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The Depression of 1893 in Rochester

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Rochester's prosperous and expansive economy of the late eighties and early nineties suffered severely during the panic of 1893, as did the national economy to which it was tied. The world-wide causes of the panic were obscure, but little serious thought was given them because of the prevailing laissez-faire philosophy and the general lack of social consciousness of the times. A period of overexpansion and heavy speculation in railroads, western lands and industry, was interrupted by a general European depression, the seriousness of which was fully realized when Baring Brothers of England failed in 1890. Foreign investments in United States securities were withdrawn in order to meet creditors' demands in Europe. In the United States falling prices, reduced purchasing power, and scarce money created a hard-pressed debtor class. In 1890 Congress took measures to cure the country's economic ills, but they proved to be selfish measures whereby the West agreed to vote for a high tariff if the East would vote to expand the government's purchases of silver. The McKinley Tariff and the Sherman Silver Purchase Act were passed in order to remedy a precarious situation. Instead the economic position grew more critical as the government accumulated more silver. The Treasury's gold reserve fell dangerously and credit tightened everywhere. Gold hoarding and an inadequate nation-wide banking system further stimulated growing fears that the United States would soon be off the gold standard and silver would become the basis of United States

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currency. Numerous business failures, an uneasy stock market and labor unrest resulted from the currency shortage; and it was only after repeal of the Sherman Act purchase clause that public confidence in the country's currency was restored.

Early Years of the Depression

In the early stages of the panic Rochesterians were shocked by its devastating effect upon enterprises throughout the country, and they wondered at Rochester's ability to remain aloof during the crisis. As early as May, 1893, the *Post Express* had noted excitement and uneasiness on Wall Street, but concluded that it would soon be over and that "old-time panic is out of the question."

Rochester bank reports created a false sense of security which was to be rudely shaken in the fall of 1893. Reports published in the spring of that year spoke of Rochester's substantial increase in wealth and business activity which was reflected by the steady increase of workers' deposits in the city's six savings banks. At the end of April the *Union and Advertiser* printed a report on Rochester banks which stated, "Allowing to Rochester 150,000 inhabitants there is nearly enough money on deposit in the savings banks to give each one \$200. On the same basis of population there is an existing mortgage indebtedness for each man, woman and child of over \$100."

Resources and volume of business transacted by Rochester's ten business banks continued to expand through the spring of 1893 before pressure from the country's financial dilemma brought business to a standstill. The city's leading bankers were not discouraged by the slowdown in business activity. Several of them, when interviewed by a *Union and Advertiser* reporter, expressed the opinion that an extra session of Congress called by President Cleveland would have a "good moral effect immediately" and would relieve the pressure. Actually Rochester banks were not as hard-pressed as most banks throughout the country. The savings banks did not require sixty or ninety day notice by depositors making withdrawals, a practice which was common procedure for large withdrawals in other cities.

By August deposits were increasing somewhat, after a temporary standstill, and the Traders' and the Flour City banks purchased \$400,000 of government bonds to send to Washington as security for a new currency issue needed locally to relieve the scarcity of ready

money. With the release of this news, Henry B. Hathaway, President of the Flour City Bank, issued the following statement: "There has been a scarcity of currency with which to do actual business for three or four weeks, but I believe we've seen the worst of these times."

Hathaway reported a greater influx of gold from Europe and large export shipments of grain which would bring more gold into the Treasury. He believed, as did most Rochesterians, that if Congress took prompt action, business would be good in the fall and winter.

A report issued by the State Superintendent of Banking, in September, 1893, stated that the savings banks and trust companies of Rochester had on deposit over \$30,000,000 and a surplus of nearly \$3,500,000; deposits had increased over \$1,000,000 since January 1, 1893—all of which emphasized the fact that there was much money in Rochester. The article read on, "Wise conservatism is the rule among Rochester bankers, thus avoiding monetary disasters, on one hand, and too great stringency in loans to legitimate business ventures, on the other. Indeed, all our financial concerns are sound and prosperous." Rochester banks were indeed faring well during a period when in 1893 a total of 573 banks, including 158 national banks, failed. The Rochester banking institutions' success in keeping well above danger during the turbulent times inspired temporarily the confidence of Rochester businesses hard-pinched by the depression. In September, just after the House of Representatives repealed the purchase clause of the Sherman Act, Rochester businessmen believed trade had so improved throughout the country that business would be able to throw off the depression during the fall. One farsighted man, Charles F. Pond of the Commercial Bank, saw the situation in a more realistic manner, and he told a local newspaper reporter that the financial storm had cleared but all the wrecks had not appeared as yet. This did not, however, apply to banking which continued to prosper through the depression years.

Business and Industry, 1893-94

A true picture of the impending catastrophe to business and industry had been previewed in January, 1893, when four business failures within ten days heralded the hard times to come and foreshadowed the 85 failures and 17 closings which would occur during the year. The autumn optimism of Rochester businessmen was stifled when the full effect of the depression settled over the city in October.

It was at this time that the Senate voted to repeal the purchasing clause which, it was believed, would be a cure-all for the financial stringency. Yet the *Evening Times* was puzzled over the opposite turn which events took. It had expected that with the repeal of the silver bill, depression would end, but the bill had been repealed and the situation seemed gloomier than before. Interviews with many city manufacturers revealed a general fear that business during the winter ahead would be dull, for already trade was slack and factories were running only part time. The manufacturers named various causes as wholly responsible for the depression. Many placed the blame on the free coinage of silver, while others pointed an accusing finger at the tariffs. Scarcity of circulating money and the "Democrats" were equally reproved, and a few showed concern over the diversion of \$300,000,000 to the World's Fair in Chicago.

Whatever the causes of the depression, the manufacturers knew that costs must be cut. Most shoe and clothing establishments laid off one-third to one-half the workers normally hired, while some kept as many as possible on the payroll by putting them on part time. William Gleason, President of the Gleason Tool Company, stated that business had fallen off to such an extent that his working force had been reduced to half, and actually it should have been further reduced. The company, however, wished to retain its old employees; thus wages were cut ten per cent, the men worked shorter hours, and many employees worked alternate weeks.

Many of the factories in the city's large clothing industry which had been forced to close down during the previous summer were unable to reopen until winter. Stein, Bloch & Co. reopened with half of its normal force; Michaels, Stern & Co. reopened with two-thirds of its former employees; while Garson, Meyer & Co. employed only 40 per cent of its usual number. As for the shoemaking industry, C. P. Ford & Co. operated just three days each week with a greatly reduced number of employees; John Kelly kept on 75 workers as compared to a normal force of 175; Dugan & Hudson hired 75 where formerly 200 had been employed; and Williams, Hoyt & Co. remained shut down.

Many firms were not fortunate enough to remain open for business on even a part time basis. Failure of businesses with Bradstreet ratings of \$35,000 to \$50,000, such as Henry Schwarz & Co. clothing factory, the May Brothers nursery, and the Thomas Bolton shoe factory, shocked the city's businessmen and created as much excitement locally

as the collapse of larger national firms. Insufficient capital and slow collections pulled down many substantial firms unable to meet creditors' demands for immediate payment of bills—oftentimes bills of insignificant amounts when compared with the actual value of the business assets. Smaller firms collapsed more readily than did the large ones, and producers of luxury items, such as pianos and carriages, were forced to make assignment because of keen competition and slow sales.

Other businesses to suffer included the ice business, the Street Railway Company, and the theaters. In order to protect themselves against bad debts, the ice dealers exchanged lists of persons owing bills, to prevent customers (who managed to avoid collectors) from switching ice companies while still owing back bills to other firms. The street railway lost a tremendous amount of business as Rochesterians began to pinch pennies. The only week-day customers were business men who lived too far from work to walk. A hope that Sunday fares would pay the week's expenses prompted company backers of Lake Ontario resorts to make extensive improvements on hotels and grounds. They brought in special entertainment attractions, and local officials permitted resorts to sell beer. Nevertheless, business was slack—quite a change from the old-time Sundays when pleasure-seekers thronged to the lake shore. The theaters, also in the entertainment field, were hard hit. Audiences dwindled, salaries were cut, and theaters were not open every evening. Theater owners asked the Common Council to reduce their license fee from \$100 to \$25 during the depression and they reminded the Council that no license fee had been required prior to 1893.

In spite of the hard times, the Eastman Kodak Company and several shoe factories and dry goods stores fared better than most enterprises. Eastman Kodak Company not only weathered the panic without incurring further indebtedness but also proceeded to construct new buildings at the Park, purchased new machinery, and in 1893 made a net profit of \$87,718. Early in 1894 Rochester shoe manufacturers welcomed increased orders and nearly all factories were operating on full time. Department store patronage remained steady and one representative reported that 1893 was a good business year—in some respects better than previous years. Thus the pinch of hard times was uneven in its effect.

The Labor Situation, 1893-94

Not until October, 1893, did Rochesterians fully realize that this business "slow down" was a real old-time depression. Acute unemployment awakened citizens to the fact that a serious problem faced them. They were shocked to learn that only half the city's tailors were employed (and only on half time), that half the shoemakers had been laid off, and that only a handful of carpenters, masons and iron molders had work. Payrolls shrank to half their April size and the wages of those employed were down at least ten per cent.

Local railroad employees were discharged by scores, and those fortunate enough to retain their jobs were put on cut schedules and reduced wage scales. By autumn the American Express Company was still unable to rehire its employees laid off in the spring, and the Buffalo, Rochester & Pittsburgh Railroad shops managed to reopen with a smaller force and a reduced work week. The Lehigh Valley road announced a new wage-cut as essential if it hoped to continue operations. Efforts to reduce expenses were necessitated by months of steadily decreasing passenger and freight receipts.

Perhaps skilled mechanics especially in the building trades suffered more than any other workers. Under normal conditions they had earned a comfortable living and managed to save enough money to carry them through the slack winter season. During the fall and winter of 1893, however, hundreds in the building trades were without work. The acuteness of the situation provoked the Building Trades Council to call a mass meeting of all unemployed building tradesmen in order to determine the number of jobless skilled union and non-union men. With such a census taken, exact figures could be presented to the public and to city officials. The result of this survey, made by 27 organizations with a total membership of 3,267, was a petition to the Common Council on January 29, 1894, which showed that 75 per cent of the men were unemployed. Since early spring there had been little building activity and private enterprise was not proposing any. The report, therefore, recommended that Rochester follow the example of other cities and undertake some much-needed public works projects in order to furnish immediate employment. Such a program would improve the city, assist the unemployed, and keep many off the city's Poor Department books.

At a second meeting of unemployed skilled union tradesmen a similar poll of the jobless was compiled and the results were staggering.

This survey indicated the number of men working to be: 184 carpenters out of 1500, 86 masons out of 800, 2 stonecutters out of 150, and 20 painters out of 800. The figures of unemployed would have been considerably increased if non-union men had been included.

At a mass meeting of wage earners a petition addressed to the Board of Supervisors was drafted. The petition proposed that the following specifications be inserted in the contract for building the new county court house: (1) labor costs and standards be restricted to accepted wages paid in Rochester, and (2) home labor in Monroe County be used. Rochester workers feared that rejection of their petition would allow contractors to bring cheap labor into the city which would be a negative step toward solution of the unemployment problem. For unknown reasons the Board of Supervisors voted against these restrictions. A few weeks later another count taken by the Board again defeated the petition. Workmen present at the re-count hissed the outcome and expressed bitter disappointment at the county's seeming failure to aid the laboring man.

The stone masons refused to march in the Fourth of July parade in 1894 because the contracts for stone work on the new Court House had been awarded to a New Hampshire firm which employed "Italians and anarchists." Local labor was quick to resent alien workers who reduced labor standards by working longer hours for less pay. The aliens worked a ten-hour day for \$2.50 whereas the wage scale in Rochester was \$3 to \$3.50 for a nine-hour day. Unemployed masons and stonecutters were sorely vexed at the thought of aliens working on the Court House which was being built with the money of local taxpayers, including many masons and stonecutters. In July, 1894, however, the New York legislature passed a law prohibiting the employment of alien labor on state and municipal work.

Although unemployment in Rochester was not as severe as in many other cities, jobs were nevertheless at a premium. The number of unemployed going into the Army had doubled until the Rochester recruiting station was forced to close its doors in October, 1893, its quota for the area having been filled. The Coxey army movement attracted few followers in Rochester and "Colonel" Michael Nellis, the local leader, encountered many difficulties while trying to secure recruits. According to the *Herald*, over 100 men joined the army by the middle of April, 1894, a majority of whom were characterized as perennial loafers and cranks who didn't know what it was to earn an

honest living. The Rochester branch of Coxey's army ended abruptly (newspapers carried reports on the local army only from April 12 to 19) when Mrs. Nellis, the "Colonel's" wife, swore out a warrant for her husband's arrest on the charge of being a nuisance. "Colonel" Nellis was released after spending five days in jail "sobering up," and the *Herald* commented, "Now that Nellis is perfectly sober he says he 'don't care a darn for Coxey and his army.'" The movement was regarded by Rochesterians as merely an annoyance and was not taken too seriously.

Labor discontent continued to grow in Rochester. The general attitude held that a worker should keep his job under any circumstances during the depression. Should a man lose his job, two choices remained—he could work for the city or apply for relief. This frame of mind was advantageous to the employer who made the most of his opportunity to dictate terms to labor during these years. Labor had not complained about wage cuts in 1893, for those who retained their jobs were thankful. In 1894, however, labor resented further wage cuts. Many asked that their former wage scales be put back into effect. When The Rochester Railway Company made a general wage cut of ten per cent, the line repairmen struck. The linemen, who had been working an eight-hour day at 20c per hour, were indignant when the company announced a ten-hour day for wages cut ten per cent. The strike of the linemen was broken only when new men were hired to replace the strikers.

A series of strikes occurred in the shoemaking industry beginning at D. M. Hough & Company's factory. Workers walked out at Eddy & Webster, then Curtis & Wheeler, Trimby & Brewster, C. P. Ford, Fonda, Snow & Doane, Wright & Peters and Thomas Bolton & Company. All of these companies had made wage cuts in 1893 of 10 to 45 per cent. Since January, 1894, business had increased and the workers demanded that the old wage scale be restored. Several firms which were now doing a rushing business needed the workers to fill heavy orders and, therefore, put their former wage scales back into effect.

Carpenters Local 72 gave notice in March, 1894, that the old wage scale (27½ cents per hour for a nine-hour day) would again prevail beginning in May. Only one-third of the carpenters in Rochester were union members which weakened the union's position. Whenever union carpenters employed the strike weapon, their jobs were soon taken by non-union men who would work for less. Other

strikes flared up in nearly every trade. Masons, stone cutters, wood carvers, clothing workers, foundry workers and brewery workers—all were dissatisfied over wages and hours, but most of their protests were ignored.

The Pullman strike in Chicago interested Rochesterians and aroused mixed reaction. In general the labor unions sympathized with the strikers, but the stringency of the times prevented any sympathetic walk-outs in the city. Rochester clergymen blamed anarchists for the violence and bloodshed and disapproved of the strike as a means of labor warfare. The newspapers attacked Eugene Debs in a vituperative manner and labeled him a traitor to his country. The Rochester National Guard was in readiness should the unit be called to Buffalo or Chicago to protect railroad property. Rochesterians, however, did not engage in the fracas and verbal weapons were the only ones employed by them.

Relief Measures

Rochesterians were reminded of the home-front unemployment problem by several civic and religious leaders who prescribed various remedies for the situation. The Reverend Dr. Riggs of South Congregational Church gave an address on "Our Duty to the Unemployed" in which he urged his congregation to give the jobless employment rather than charity. He advised city officials to launch public works projects which would benefit both laborer and taxpayer, and then he cautioned workers against falling in with radicals. The Reverend W. C. Gannett of the Unitarian Church recommended that the "better offs" eliminate selfish indulgences and replace them by taking charge of three or four "worse off" families during the winter. He pointed out that enormous fortunes should be shared and the rich should realize their responsibility to the poor.

Fifty Y.M.C.A. workers canvassed the city with a petition addressed to the Common Council requesting the aldermen to appropriate a large fund for city improvements. President Joseph T. Alling and Secretary A. H. Whitford of the "Y." presented this petition to the Council. They also supported a project whereby jobless laborers would break stone which could be utilized by the street department for repair work.

Another group of Rochesterians, concerned over the growing unemployment problem, attended a Chamber of Commerce meeting

in December, 1893, to discuss ways of relieving the situation. Several short speeches had been prepared by leading businessmen and clergymen. Some of the suggestions sought to help hard-pressed neighbors, to employ as many workers as possible, to create public works projects, and to discourage wide patronage of saloons. No definite plan was produced, but some action did result when George Buell wrote to President Brewster suggesting that a subscription be raised by the Chamber's members. Buell enclosed \$100 to launch the fund. The idea was accepted and the Society for Organized Charity was designated to distribute the money where most needed. Within a few months \$12,000 had been contributed by businessmen and by groups of employees.

In January, 1894, the Common Council went into action. Several suggestions to provide employment in the parks had been considered. A large sheep shed needed at Genesee Valley Park could be built for the cost of labor as all necessary materials were already on hand. Other small structures could be erected at low cost and many street improvements were desirable. The Park Commissioners, however, had exhausted their funds for the fiscal year, and the Finance Committee recommended an appropriation to pay for the improvements. It was up to the State Legislature to grant authority for extra funds according to the Park Act which stipulated that not more than \$20,000 could be expended in one year for park improvements or maintenance. A bill authorizing the Common Council to appropriate \$10,000 for the immediate use of the Park Commission was soon introduced to the legislature, passed and signed by the governor. The amount of the appropriation did not approach the sum which could have been profitably expended by the Park Board. From labor's point of view, as expressed at a meeting of unemployed tradesmen, the \$10,000 was "just a drop in the bucket" toward relieving unemployment. Nevertheless, the Park Commissioners made good use of the money, employing as many men as the sum would allow. By March the appropriation was exhausted. Building interiors could not be completed that spring without further financial assistance before July when the regular annual \$20,000 appropriation for improvements fell due. With the expanding park system in need of constant attention, the Park Commissioners had a difficult time operating on their yearly appropriation. By the first of August the Commissioners announced that they lacked funds to cover ordinary running expenses for the year. The force of park employees,

cut to 15 men, could not be expected to care for all of Rochester's parks. Extensive plans for improvements and land purchases had to be forgotten temporarily.

In January, 1894, the Common Council adopted a resolution to erect a new central police station. Removal of police headquarters from the congested city hall had long been advocated, and the Council agreed that this was the proper time to remedy the situation and at the same time provide jobs for skilled labor in the building trades. A sister resolution provided that all surplus receipts from the Excise Board over the requirements of the Poor Department, be placed in a fund for payment of the new police station. The Council decided upon an Exchange Street lot because of its central location, and in March the land was purchased. Work on the four-story brick building supplied many jobs until June 28, 1895, when the new Exchange Street station opened. The total cost of the building and site was \$76,125, and already \$41,270 of this amount had been paid from Excise Board receipts.

Other building at this time included the erection of five new structures for the Homeopathic Hospital, the replacement of Rochester State Hospital buildings which had been destroyed by fire, the new County Court House, and scores of new dwellings, for, in spite of the hard times, Rochester continued to expand and retained its title, "the city of homes." In 1893, three important bridges were built (one at East Main Street over the New York Central tracks, two over the river at Andrews Street and at Court Street) before hard times forced the Common Council to cut expenditures on bridge building. Construction of three main sewers (the State Street sewer, the East Side sewer, and the West Side sewer) provided work for only a fraction of the hundreds of men who applied for jobs.

During this lean period the Common Council recognized Rochester's need for an additional water supply and awarded contracts to build a new Hemlock Lake conduit to Rochester. Although the project created many new jobs, the laborers had constant disputes with the construction company. Wage cuts were made without notice, and when objections were raised by the workers, their jobs were promptly filled by other unskilled laborers.

The city Street Department did its share to alleviate unemployment by hiring the maximum number of men on the street cleaning crew. All able-bodied men reporting to the City Poor Office were sent to the

Street Superintendent who, if possible, placed them on the street brigade. As several large factories had been shut down, men from every trade (many formerly well-off) were hired in order to tide them over until jobs were more plentiful. During the winter, from 800 to 2000 men were hired per week on part time, and hundreds more who applied for work had to be turned away. In the following summer Street Department jobs dwindled and the Superintendent was forced to cut down his payroll in order to keep within the budget.

Although the Street Department kept many men off relief, it could not halt the mounting number of needy cases with which the city seemed financially unprepared to deal. The Poor Committee had been proud of its 1892 record when the department showed a balance of \$13,862 and at the same time received an annual appropriation of \$5500 less than the previous year. Needless to say the next two years saw the number of applicants for relief grow alarmingly. All cases of destitution were investigated by the Poor Department and most were found worthy of help. By November, 1893, 492 families were listed on the Poor Department books, each name representing an average family of five dependents. Early in December, 875 names appeared, a week later 25 more were added, and then new applications began to pour in at the rate of 30 to 60 per day. The overseer of the Poor estimated that 4000 men were unemployed, all with families to be maintained. Auxiliary aid was requested through appeals printed in the newspapers for more generous contributions to charities.

The winter of 1894-95 was as long and severe as the previous one had been and the Overseer had more applicants for relief than his department had ever experienced, the number reaching a new high of 2902. The Department had learned a lesson from the preceding winter, however, and it was better prepared to meet its responsibilities. Their budget had been increased because the Excise Board, which turned over most of its receipts to the Poor Fund, had doubled license fees which brought its total revenues to about \$125,000. This increase plus the \$15,000 appropriation from the Common Council, was more than sufficient. The Poor Department also devised new means to provide employment for applicants, as it considered work of any nature preferable to charity.

One of these work projects, the establishment of a stone yard, had been proposed by the Y.M.C.A. in 1893. The "Y." leaders suggested that the city hire men to crush stone for use in repairing

streets. Despite much opposition to the plan, the Poor Department instituted the City Stone Yard in December, 1894. Laborers were paid 50 cents a yard for broken stone, payable in provisions, coal, and other necessities. The men were divided into work gangs and each group worked from two to four days each week. The stone yard was successful at least in one respect—all able-bodied men who applied at the Poor Department were asked to work at the yard, and those who refused to do so were stricken from the books. The idea behind the operation of the stone yard had merit, but it did not take long to reveal the system's weakness—only one-quarter of all the stone broken that first winter was purchased by the Executive Board, and it was not likely that much more stone would be needed. The amount of crushed rock bought by the city depended entirely upon the degree of repair work needed on the old macadam roads. The hand-broken rock had to compete with machine-crushed stone, and thousands of yards of the latter could be prepared daily. Nevertheless for several years the city continued to operate the stone yard at a loss in order to supply work for the needy.

In the spring of 1895, the Overseer inaugurated the potato patch plan modeled after a Detroit experiment where hundreds of acres had been turned over to the poor, and successful crops were raised. Rochesterians were asked to loan temporarily any idle land to the Poor Department for the same purpose. About 30 acres were donated, and the potato crop yielded over 100 bushels per acre, part of which was sold and the rest distributed to the needy. Eight men were employed per day and no one was allowed to work more than two days a week. The pay was \$1.50 a day paid in groceries and other provisions. The potato patch scheme was continued throughout the emergency.

Private Charities

The enormous increase in unemployment and the numerous cases of destitution resulting from the panic created a burden too extensive for the Poor Department to shoulder. Had it not been for private charity organizations and the generosity of Rochester's citizens, the Poor Fund deficit would have been much greater than it was.

Cases of complete destitution, of disabled breadwinners and of extreme despondency, leading to a high record of suicides, prompted charitably-minded citizens to rally together in an effort to lessen the suffering. The newspapers cooperated by sending out reporters to

investigate conditions. It was discovered that Rochester's so-called slums were not as bad as those in other cities where large families were crowded into one room in hazardous tenements. Rochester's poor included many families of respectable and industrious artisans who had lost their jobs when factories were forced to shut down. Their savings had finally dwindled away, and these people had no choice but to seek outside help. While the housing situation was under control in Rochester, food, coal and warm clothing were needed to withstand the severe winters. Frequently, men released from the penitentiary asked to be resentenced and Judge Ernst obligingly resentenced them. Reporters found the depression cruel to immigrants who were without relatives or friends to assist them. The law prohibiting employment of foreign labor on state and municipal work caused many in the building trades to lose their jobs, and Italians who had worked on the city's streets, migrated to New York City where (it was rumored) one could live cheaper and jobs were more plentiful. Most nationality groups, however, had formed benefit societies which helped newcomers adjust themselves to American customs.

One of the most diligent groups was the Society for Organized Charity which distributed the \$12,000 Chamber of Commerce fund. Requests for aid were unprecedented—from December, 1893 to February, 1894, 2320 applicants were received and 921 families were given aid—thus the fund disappeared quickly. The Society pleaded for more money and to attract attention, issued reports on individual cases of poverty to the newspapers, each followed by a request for financial assistance. The Society's main function, however, was to receive applications, investigate each case and bring all those found worthy of aid to the attention of the proper authorities. Following the distribution of the Chamber of Commerce fund, the Society was limited to small donations, and only \$130 to \$160 was spent each month thereafter.

The People's Rescue Mission assumed more than its share of responsibility during the depression. Twenty-two lodgers were quartered there each evening, and every man was entitled to two blankets and a section of a sleeping platform. In the morning the lodgers chopped wood to pay for the shelter and for the breakfast which was served after the morning chore was completed. The mission furnished breakfast and supper for hundreds of men. Services conducted by Superintendent A. E. Hines, or a guest minister, followed the free

suppers. In 1894 the number of lodgers increased tremendously, yet none was turned away before every inch of space was filled. The increase was credited to the large number of strangers coming to the city in search of work. In 1895, when the mission was able to improve its quarters, 20 iron beds, new bedding and comforters were added. Each bed was provided with a locker built by a man who had been helped by the mission. A charge of 15 cents per evening was asked, but the wood yard still operated for those who did not have the price of food and lodging. The cut wood was purchased by many regular customers who in this manner gave material support to the Rescue Mission.

An aid society composed of members of St. Mary's parish sought out the worthy poor to administer relief in a manner which would not embarrass or humiliate them. The society also gathered names of all saloonkeepers in the parish who sold drink to men whose families were suffering. The saloonkeepers were asked to cease selling liquor to these men and were warned that legal action would be taken against them if the request was ignored.

St. Michael's rectory opened a soup kitchen from five to seven each evening at which time good soup was served to the destitute. The Needle-work Guild sewed garments which were collected each December and distributed to protect the poor from the winter weather. The Provident Dispensary Association was forced to appeal for contributions for the first time since its establishment to provide food and clothing as well as medicine for the unfortunate.

The Rochester Female Charitable Society, the city's oldest charitable organization, continued its unselfish work, but like most groups of this nature, the Society's treasury was depleted. Constant appeals were issued requesting further financial aid from the public. The average expenditure per case was only 50 cents a week, but the long list of sick and needy demanded a continuous in-pouring of funds. The Humane Society also pleaded for money, clothing, books and toys for children taken into the shelter. Permanent homes in the country were sought for waifs, especially for newspaper boys who "are led to ruin through their work."

Young ladies without means of support were assisted by the Women's Christian Association which provided a boarding home for working women at rates of \$2.50 to \$3.00 a week. Another home supervised by the W.C.A. housed transient working women seeking

jobs in Rochester—aided by the W.C.A. employment bureau. In December, 1894, the W.C.A. opened the Working Women's Exchange. The purpose of this new branch of activity was to receive and sell handiwork made by poor deserving women who had to earn their living but who found it impossible to meet the consumer without assistance. The many services of the W.C.A. were carried on successfully in spite of their deperate need of funds, illustrated by the fact that the fiscal year of 1894 was started with a thousand-dollar deficit.

Charities such as the Home of Industry, the Infants' Summer Hospital, the United Jewish Charities and the Home for the Friendless, carried on their special activities at an accelerated rate in order to benefit a greater number of persons. Balls, bazaars and other social activities held during the depression years were usually benefit affairs. During the emergency shoe and clothing companies donated supplies to the agencies to be distributed to the needy, and coal firms sold them coal at the lowest price possible.

Some individuals, such as Mrs. W. H. Spencer and Mrs. A. J. Thompson, worked independently of any specific organization. Mrs. Spencer, who had worked with the poor for 40 years, declared that 1893 was the city's worst year. She appealed through the newspapers for clothing, shoes and rubbers which she herself distributed. The ladies found hundreds of cases in the outlying districts of the city which had been overlooked. Most of these families numbered six to eight persons and had once been fairly well off.

During the winter of 1893-94 Mayor Curran opened a second-hand clothing store in City Hall. The clothing and shoes, distributed free of charge, were all donated by charitably-minded citizens, and wagons were sent out to pick up contributions from all districts. City Hall was thronged by applicants for clothing, and there was such a demand for shoes, trousers and overcoats that many of the needy had to be turned away. The successful project remained in operation until April 3, 1894, giving aid to a total of 7128 persons. The Mayor's plan pleased all but the second-hand clothing merchants who mourned the loss of many potential customers.

The Reverend James H. Dennis' pawn shop, another worthy enterprise, opened January 4, 1894. The shop, located in the Elwood Building, was named after the celebrated Mont de Piété in Paris which had been studied by Dennis while in Europe. The main objectives of

the pawn shop were to carry hard-up reputable workingmen through the depression and to give them financial advice free of charge. Money was loaned on good security at the rate of 6% per year. Regular interest rates charged by other legitimate pawnbrokers were 10% per month on small articles, 3½% per month on large loans (i. e. \$100), and 2% per month in cases of undoubted security. Many shops charged even higher rates. The maximum amount of any loan given by the Mont de Piété was \$10 and before approving a loan, each case was thoroughly investigated. If found worthy, the applicant received a 30-day note endorsed by a responsible person with the furniture, for instance, pledged as security. If a pledge was not paid at the end of a month the case was reviewed, and if still found to be deserving, the agreement was renewed. Security such as furniture and household goods was left in the owner's home, and jewelry or other small items was placed in a bank vault. No loans were made on articles of clothing. All items became the property of Mont de Piété and were sold if the person could not reasonably keep his end of the bargain. All transactions were confidential. \$2000 working capital was advanced by Milton H. Smith, and the office furnishings were donated. George de Kappelle was manager of the shop and the Directors were Henry Lomb, and the Reverends Dennis, Riggs, Hendricks, Sankey and Barbour.

By the middle of March 188 loans had been made and the shop gained a capital of \$3000. Dennis continued to sell stock to business men, and when the capital reached \$10,000 he planned to legally incorporate the shop. This was accomplished in June and Dennis, the founder of Mont de Piété, was elected first President of the Board of Directors. The pawn shop business taught Dennis much about the loan business which was collecting outlandishly high interest on loans to the poor. He learned that one Rochester agent had filed over 900 chattel mortgages in one year. Aware of Rochester's reputation for housing numerous loan associations, Dennis attempted to acquaint the public with the crafty methods used by "loan sharks."

Throughout the nineties the question of the legality and morality of loan association practices was an issue of general public importance. In Rochester as elsewhere throughout the country the custom of distributing gross premiums as present profits was common. The manner in which the system operated is illustrated by the following example. If a customer was granted a loan for, say \$500, he received \$475 in cash, \$25 having been deducted as the association's premium. The customer

would sign a note for the full \$500 and had to pay back this amount plus interest and renewal fees, if necessary. In this transaction the customer paid no money to the association, so the company had not as yet earned any profit. Nevertheless, the loan associations were illegally distributing these premiums to stockholders as profits. The funds of course came from new association members whose paid-up stock retained its value as long as new shares could be sold. Ultimately the bubble would burst.

Public indignation mounted against the practices of the "loan sharks" and when the city newspapers printed examples, such as the following case, the animosity increased. A woman borrowed \$30 from money brokers, giving as security a chattel mortgage on her furniture. For four years she had been unable to pay the note in full when it fell due, and every three months she had paid the association \$5.50 to renew the loan. Therefore, having paid almost three times the amount of the original loan, the woman refused to pay more and took the case to court where it was decided in her favor.

The pulpit joined the newspaper attack on the loan associations. The Reverend George F. Love sympathized with the industrious, thrifty and honest worker who, during good times, could make all payments on notes promptly, but who could not make regular payments when unemployed and living from savings. Love noted that during times of financial distress, business men are lenient with each other, and he asked why loan associations could not give their customers more time, too.

The Reverend C. A. Barbour termed money brokers as "blood suckers at the throats of the poor," and he advised the poor to spend money wisely, to stay out of saloons, and, if necessary to borrow money, to visit a reliable money broker, preferably the Mont de Piété.

The Reverend Dennis, director of the Mont de Piété, declared that the poor should be protected from disreputable money brokers by the State through the organization of government savings banks and provident loan associations.

The agitation of press and pulpit roused public sentiment to seek reforms, and in the winter of 1894, Assemblyman James M. E. O'Grady of Rochester introduced his "anti-shark" bill to the Albany legislature. In spite of strong opposition from a wealthy lobby representing money brokers, the bill was passed in March, 1895. The new law made it a misdemeanor to charge over 6% interest per year on a chattel mortgage.

The bill was effective and managed to drive the mortgage shark business out of Rochester for a time.

Although the worst years of the depression were 1893 and 1894, its ill effects continued in varying degree until 1898. A slight revival occurred in 1895 but it was soon followed by another recession, a depression, and then another revival. Circumstances in 1898 combined to produce a healthy upward trend in business and the country once again enjoyed prosperity.

Throughout the general uncertainty of the depression the Rochester banks maintained their reputation for being sound and prosperous. The first year of the depression was the most trying for the banks, but in spite of this, deposits increased in 1893 and continued to do so throughout the nineties. A well known Rochester banker stated in August, 1895, "The amount of money deposited by the working people certainly shows a marked improvement in the financial condition of the country." The same banker noted that people placed their money in savings banks in preference to loan associations which had flourished during the early nineties. In September, 1895, the associated banks and trust companies of Rochester collectively shipped \$250,000 in gold to the New York City sub-treasury in exchange for legal tender notes. Haywood Hawks, Secretary of the Rochester Trust and Safe Deposit Company, hoped that other cities would follow the example of Rochester banks, especially interior banks which had great supplies of gold in their vaults. The U.S. Treasury needed gold, and hoarding it, in Hawk's opinion, hindered business and recovery. Rochester business and industry shared the banks' confidence in U.S. currency and in a near-future prosperity. The Rochester Clearing House Association's reports of annual clearings justified this confidence—the total for 1893 was \$78,742,661 and by 1898 had increased to \$91,479,116.

Business Recovery

In 1895 the number of business failures had diminished considerably when compared with those of the preceding two years, and by 1898 only a few were noted in the newspapers. The Chamber of Commerce encouraged new business enterprises and worked tirelessly to provide favorable conditions to attract more industry. Yet few new ventures were initiated in '95 and even after McKinley's election in 1896 (which "assured" U. S. business and industry that the country's

economy would not fall into ruination at the hands of Bryan Democrats and Populists) an immediate recovery was not forthcoming.

Late in 1897 a sudden upward trend in business forecasted economic recovery. Rochesterians, along with the rest of their countrymen, discussed the discovery of new gold mines in Alaska, Australia and South Africa. Sales at the New York Stock Exchange rose sharply, wheat exports skyrocketed, and railroad earnings increased. Credit was once more good and local factories were hiring in order to fill heavy orders, while newly incorporated firms sprang up like mushrooms in Rochester. The city's established industries made an impressive list. There were 49 nurseries, 37 clothing factories, 64 boot and shoe factories, 16 flour mills, and Rochester was the center of the dried fruit and preserving industry. Optical instruments, tools, photographic equipment, elevators, mail chutes, buttons, whips, dental supplies and numerous other finely made products caused the Chamber of Commerce to boast, "No city in the world has a greater diversity of industries than Rochester." During the 1898-99 business season Rochester enjoyed its first long term prosperity since the early nineties. Capital invested in wholesaling and manufacturing totaled \$52,000,000 and the annual value of manufactured goods was \$310,250,000. Over 51,000 men and women were employed in the city's factories and workshops.

Labor, 1895-98

During the depression Rochester labor was disorganized and ineffective. Wage cuts, long hours and poor working conditions were accepted at first without much protest by workers. By 1895, however, labor had grown more self-confident as business picked up and orders became plentiful once again. Workers no longer saw the necessity for wage cuts or a 58-hour (or more) work week. It was again possible to take action on grievances. An employer could be threatened with a walk-out which, if executed, would result in a piling up of back orders and loss of profits.

A group of 50 girls at a local knitting factory was the first to rebel. The girls went on strike to protest a new wage cut received in March, 1895. As a result, half of them were fired and quickly replaced. Shortly thereafter the street railway conductors and motormen were more successful when they asked for a wage increase. Their wages were restored to pre-depression rates.

The barbers of Rochester united against quack barbers who administered shaves and haircuts at cut-rate prices. Harmony existed between the journeymen barbers and the bosses, and the latter displayed their workers' union membership cards in the shop windows to attract the patronage of all other union men.

The bakers of Rochester went on strike in May, 1895, immediately following a price war amongst local wholesale bakeries and the U. S. Baking Company shops. All but a few shops signed the union contract which asked for a closed shop, a ten-hour day and a minimum wage of \$10 per week.

The buttonhole makers organized a union in June, 1895, in order to register an effective united appeal for a 25% wage increase which would restore the early 1893 wage level. Union workers went on strike demanding that the contractors sign an agreement which specified the new wage increase, a closed shop, no favoritism, and regulations concerning apprentices. Employers refused to sign although they agreed to the wage increase. The contractors accused the workers of trying to run their business, and they resented being asked to sign stipulations which did not originate with themselves. The strike continued into July when the chairman of the State Board of Arbitration was called in to attempt a settlement, but the contractors refused to negotiate with the strikers' committee. Finally when union funds were exhausted, a committee asked the buttonhole contractors to rehire all former workers at the increased wage rate. The union agreed to abrogate the contract which the bosses had been requested to sign, and this arrangement was accepted by all but two employers. The workers voted to maintain and to strengthen their union in order to make it a more effective body, and shortly thereafter the union became affiliated with the United Garment Workers.

In the spring of 1895 some 250 machine operators in the large Rochester clothing industry organized a union affiliated with the United Garment Workers. Union representatives from New York City arrived in Rochester and soon formed seven locals. By August the workers were so well organized that a strike precipitated by 40 employees of a small contractor spread until nearly 3000 clothing workers from 100 shops were out on strike within two weeks. The strikers hoped at first to attain a weekly pay day, and to abolish the blacklist system and the sweat shops, but with the arrival of General Secretary Reichers of the U.G.W. their demands increased. Yet the State Board of Mediation

and Arbitration found in its investigation of the strike that both sides were willing to compromise on any issue except the union shop demand. The contractors had the advantage as most of the manufacturers' orders for the winter season had been filled, and furthermore the manufacturers were supporting the contractors. Secretary Reichers, however, threatened a nation-wide boycott of Rochester clothing if the manufacturers continued to interfere. The threat was disregarded and on September 11, the boycott went into effect.

Samuel Gompers came to Rochester to speak at a mass meeting at City Hall on October 15. When Gompers promised continued support to the strikers, they adopted a resolution to continue the boycott.

A few days later the strikers began an exodus to clothing trade cities such as New York and Chicago. Although over 300 workers left Rochester, their departure did not effect the contractors who had an abundant labor supply.

At a conference attended by representatives of the State Board of Arbitration, the contractors' attorney, and the New York U.G.W. representative, a compromise was reached. The local union would not accept the terms of the compromise, however, as recognition of their union had been omitted.

Funds necessary to continue the strike dwindled and by November 7 the strike had virtually ended. All further efforts in this direction were used to enforce the boycott. Strikers who returned to work were compelled to sign a contract repudiating the U.G.W., yet they secretly maintained the union and hoped that at some future time conditions would permit a new demand for recognition. Within a short time the contractors returned to a 58-hour week and also cut wages. Although the workers often discussed their grievances, no definite action was taken until January, 1897, when they met to consider the disastrous results of the boycott. As wages had been cut 50% and as nearly three quarters of the men were laid off, the leaders sought an honorable end to the boycott. In August, at the annual convention of the U.G.W. held in Rochester, however, the union once more reaffirmed its continued support of the boycott on Rochester clothing until the contractors would agree to recognize the local union.

In 1895, following the depths of the depression, Rochester shoe workers made known their grievances. Several walk-outs occurred in protest of the grade system by which wages were paid according to the quality of the shoes made. (That is, a worker was paid less for an

operation on a cheap shoe than for the same operation on a high quality shoe.) The strikers demanded a wage boost and also that the grade system be modified making the compensation for different qualities of shoes more uniform. Their demands, however, were ignored and the shoe factories brought in scab workers to replace the strikers. By June, 1896, the *Herald* noted a higher degree of cooperation between the shoe workers and the manufacturers. Rochester boasted the best shoes made in the United States or in Europe, and business was booming once more now that people could afford more shoes.

Although the Socialists had a following in the city, Rochester labor opposed most of the radical "isms" of the day. The aspirations of the Socialists (higher wages, shorter hours, recognition of unions, non-discrimination, government-owned railroads, etc.) were sought, not by means of violence, but by the ballot. Labor did not gain much during the nineties as it was in the process of organizing and reorganizing and because many disagreements plagued the various unions resulting in a loss of effectiveness. Labor discovered that the time to make demands upon management is during years of prosperity, not during a depression when jobs are scarce. Only the public works employees received guaranteed improvements when the State legislature passed a law fixing a 25 cent per hour wage minimum and an eight-hour maximum working day.

Poor Relief, 1896-98

By 1896 the majority of workers were back at their jobs and the unemployment problem was not as serious as it had been in 1893-94. Unemployment continued, however, especially during the winter season when factories temporarily shut down or drastically reduced operations. Accordingly, the Poor Department continued to operate the city Stone Yard through 1896-98, in spite of the difficulty experienced in disposing of the stone. Nearly 3000 families were furnished either indoor or outdoor relief in 1896, and Poor Department disbursements were \$87,560. Fifty more families were added to the books in 1897 and disbursements rose to \$90,437. A year later 150 additional families, over and above the previous year's total, increased expenditures to \$94,964. The increase in the Department's expenses, however, was largely due to higher rates charged by institutions which cared for city charges.

With the most severe years of the depression over, local interest shifted from business failures, factory shut-downs and abnormal unemployment, to events of national and world-wide interest. The war fever, the election of Teddy Roosevelt as Governor of New York State and the new nation-wide prosperity dimmed memories of the depression. Although no remedial legislation had been provided, several forces combined to alleviate the depression. Defeat of the Free Silverites in the 1896 election had assured the country of a continued gold basis for its currency; farmers experienced tremendous wheat crops and good markets in '97 and '98; and an improved method for extracting the metal from the ore in the newly discovered gold mines was introduced. The brief conflict between Spain and the United States created high production demands and provided work for the unemployed, while newly acquired territorial possessions opened new markets to American industry. The flush of victory and the flood of prosperity revived national self-confidence and the grim days of the depression were soon forgotten.