piece rate.¹⁸ Gaining proficiency in this work was mainly a matter of individual practice, so there was little need to integrate new women and experienced male Chinese seasonal workers. Furthermore, this growing industry had to train large numbers of new workers in any case. The sunk training costs in Chinese workers, therefore, although of some importance to older firms, meant little to the newer firms of the mid-1870s.

Unlike the woolen mills, which held white labor in check by hiring Chinese and threatening to promote them in case of a strike, canners trained Chinese for skilled

shop who rolled cigars in his spare time was often crossed during this period, as was that between boot and shoe factory workers and owners of shoe repair shops. Consequently, in these low capital entry industries, the competitive interests of white capitalists, shopkeepers, and workers often converged. *San Francisco Alta*, June 9, 1867, p. 1.

¹⁴U.S. ninth *Census*, 1870, Vol. 3, *Wealth and Industry* (Washington, D.C.: GPO, 1872), p. 436; Commercial Herald, *Review of the Trade of California, 1876* (San Francisco: Commercial Herald, 1877), p. 35; U.S. tenth *Census*, 1880, Vol. 2, *Manufacturers of the United States* (Washington, D.C.: GPO, 1882), p. 40; U.S. eleventh *Census*, 1890, Vol. 6, *Manufacturing Industries*, Part 1 (Washington, D.C.: GPO, 1895), p. 348; Hittell, *Scraps*, n.p.

¹⁵Isidor Jacobs, "The Canning Industry in California," in Arthur I. Judge, ed., *A History of the Canning Industry by Its Most Prominent Men* (Baltimore: The Canning Trade, 1914), pp. 23-30.

¹⁶SFCA, 1874-80.

¹⁷J.S. Hittell, "Cutting Packing Company" (Bancroft Library, 1881); U.S. twelfth *Census*, 1900, Vol. 9, *Manufacturers*, Part 3 (Washington, D.C.: GPO, 1902), p. 483; twelfth *Census*, Special Reports, *Occupations at the Twelfth Census* (Washington, D.C.: GPO, 1904), Table 43.

¹⁸Eleventh *Census*, Vol. 6, Part 1, Table 5.

work (including training-intensive work in the cannery cookroom) as well as floor labor. Cannery operators counted on the "faithfulness" of their Chinese craftsmen due to their isolation from the white labor movement and their precarious political status in California. But as long as a small but sufficient supply of Chinese craftsmen was retained, it was relatively costless to the cannery operator to replace Chinese seasonal labor with women.¹⁹

In view of these considerations, it is not surprising that with the industry growth of the 1870s canneries used the new female labor supply as their expansionary labor force. New firms hired female floor labor, while older cannery establishments retained their Chinese.²⁰ In both new and older canneries Chinese held onto skilled jobs, and in the older canneries Chinese floor labor was lost by attrition. Where possible, Chinese men and white women were assigned to separate areas of the cannery.²¹ Thus, although they lacked any race-related direct interest in replacing Chinese per se, the California canneries shifted very rapidly to female floor labor. Between 1870 and 1880, the proportion of women in canning increased from zero to 43 percent (see Table 3). By 1876, Chinese were reduced to 21 percent of San Francisco cannery employment in the busy season. Chinese had fallen to 6 percent of the peak season cannery work force in all of California by 1889. By 1908, only 4 percent of the summer cannery work force in California were Chinese.²²

¹⁹Of nineteen canneries surveyed in 1889, four employed no Chinese, seven employed Chinese only in skilled positions, and eight employed Chinese in both skilled and unskilled positions. Among these last eight canneries, most employed a preponderance of women in the unskilled jobs. California, Bureau of Labor Statistics (hereafter BLS), fourth biennial *Report*, 1889-90 (Sacramento: State Printing Office, 1890), pp. 97-101. For similar results, see U.S. Immigration Commission, *Immigrants in Industry*, Vol. 24, Part 25 (Washington, D.C.: GPO, 1911), p. 225.

²⁰BLS, fourth *Report*, pp. 97-101; BLS, third *Report*, 1887-88, p. 20.

²¹BLS, third *Report*, p. 21; San Francisco *Examiner*, Sept. 4, 1881, p. 1.

²²JSC, pp. 1213, 1215; BLS, fourth *Report*, pp. 97-101; U.S. Immigration Commission, *Immigrants*, p. 225.

High Entry Barrier Industries: Woolen Mills

Woolen mills shared with canneries high entry costs. Unlike California canning, however, which was part of a national industry characterized by a new and growing product market, woolen milling was a mature industry.²³ As such, it was susceptible to severe overproduction during cyclical down-turns. During such periods the ability of regional producers to intrude and sell their surplus successfully in remote markets determined whether a firm would make a profit or suffer a loss.²⁴ Thus, during the recurrent nation-wide business down-turns following the over-investment in mill capacity during the Civil War, the pressure of competition between eastern and California markets was felt acutely by California woolen mill owners. For example, when, during the down-turn of 1867, shiploads of surplus eastern woolens were dumped in California markets, San Francisco mills were forced to cut back production by 50 percent. Having lost the advantage of their scale economies, San Francisco mill owners tried to make up for the loss by instituting wage cuts and by hiring Chinese men to replace both skilled white men and unskilled female operatives.²⁵

The chronic surplus capacity problems of California woolen mills in the late 1870s could not be solved or even ameliorated by excluding Chinese nationals from the industry. Because high entry costs already ruled out Chinese entrepreneurs as potential employers, formally barring Chinese from such ventures would have accomplished nothing; and the problems of over-supply underscored the value of Chinese workers to white mill owners. Under the heightened pressure of competition due to slow growth, the value of the in-place Chinese labor force in terms of sunk training costs was especially high for the woolen mills.

²³Ninth *Census*, Vol. 3, Table 8B; tenth *Census*, Vol. 2, Table 2; eleventh *Census*, Vol. 4, Part 1, Table 5.

²⁴JSC, pp. 557-59.

²⁵San Francisco *Daily Alta*, May 6, 1867, p. 1.

Table 3. White Women and Chinese Men as a Percentage of the Labor Force in Four Industries—U.S., California, and San Francisco, 1870, 1880, and 1890.

Year	Boot and Shoe		Cigars		Canning		Woolen Mills ^a	
	Women	Chinese ^b	Women	Chinese ^b	Women	Chinese ^b	Women	Chinese ^b
1870								
U.S.	14.1		10.0		58.5		35.4	
Calif.	7.3	15.7	0	89.6	0	N/A	4.7	52.5
S.F.	N/A	19.1	N/A	91.5	N/A	60.0	N/A	64.4
1880								
U.S.	19.2		17.1		48.5		43.6	
Calif.	6.3	48.0	3.1	N/A	43.2	N/A	21.7	30.3
S.F.	6.7	59.0	3.2	88.6	52.6	21.0 ^c	N/A	22.8
1890								
U.S.	29.8		27.8		51.7		46.8	
Calif.	17.1	27.5	6.7	72.5	55.7	N/A	33.0	N/A
S.F.	17.1	38.4	6.8	82.3	69.8	6.0	N/A	N/A
Change ^d								
1870–80	-1.0	39.9	3.1	-2.9	43.2	-39.0	17.0	-41.6
1880–90	10.8	-20.6	3.6	-6.3	12.5	-15.0	11.3	N/A

Sources: U.S. ninth *Census*, Vol. 3, *Wealth and Industry* (Washington, D.C.: GPO, 1872), Table 8B, pp. 394–98; Table 9, pp. 497–98; U.S. ninth *Census*, Vol. 1, *Statistics of the Population of the United States*, Table 30, p. 722; Table 32, p. 799; U.S. tenth *Census*, Vol. 2, *Statistics of Manufactures* (Washington, D.C.: GPO, 1883), Table 2, pp. 9–14; Table 4, pp. 92–94; Table 6, pp. 435–37; U.S. tenth *Census*, Vol. 1, *Statistics of the Population of the United States at the Tenth Census*, Table 31, pp. 725, 728; Table 36, p. 902; U.S. eleventh *Census*, Vol. 6, *Report on Manufacturing Industries in the United States at the Eleventh Census* (Washington, D.C.: GPO, 1895), Part 1, Table 4, pp. 92–115; Table 6, pp. 346–53; Part 2, Table 3, pp. 532–41; U.S. eleventh *Census*, Vol. 1, Part 2 (Washington, D.C.: GPO, 1892), Table 116, pp. 536–37; Table 118, pp. 728–29; U.S. Senate, *Report on the Joint Special Committee to Investigate Chinese Immigration*, 44th Cong., 2d sess., Report No. 689 (Washington, D.C., 1877), pp. 1213, 1215; California Bureau of Labor Statistics, fourth *Biennial Report 1889–90* (Sacramento, 1890), pp. 97–101; J. S. Hittell, *Hittell's Scraps* (Bancroft Library, n.d.), n.p.

^aData for 1880 and 1890 include silk mills.

^bNo data are reported for Chinese in the United States as a whole because almost the entire Chinese immigrant population was located in California.

^cFor 1876.

^dFor women, the change is between percentages for California; for Chinese, the change is between percentages for San Francisco.

The woolen mills were also technically more tied to their trained Chinese work force than were the seasonal canneries. Chinese men wished to work year-round and the mills wished to run year-round. Sunk training costs were high for floor labor in woolen mills because integrated mechanical production created cooperative skill requirements that the in-place Chinese had already acquired. These technical factors made established woolen mill operators eager to preserve their investment in a trained Chinese labor force; and the industry's relative stagnation meant that few new plants would open up calling for

the training of entirely new work forces.²⁶

It is reasonable to infer that the lack of competition from Chinese capital and the high cost of replacing Chinese labor contributed significantly to the stated liberal tolerance for Chinese by white woolen mill owners. Herman Heynemann, president of Pioneer Woolen Factory and Pacific Jute Manufacturing Company, expressed his

²⁶Between 1870 and 1880, the value of output for the two San Francisco woolen mills remained roughly constant, fluctuating around a value of two million dollars. SFCA, 1870–80.

seemingly deep convictions about racial equality in this 1876 testimony:

Q. You say originally you could not have established the manufacture with Chinese labor. Why do you continue with Chinese labor?

A. [Heynemann] We do not continue upon Chinese labor or upon any labor; we continue simply upon human labor. I do not make any distinction whether it is Chinese or White. I think such a distinction is an artificial one. I think if a Chinaman ate meat for a length of time he would be white, and he is yellow simply because he has eaten rice for generations.²⁷

Thus, protected from Chinese capital entry, mill operators came to believe that Chinese men compared quite favorably to the women used in the East. According to woolen manufacturer Peckham:

The Chinese . . . are very industrious people. Taking them as a class, they are the most industrious people I ever saw in my life. . . . I think that a Chinaman will learn to weave as well on a fancy loom in one month as most American girls would learn in two months.²⁸

Believing in the competitive value of Chinese labor, woolen mill owners were more willing than most whites to defend continued Chinese immigration.²⁹

Nevertheless, because of the large size and central location of their factory buildings the woolen mills were a particularly visible industry vulnerable to public pressure. Even though woolen manufacturers insisted on the productive usefulness of Chinese as cheap labor, they seemed to have accepted the invidious distinctions popularly drawn between whites and Chinese. Mill operator Heynemann claimed Chinese were culturally inferior to skilled white labor:

[The Chinese] have a very great power of imitation, but very little power of invention. I think an American, or what we would call a white laborer here, and especially those who descend immediately from native born Americans have got an ingenuity that is not found in a Chinaman. I do not think for generations the Chinaman will ever be the peer of the American laborer.³⁰

²⁷JSC, p. 533; BLS, third *Report*, p. 30.

²⁸JSC, p. 554.

²⁹JSC, p. 535.

³⁰JSC, p. 534.

The employment of Chinese as cannery cooks and cappers belies this stereotype. In the 1870s, skilled cannery work required judgment and experimentation to ensure a safe pack. Fearing craft strikes from white, male workers, cannery operators had long since renounced the stereotype of Asians as industrious but unimaginative drones.³¹ Mill owners, however, feared mill-wide strikes. Their incentive was not to promote Chinese to skilled positions but to maintain a "mixed, cosmopolitan community." Thus, Chinese were allowed to fill only a small fraction of skilled men's jobs, but were employed in larger proportions of unskilled men's and (especially) women's jobs.

Despite the sunk costs San Francisco woolen mill operators had invested in Chinese training, despite the usefulness of Chinese men as a check against white male labor, widespread agitation against the Chinese in the late 1870s led to a decline in the employment of Chinese in woolen mills. In response to such pressure in the winter of 1880, Heynemann shut down his two mills, temporarily laying off 800 Chinese from the jute mill and several hundred from the Pioneer Woolen Mill.³²

Thus, not only were woolen mills slower than canneries to respond to public pressure for Chinese exclusion; in the woolen mills, unlike the canneries, as the overall proportion of Chinese workers decreased, their distribution across the job structure was maintained. Between 1870 and 1880, the percentage of total woolen mill employment held by Chinese men dropped from 64 percent to 23 percent, while white women increased their share of woolen mill employment from 5 percent to 22 percent; and yet Chinese continued to be employed, in significant numbers, in both "men's" and "women's" occupations in the mills.³³

³¹Edward F. Keuchel, "Master of the Art of Canning: Baltimore, 1860-1900," *Maryland Historical Magazine*, Vol. 67 (Winter 1972), pp. 351-62.

³²Saxton, *Enemy*, p. 147.

³³Ninth *Census*, Vol. 1, Table 32; tenth *Census*, Vol. 1, Table 36. A detailed survey of two San Francisco woolen mills in 1887 shows that Chinese men were still employed in both "men's" and "women's" work. Chinese men and white women shared employment as weavers, and Chinese men and white men shared

Existing data suggest that as white women became available, they worked for wages comparable to those being paid to Chinese men. Chinese labor in San Francisco remained plentiful into the 1880s, and the wages available to Chinese men outside the four industries under study did not exceed the wages in these four industries. One cannot say white women replaced Chinese men in canning or woollens because they were cheaper or that Chinese men left the industries because they encountered better opportunities elsewhere.³⁴ Wage, employment, and descriptive evidence suggest the Chinese were forced out of canning and woolen milling despite the liberal if partial acceptance extended to them by their white employers. Ironically, in the more competitive, low-barrier industries, the anti-Chinese sentiments of white employers did not lead to an exodus of Chinese.

Low Entry Barrier Industries: Boots and Shoes

[The boot and shoe] business is quite different from ours. . . . After the Chinamen learn that business they will go away and start business for themselves. In a woolen mill or jute factory it requires from \$200,000 to 300,000 to get machinery to put up; but you see, the bootmen find out that after the Chinamen have learned the business, they work to a great extent on their own hook. Of course that goes against those men, and that is the reason it seems they are to

employment as wool sorters, carders, scourers, spinners, spool carriers, and fullers. The only occupation in which white women and white men were integrated was carding (and these were probably girls and boys). The average daily wage in these mills was \$2.40 for white men, \$1.10 for white women, and \$1.00 for Chinese men. BLS, *Third Report*, pp. 30–31.

³⁴This assertion is supported by evidence from the following sources: M. R. Coolidge, *Chinese Immigration* (New York: H. Holt, 1909), p. 503; U.S. ninth *Census*, 1870, Vol. 1, *Population* (Washington, D.C.: GPO, 1872), Table 26, pp. 662–70; U.S. tenth *Census*, 1880, Vol. 1, *Mortality and Vital Statistics*, Part 2 (Washington, D.C.: GPO, 1886), Table 61, pp. 743–69; BLS, first *Report*, 1883–84, p. 167; BLS, second *Report*, 1885–86, Chap. 12; BLS, third *Report*, p. 17; Julius Klein, “The Development of the Manufacturing Industries of California up to 1870” (Ph.D. diss., University of California, Berkeley, 1907). Klein’s dissertation, along with a card box of survey data from 1881, is found in the Bancroft Library. A compilation of the relevant data is available from the authors.

a great extent opposed to the Chinamen, because they really find out that the Chinese work against their interest . . . but in our business it requires too much capital to get machinery.³⁵

Max Morgenthau
Woolen mill, jute factory, and
soap factory owner
1876

A variety of factors combined to interest white shoe factory owners in the possible exclusion of Chinese workers. Chinese were first hired in large numbers by white manufacturers of shoes and boots in 1869 and 1870 to break the strikes of white boot-makers, organized by the populist boot and shoe union, the “Society of St. Crispin.”³⁶ The abundance of white labor due to depression-level unemployment and immigration in the late 1870s was not sufficient reason by itself to explain the switch to white labor. Since whites would not work for less than Chinese, what justified throwing out a newly trained and in-place Chinese labor force? The key was the tendency for the most highly trained Chinese workers to set up on their own once they learned the trade. Shoe-making was learned through an unpaid apprenticeship lasting from three months to a year.³⁷ The apprentice received only room and board, but once he learned the trade, little prevented him from leaving his original employer. Start-up costs in this industry were low,³⁸ and the skills learned

³⁵JSC, p. 805.

³⁶San Francisco *Daily Evening Bulletin*, May 29, 1876, p. 1; California Senate, *Chinese Immigration* (Sacramento: State Printing Office, 1876), pp. 51–52.

³⁷BLS, third *Report*, p. 17.

³⁸The U.S. Census separates boot and shoe factory output from repair shops in 1890. In that year, average capital costs for the four California industries under study were: woolen mills, \$327,320; canning, \$42,998; shoes, \$31,074; and cigars, \$8,109. The San Francisco Assessor presents value of output by industry for the 1870s. For the period 1870 to 1882, the average annual value of output per firm for these four industries was: woolen mills, \$1,003,769; canning, \$168,245; shoes, \$82,383; and cigars, \$21,770. Entry into shoes was easier than these data suggest, because in the 1870s the practical lower limit on firm size was lower in the boot and shoe industry than in either canning or woolen mills. For example, the average value of output for slippers in the 1870s was a mere \$17,877. Consequently, Chinese capital entry focused on cigars and the low end of the boot and shoe industry. Eleventh *Census*, Part 1, Table 5; SFCA, 1871–83.

in one shop were usable elsewhere in the industry. In response to proliferating competition, white-owned firms such as Einstein Bros. were beginning to mechanize in an attempt to carve off the fine shoe and boot segment of the market for themselves. They hoped thereby to insulate themselves from Chinese capital entry at the slipper and rough shoe, low-start-up-cost end of the market. Furthermore, the unemployment caused by the depression lessened the threat of white "Crispinism" and consequently lowered the value of Chinese as a counterweight to white union demands. This made at least some white shoe manufacturers willing to rid themselves of Chinese labor.³⁹

Ironically, the willingness of white firms to shed their Chinese workers probably added to the number of Chinese firms in the industry. Chinese who were let go joined Chinese who had voluntarily left, and together they formed Chinese boot and shoe firms. This dynamic put white-owned shoe firms such as Einstein Bros. in a quandary. When Einstein Bros., faced with Chinese capital entry during a depression, fired all but 60 of its 350 Chinese workers in 1876 and hired "white girls,"⁴⁰ the Chinese competition for a stagnating market increased. Between 1875 and 1877, the San Francisco assessor reported a doubling of boot and shoe plants in the city, from 26 to 56, but the value of output per firm fell from \$111,000 to \$36,000. According to the same source, the number of manufacturers of slippers, for whom start-up costs were roughly 10 percent of those for manufacturers of boots and shoes, increased from 18 in 1875 to 35 in 1877 to 215 in 1881—data that are consistent with newspaper accounts of massive Chinese capital entry at the low end of the shoe market after 1875. The number of San Francisco boot and shoe firms rose to 141 in 1881, and the value of output per firm remained roughly constant after 1877. Thus, not only did Chinese capital come to dominate the production of slippers starting in 1876, but these data indicate that

Chinese capital continued to enter the low end of the boot and shoe market over the entire last half of the decade.⁴¹

Massive Chinese capital entry into segments of the boot and shoe market in California after 1875 led to stiff resistance by white capital to further Chinese immigration. White owners in the shoe and boot industry began to actively portray Chinese labor as inferior and socially disruptive and to support the Chinese Exclusion Act.⁴² It is likely that the complete exclusion of Chinese became attractive to at least some white shoe manufacturers because it held out the promise that they could recapture the segments of the boot and shoe business that had been lost to Chinese competition.

Despite the exclusionary attitudes and actions of white boot and shoe employers, Chinese employment in the boot and shoe industry did not decline before 1882. The hiring of Chinese labor by Chinese employers offset the hiring of white women by white employers. Consequently, the percentage of jobs in boots and shoes that were held by women remained roughly constant between 1870 and 1880 at 7 percent in California, compared to between 14 and 19 percent nation-wide (see Table 3), whereas the proportion of Chinese employed in the San Francisco boot and shoe industry rose from 19 to 59 percent over the same period.⁴³

Low Entry Barrier Industries: Cigars

Of the four industries under study, probably cigar rolling was the easiest to enter. Although 100–200 workers are mentioned in historical accounts, the average firm employed around 15 workers in the 1870s. No machinery was required, and the rent and raw material start-up costs were low. Knowledge of the trade was an early problem for Chinese capital, but once white employers in the 1860s opted to break with a boycott on Chinese employment, the barriers to Chinese capital entry were soon

³⁹California Senate, *Chinese Immigration*, pp. 51–52.

⁴⁰*Evening Bulletin*, May 29, 1876, p. 1.

⁴¹SFCA, 1876–82.

⁴²*Evening Bulletin*, May 29, 1876, p. 1.

⁴³*Ninth Census*, Vol. 1, Table 32; *tenth Census*, Vol. 1, Table 36.

lowered. By 1870, 91.5 percent of all cigar rollers in San Francisco were Chinese. Many white cigar rollers at this time were proprietors of tobacco shops who rolled cigars when trade was light. An 1876 special survey of San Francisco manufacturing reported that Chinese-owned cigar factories accounted for at least one-third of San Francisco's total employment in cigars.⁴⁴

White employers were attracted to Chinese workers because the low wages accepted by these generally single men allowed California firms to compete with the East even in eastern markets. Chinese employers hired Chinese workers exclusively, in part because cultural information barriers allowed Chinese firms to tap this pool of labor most effectively. Furthermore, given the racial antagonism of the time, any white worker with an option would surely have looked for a white employer. Thus, the low wages Chinese accepted combined with the entry of Chinese capital to squeeze white male cigar rollers out of this industry and to press down wages.⁴⁵

In response to the narrowing opportunities for entrepreneurs and workers alike, white cigar rollers, many of whom were small proprietors, broadcast racist propaganda condemning the unhealthy quality of Chinese-rolled cigars.⁴⁶ This effort was abetted by some public officials and parts of the press. The claim circulated that Chinese cigars were passed through "Mongolian leprous hands" and sealed with black spit. White cigar makers were authorized by the Cigar Makers' Association of the Pacific Coast to paste a label across their boxes advertising that their product was made exclusively by white men. Later, this form of product differentiation was further legitimated through supportive California state legislation.

Such racist advertisement was not, however, a foolproof tactic. Both white and Chinese cigar manufacturers circum-

vented the patented made-by-white-labor-only "union labels" through subterfuge and mislabeling. White cigar factory owners placed placards in their windows stating that they hired white men only. But according to contemporary testimony from white cigar workers, many of these white entrepreneurs in fact hired only a token force of white workers and put them to work where they were visible to the passing public. The percentage of white male San Francisco cigar rollers remained unchanged between 1870 and 1880.⁴⁷

White owners found at least two advantages in having some white women in their factories. Women were used as labelers, a job for which their language abilities gave them some technical advantage over Chinese men. They were also used as checkers dispensing tobacco leaves and calculating piece rates. They were specifically chosen by white employers to hold down the incidence of theft or cheating on the part of Chinese rollers. The competition of white women and Chinese men for jobs in cigar factories no doubt helped ensure the trustworthiness of white women as checkers. The employer could count on the social stigma attached to any alliance between a white woman and a Chinese man to deter collusion against the employer's interests.⁴⁸

Most women employed in cigars performed sorting and stripping.⁴⁹ Most of the white employers who hired white women (not all did) found it easiest to place these women in sorting tasks, because such tasks allowed segregating them from the Chinese men at a separate table or even in an adjoining room. Segregating the women from the Chinese men reduced the public's and perhaps the women's fear of "racial contamination."

⁴⁷BLS, fourth *Report*, pp. 321–22; *Examiner*, August 28, 1881, p. 1; Cross, *History*, Chap. 8; Eaves, *Labor Legislation*, p. 386; JSC, p. 319; ninth *Census*, Vol. 1, Table 32; Tenth *Census*, Vol. 1, Table 36. In addition to cigar makers, white shoemakers and white women shirtmakers experimented with racist union labeling tactics.

⁴⁸*Examiner*, August 28, 1881, p. 1.

⁴⁹Chinese cigar strippers in the 1880s were paid 60 cents per day; white cigar strippers were paid 75 cents to \$1.50 per day. BLS, first *Report*, pp. 216–17; BLS, second *Report*, p. 108.

⁴⁴JSC, Appendix.

⁴⁵BLS, fourth *Report*, p. 80. Average wages, in real dollars, in California cigars fell from \$320 per year in 1860 to \$204 in 1870. Ninth *Census*, Vol. 3, p. 252; and tenth *Census*, Vol. 2, p. 498.

⁴⁶JSC, p. 315.

White cigar factory owners seem to have been somewhat more reluctant to replace Chinese workers with women than were white shoe factory owners. There were probably several reasons for their reluctance. First, total labor costs as a proportion of value of output were comparatively high in both of these industries, relative to canning and woolen milling, but whereas the California shoe industry could utilize locally produced raw materials, the California cigar industry had to rely on raw materials imported from Hawaii, Cuba, and the Eastern Seaboard.⁵⁰ Economizing on labor costs was therefore especially crucial for the California cigar industry. The employment of cheap Chinese labor was seen as the key to opening up the national market to California cigars. Second, white cigar makers' smear campaign against Chinese cigar workers made it more difficult to employ white women, except when physical separation of white women and male Chinese employees could be arranged.

Finally, white entrepreneurs in the California cigar industry, unlike those in the boot and shoe industry, could find no refuge against Chinese competition. California boot and shoe manufacturers gained control of the high capital entry segment of their industry that produced high-quality boots and shoes for the local California market, and, not having to compete either against Chinese shops employing Chinese workers or for the national market, could engage in racist hiring practices with a degree of impunity. The California cigar industry, by contrast, was geared from its inception to the production of cheap cigars for the national market. Consequently, although the percentage of women cigar rollers in San Francisco rose slightly from 1870 to 1880, the persistence of Chinese workers and capital in this industry largely excluded white women even after the passage of the Chinese Exclusion Act in 1882.⁵¹ (See Table 3.)

⁵⁰*Examiner*, August 28, 1881, p. 1; *Evening Bulletin*, Dec. 17, 1870, p. 1.

⁵¹Ninth *Census*, Vol. 1, Table 32; tenth *Census*, Vol. 1, Table 36.

The white cigar manufacturer was caught between conflicting competitive motives. The fear of Chinese capital made him no lover of the Chinese. The opportunities and costs of the "black-spittle" cigar boycott led the white manufacturer to engage in various acts of subterfuge that allowed for the continued employment of Chinese while giving legitimacy to anti-Chinese sentiments. Furthermore, the fact that white owners who hired women found it necessary and convenient to segregate those women from the Chinese reinforced the racist presumption of the cultural inferiority of Chinese.⁵²

Alternative Hypothesis

We have advanced the argument that in California industries that used Chinese men to do women's work in the 1860s, the lower the capital entry barriers into those industries, the more likely they were to retain Chinese men in the 1870s and up to the Chinese Exclusion Act of 1882. At least one alternative hypothesis, however, is consistent with the data presented for the four industries studied. The two industries that rapidly introduced women into their labor forces in the 1870s, canning and woolens, were not only high capital barrier industries, they were also industries that in the East employed a relatively high proportion of women (see Table 3). The two industries that retained Chinese men, shoes and cigars, were not only low capital barrier industries, but were also industries that in the East used a relatively lower proportion of women. Perhaps the gain in women was a function not of entry barriers but rather of the relative proportion of women.

One way to test this hypothesis is to examine three industries that required little capital for entry and yet traditionally (i.e., in the East) employed a high proportion of women: laundries, tailors, and men's clothing. According to the capital barrier hypothesis, in California these industries should have retained Chinese throughout the 1870s, whereas according to the alternative high-use-of-women hypothesis they

⁵²JSC, p. 363.

Table 4. White Women and Chinese Men as a Percentage of the Labor Force in Three Industries—U.S. and California, 1870, 1880, and 1890.

Year	<i>Laundry Workers</i>		<i>Tailors, Dressmakers, Milliners</i>		<i>Men's Clothing (Women Only)</i>
	Women	Chinese	Women	Chinese	
1870					
U.S.	91.0		73.9		54.8
Calif.	19.5	71.7	64.7	4.8	30.5
S.F.	23.4	64.4	71.2	5.6	N/A
1880					
U.S.	88.7		79.7		50.3
Calif.	N/A	N/A	73.3	19.8	34.6
S.F.	15.5	80.1	67.8	26.4	35.5
1890					
U.S.	87.1		82.1		52.2
Calif.	19.3	70.8	N/A	N/A	46.2
S.F.	16.3	65.8	60.9	27.1	46.3

Sources: U.S. ninth *Census*, Vol. 3, *Wealth and Industry* (Washington, D.C.: GPO, 1872), Table 8B, p. 394; Table 9, p. 497; U.S. ninth *Census*, Vol. 1, *Statistics of the Population of the United States*, Table 29, pp. 706–15; Table 30, p. 722; Table 32, p. 799; U.S. tenth *Census*, Vol. 2, *Statistics of Manufactures* (Washington, D.C.: GPO, 1883), Table 2, p. 10; Table 4, p. 92; Table 6, p. 435; U.S. tenth *Census*, Vol. 1, *Statistics of the Population of the United States at the Tenth Census*, Table 31, p. 741; Table 32, p. 744; Table 36, p. 902; U.S. eleventh *Census*, Vol. 6, *Report on Manufacturing Industries in the United States at the Eleventh Census* (Washington, D.C.: GPO, 1895), Part 1, Table 4, p. 92; Table 6, p. 346; Part 2, Table 3, p. 532; U.S. eleventh *Census*, Vol. 1, Part 2 (Washington, D.C.: GPO, 1892), Table 82, pp. 354–59; Table 116, pp. 536–37; Table 118, pp. 728–29.

should have switched to women as, during that decade, women became available. The data shown in Table 4 bear out the first hypothesis. In laundries the proportion of women fell over the decade while the proportion of Chinese men rose; in tailoring, dressmaking, and millinery, the proportion of women held constant while that of Chinese men rose; and in men's clothing, although there are no data on Chinese men, the percentage of white women rose only slightly over the decade and remained well below the national average.

Conclusion

In this paper we have explored an aspect of the relationship between capitalist development and racist distinctions among groups in the labor market. The particular historical instance studied is one in which the actions and attitudes of employers stand out in bold relief. This allowed us to ask the question: What was the effect of competition on the values and behavior of employers? Furthermore, how did employer policies and practices act to erode

or validate preexisting racial distinctions?

One can think of competition as a force inducing innovative cost cutting and product-differentiating behavior. The initial hiring of Chinese by white employers in California can be construed as a response to this kind of competitive pressure. But competition varies in the strength of its influence over behavior, as market structure varies with the ease or difficulty of capital entry. In terms of market structure, the four industries studied bifurcate into high and low entry barrier segments. Canning and woolen mills, because of high start-up costs, were well protected from capital entry by Chinese and proved, as industries, apparently the most sensitive to public pressure to rid themselves of Chinese workers. On the other hand, two low entry barrier industries, shoes and cigars, proved much more resistant to public pressure. Not only did easy capital entry allow for the emergence of Chinese employers and consequently a Chinese labor force independent of white employers, but also, in cigars, the industry with the lowest entry barriers, white employers stubbornly clung to their

in-place Chinese workers. Apparently, competitive pressure outweighed public pressure in the contest to determine employer action in low capital-cost industries.

To what extent Chinese were employed is one question; equally important is the question under what terms they were employed. Competition with eastern manufacturers resulted in pressure to create in California a labor market resembling that in the East, with its distinct high-wage and low-wage segments, and it was as low-wage labor that Chinese were hired from the beginning. The strength of the inducement to do so was such that, even as white employers were forced by experience to acknowledge that Chinese were fully capable workers, they continued systematically to pay Chinese male workers substantially less than white male workers. Racism in the public at large, which barred Chinese altogether from many jobs, made such wage discrimination possible, of course, but competition unquestionably was the driving force behind it.

Among industries that maintained Chinese workers, racist distinctions were validated not only by wage discrimination, but by the strategic uses to which white employers put their Chinese workers. Whether employers trained Chinese for skilled jobs in response to threatened or actual white craftsmen strikes, as in can-

ning and shoes, or held their Chinese workers in reserve by employing them disproportionately in unskilled jobs, as in woolen mills, they were treating the Chinese as a counterweight to white labor. As long as skilled white males remained compliant and in good supply, competition did not induce white employers to integrate their skilled labor force. When whites proved unreasonable or unmanageable, employers countered with Chinese.

Ultimately, the attitudes of the more competitive sector and the actions of the less competitive sector were complementary in reinforcing racism. Where competition was strong, racist actions were constrained. Yet the frustration and fear that were brought on by the combination of competitive pressure and market constraint intensified the virulence of white employers' anti-Chinese racism. Where competition was muted, racist attitudes were quiescent, but with only a little external pressure racist actions were generated. In turn, these economically meaningful actions validated and helped perpetuate racist agitation against the Chinese. Together, the racist values and actions laid an economic foundation for the political institutionalization of anti-Chinese racism. The Chinese Exclusion Act of 1882 was as much a product of competition as it was a constraint upon it.