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SOUTHERN INDUSTRIALIZATION AND NORTHERN INDUSTRIAL NETWORKS: THE NEW SOUTH TEXTILE INDUSTRY IN COLUMBIA AND LYMAN, SOUTH CAROLINA

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AN OLD SOUTHERN CITY WITH ESTABLISHED TRANSPORTATION lines and power sources, Columbia, South Carolina, appeared to be an ideal location for New South industrial aspirations. Just up the road, Spartanburg, South Carolina, competed with Columbia for resources and, at times, surpassed the capital city in its commercial and manufacturing activities. While small cotton textile plants operated in and around the South Carolina piedmont before the Civil War, the vast bulk of the region's commerce was in the transport and trade of raw cotton, with manufacturing establishments overwhelmingly concentrated on the production of iron, lumber, cottonseed oil, and flour. According to one promotional booklet published by the municipal board of trade, there were no cotton textile plants operating in Columbia in 1871. But the existing trade in cotton, expanding railroad and other transportation and communication connections, and the growing supply of electrical power suggested to many that the potential ingredients for successful cotton textile manufacturing were available in both of these cities.¹

As the nineteenth century gave way to the twentieth, the citizens of Columbia and Spartanburg experienced the arrival and development of the textile industry in their communities. In doing so, like many southern communities, they shared experiences related to changing economic and social structures. Columbia and Spartanburg also shared, more specifically, the arrival of one particular established, northern-owned-and-operated textile corporation, the Pacific Mills. In 1916 Pacific Mills purchased the four Whaley Mills in Columbia and, just six years later, constructed a textile manufacturing and finishing facility on the outskirts of Spartanburg,

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¹ John Hammond Moore, *Columbia and Richland County: A South Carolina Community, 1740-1990* (Columbia: University of South Carolina Press, 1993), pp. 211-309; Fenelon DeVere Smith, "The Economic Development of the Textile Industry in the Columbia, South Carolina, Area from 1790 through 1916" (Ph.D. diss., University of Kentucky, 1952).

first in South Carolina—was completed for the city by a world-renowned planner.⁹⁶

The engagement by both Charleston and Spartanburg with John Nolen suggests that the progressive spirit of the New South was alive and well in the Palmetto State in the 1920s, embodied in persons such as Stowe of Charleston and Snively, Glenn, Walker, and Mauldin of Spartanburg.⁹⁷ These planning efforts, however, were short-circuited by political and economic realities of the period. Politically and economically, city governments were largely controlled by the state legislature as well as local elites that may have been interested in municipal progress but were loathe to spend the money necessary to make large-scale improvements. Nevertheless, it is clear that America's premier planner felt that the cities of South Carolina held great promise, a promise which the modern era has seen fulfilled.

⁹⁶ Interview with Timothy J. Kuether, Director of Development Services, City of Spartanburg, April 11, 2001.

⁹⁷ For a more detailed review of South Carolina's progress in the 1920s, see Mary Katherine Davis Cann, "The Morning After: South Carolina in the Jazz Age" (Ph.D. diss., University of South Carolina, 1984).

creating the small mill village of Lyman.² While Columbia and Spartanburg shared the arrival of the same northern textile corporation, the means by which Pacific Mills came to each community was different and illustrates the diverse paths taken by economic and political leaders of underdeveloped southern towns and cities in their efforts to gain access to the existing business, financial, and technology networks of the mature capitalist system.

HISTORIOGRAPHICAL CONTEXT

C. Vann Woodward, the most prominent scholar to have investigated the development of the textile industry, found that in the 1890s northern textile manufacturers conceded southern cost advantages and “millions of dollars of New England capital went into Southern plants and investments.” While southern factories gradually surpassed the New England share of production, Woodward concluded that southern dependence on the northern industry for final processing of coarse goods, capital investments, and marketing outlets still made the southern textile industry part of New England’s southern colonial empire.³ In response to Woodward and reviving the major thesis of Wilbur J. Cash, numerous historians writing in the 1970s concluded that antebellum planter elites survived the Civil War as a class, and planters, not a new middle class of capitalists, controlled and tended to limit the development of southern industry.⁴ Scholarship in the 1980s examined the period between 1890 and 1925 and, in doing so, focused on the increasing involvement of northern capital, ownership, and

² Though no entity was ever incorporated under the name, at some point while W. B. Smith Whaley was president of Richland, Granby, Olympia, and Capital City Cotton Mills, the four independent companies came to be popularly referred to as the “Whaley Mills.” For convenience, the group will be referred to as such in this article.

³ C. Vann Woodward, *Origins of the New South, 1877-1913* (Baton Rouge: Louisiana State University Press and the Littlefield Fund for Southern History of the University of Texas, 1951), pp. 132-135, 306-308.

⁴ Paul M. Gaston, *The New South Creed: A Study in Southern Mythmaking* (Baton Rouge: Louisiana State University Press, 1970), pp. 69-79, 81-116, 189-198, 201-205; Jonathan M. Wiener, *Social Origins of the New South: Alabama, 1860-1885* (Baton Rouge: Louisiana State University Press, 1978), pp. 138-139, 169-184, 202-221; Dwight B. Billings, Jr., *Planters and the Making of the “New South”: Class, Politics, and Development in North Carolina, 1865-1900* (Chapel Hill: University of North Carolina Press, 1979), pp. 59-69, 217-219; Patrick J. Hearden, *Independence and Empire: The New South’s Cotton Mill Campaign, 1865-1901* (DeKalb: Northern Illinois University Press, 1982), p. 19, 37-50, 71-72, 89-106. See also Wilbur J. Cash, *Mind of the South* (New York: A. A. Knopf, 1941).

marketing avenues in the southern cotton textile industry.⁵ In particular, David L. Carlton suggested that northern capital delayed entrance into the southern textile industry "until its local organization and finances were on a firm basis" and until there was "evidence of local support."⁶ Carlton also pointed out that while northern firms might not have built or bought firms early in the South's cotton mill campaign, northern institutions gradually gained more and more control over southern firms. Northern investors controlled southern textile companies not only as directors, manufacturers, and stockholders, but also through commission houses, machinery manufacturing, and mill engineering.⁷ Similarly, George Brown Tindall and James C. Cobb stressed the efforts of southern business and political leaders on both the local and state level to entice textile manufacturers into their communities by offering incentives, including free land and low taxes.⁸

Since 1990, David Carlton and others have expanded the discussion of southern industrialization to encompass national and international economic constructs. In analyzing North Carolina's industrial development, Carlton's article, "The Revolution from Above," concluded: "North Carolina's developers had in mind the creation of an industrial society modeled on . . . the North. That they created something different was due not so much to deliberate choice as to the business constraints under which they operated."⁹ Carlton further suggested that scholars of southern regional industrialization should turn their attention toward the business environment in which southern entrepreneurs operated, specifically the forces brought to bear on the developing southern economy by the nationalization of northern marketing networks. Carlton's work draws on the economic theories of Gunnar Myrdal and Albert O. Hirschman from the 1950s and, more recently, mirrors the methodology used by historians of British industrial development such as Maxine Berg and Sidney Pollard,

⁵ Alice Galenson, *The Migration of the Cotton Textile Industry from New England to the South, 1880-1930* (New York: Garland Publishing, Inc., 1985); David L. Carlton, *Mill and Town in South Carolina, 1880-1920* (Baton Rouge: Louisiana State University Press, 1982).

⁶ Carlton, *Mill and Town*, pp. 56-57.

⁷ *Ibid.*, pp. 57-58.

⁸ George Brown Tindall, *The Emergence of the New South, 1913-1945* (Baton Rouge: Louisiana State University Press and the Littlefield Fund for Southern History of the University of Texas, 1967); James C. Cobb, *The Selling of the South: The Southern Crusade for Industrial Development, 1936-1980* (Baton Rouge: Louisiana State University Press, 1982).

⁹ David L. Carlton, "The Revolution from Above: The National Market and the Beginnings of Industrialization in North Carolina," *Journal of American History* 77 (September 1990): 474.

who have investigated the shifting interaction of regional economies during industrialization.¹⁰ Carlton and Peter A. Coclanis take this argument further in *The South, the Nation, and the World*, where they point to “distinct” characteristics of the southern economy during the New South era, including restricted access to capital resources—which were more fluid, mobile, and available in the North—and technological innovation, which in terms of the textile industry, was firmly based in New England.¹¹

While the development of the textile industry has received substantial attention from historians of the New South, their scholarship has tended to consider the rise of southern entrepreneurship, business organization, and industrialization outside the context of the larger national and international industrial and capitalist economy it sought to enter. Parties operating within that larger national economy, however, controlled access to capital, marketing outlets, and industrial technology. In the case of textiles, capital, marketing, and technology networks were closely tied to the New England branch of the industry, which, by the turn of the twentieth century, was one of the most mature sectors of the American industrial economy. Southern entrepreneurs were forced to balance regional advantages of abundant and cheap supplies of labor and land against disadvantages in available capital, machinery manufacturing, technical skills, transportation, and marketing agencies. The history of the Whaley Mills and the arrival of the northern Pacific Mills Corporation in both Columbia and Spartanburg can be used to document this balancing act. The directors of the Pacific Mills and the corporation itself grew up and operated within the fully developed New England networks, but the industrialists, engineers, and community leaders of Columbia and Spartanburg did not. In order to find success in textiles, they first had to gain access to the networks that controlled the industry.

THE WHALEY MILLS IN COLUMBIA

The history of the textile industry in Columbia was fully explored by Fenelon De Vere Smith in his 1952 dissertation, “The Economic Development of the Textile Industry in the Columbia, South Carolina, Area from 1790 through 1916.” Drawing upon Smith’s exploration of the Whaley Mills and

¹⁰ *Ibid.*; Gunnar Myrdal, *Rich Lands and Poor: The Road to World Prosperity* (New York: Harper, 1957); Albert O. Hirschman, *The Strategy of Economic Development* (New Haven, Conn.: Yale University Press, 1958); Maxine Berg, *The Age of Manufactures: Industry, Innovation, and Work in Britain, 1700-1820* (London: Routledge, 1994); Sidney Pollard, *Peaceful Conquest: The Industrialization of Europe, 1760-1970* (New York: Oxford University Press, 1981).

¹¹ David L. Carlton and Peter A. Coclanis, *The South, the Nation, and the World: Perspectives on Southern Economic Development* (Charlottesville: University of Virginia Press, 2003), pp. 99-134.

Pacific Mills' eventual takeover of those mills, this article places these events in a broader context of national economic networks. In addition, the comparison of the Whaley Mills experience with Pacific Mills to that of Spartanburg's experience with the same giant corporation highlights the variety of means by which New South communities sought to attract industrial development. Several aspects of the Whaley Mills story allow us to investigate the role of established capitalist networks in the process of southern industrial development, including: the entrepreneurial networks linking W. B. Smith Whaley to the New England textile industry; the technological networks of textile machinery production and architectural design; the financial networks that supported both Whaley's initial efforts and Pacific Mills' takeover; and the corporate policies of production integration adopted by Pacific Mills as it expanded into Columbia, Spartanburg, and other areas of the South.

Between 1888 and 1910, seven textile mills began operation in Columbia and its "southern suburbs."¹² While the Palmetto Cotton Mill, organized in 1898, and the Glencoe Cotton Mill, the first textile facility to use electricity as its primary power source, continued to be southern owned and operated until the Great Depression, most of these firms "were large operations that, in time, came under the control of northern interests."¹³ Among these were the four Whaley Mills, which were designed and constructed by southern engineer and entrepreneur William Burroughs Smith Whaley. State-of-the-art manufacturing facilities, the Whaley Mills were expected to compete successfully against northern textile firms. When the company failed in its efforts to compete, Massachusetts-based Pacific Mills Corporation orchestrated a gradual takeover.¹⁴

W. B. Smith Whaley was born in 1866 and grew up in Charleston, South Carolina, but he went to college in New York and New Jersey, attending Bingham Military Institute, the Stevens Institute of Technology, and Cornell University. After graduating with a degree in mechanical engineering in 1888, he worked for the Daft Electric Company and, later, Thompson and Nagle Engineers of Providence, Rhode Island. While employed by Thompson and Nagle, Whaley helped to develop the water supply system in Columbia, South Carolina. The potential of this water supply for the production of electricity helped in attracting manufacturers to the city in the 1890s, including Whaley's textile plants. After leaving Rhode Island, Whaley returned to his home state to work for a phosphate company in Charleston and in 1892 opened W. B. Smith Whaley & Company in Columbia.¹⁵

¹² Moore, *Columbia and Richland County*, p. 211-309; Smith, "Economic Development of the Textile Industry," pp. 116-120.

¹³ Moore, pp. 302-303.

¹⁴ Smith, pp. 116-120; Moore, pp. 303-310.

¹⁵ Smith, pp. 116-120; Moore, pp. 305-306.

Whaley's firm specialized in the design and construction of cotton textile plants. Beginning in 1893, the firm constructed two plants in Union, South Carolina, and later designed and constructed the Courtenay Manufacturing Company at Newry, South Carolina. The firm's success resulted, by 1899, in the opening of an office in Boston and an increase from two to twelve engineers and draftsmen. This expansion of Whaley's business relied in part on his ongoing personal contact with northern engineers whom he had gone to school with and worked with while living in the Northeast. Despite the success of his firm, no one offered Whaley the opportunity to build textile mills in Columbia.¹⁶ Recognizing the potential of power sources and its central location, Whaley took the task on himself and became promoter, as well as architect and engineer, of textile mills in the city. Between 1895 and 1904, he founded, built, and placed in operation four state-of-the-art cotton textile factories: Richland, Granby, Olympia, and Capital City.¹⁷

Initiated in the 1890s, the Whaley Mills were carefully located to take advantage of regional technological and capital assets. Seeking to emulate the pattern of industrial development followed in the New England textile industry, Whaley sought to establish local and regional technological networks in the form of railroads and power sources. He also sought to establish local and regional financial backing, and the Whaley Mills were, initially, locally owned and financed.¹⁸ As time passed, however, Whaley found it necessary to abandon his hopes for maintaining local control over the technological and capital assets of the Whaley Mills. To acquire the technology needed to operate the four mills, Whaley was forced to trade stock subscriptions for supplies, including building materials, textile machinery, and raw cotton. In doing so, he extended ownership in the Columbia companies to machinery manufacturers in the Northeast and to cotton factors based in New York. When he attempted to refinance company debts, he did so with loans and bond issues administered through New England banks. These financial institutions were owned and operated by the same men who ran the textile factories in Lowell, Lawrence, and other New England industrial cities. In the end, Whaley's increasing reliance on northern financial and technological networks resulted in, essentially, handing over controlling interest in his firms to members of the institutions that controlled those networks.¹⁹

¹⁶ Smith, pp. 118-120; Alvin W. Byars, *Olympia-Pacific: The Way It Was, 1895-1970* (Columbia, S.C.: Professional Printers, Ltd., 1981), pp. 1-4.

¹⁷ *Ibid.*, p. 4; Moore, pp. 306-307.

¹⁸ Smith, "Economic Development of the Textile Industry," 120-203.

¹⁹ *Ibid.*

Whaley's failure to establish independent regional capital and technological networks required the Columbia business community to seek an alternative path toward industrialization, one characterized by northern ownership and management of initially southern firms. Intricate ties developed between leaders in New England textile and financial circles and the textile industrialists of Columbia. An exploration of these personal, financial, and technological interactions provides insight into the process by which underdeveloped regions industrialize and gain access to existing and mature capitalist systems.

THE WHALEY MILLS AND TECHNOLOGICAL NETWORKS

Because northern engineering strongly influenced W. B. Smith Whaley's education and career, it is not surprising that the mills he constructed in Columbia were based on a long-established New England pattern.²⁰ Both architecturally beautiful and functionally innovative, the four Whaley Mills were superbly crafted with the best materials, so much so that when faced with financial crisis, some accused Whaley of going to unnecessary expense in their construction.²¹ Whaley included recent techniques in textile factory design such as concrete and steel construction, a system of steam coils to regulate heat, a fire-protective sprinkler system supplied by two fifteen thousand gallon tanks, and a humidification system located on top of the mill which supplied moistened air to all four floors.²² In addition to the care taken with materials and modern design, Whaley went beyond adopting proven techniques and attempted innovations of his own. Deciding that the Columbia Water Power Company could not provide sufficient power at a reasonable rate, Whaley designed the Olympia Mills "for an electric drive, with electric generators directly connected to shafts of steam engines, and with electric motors suspended from the ceilings."²³ In order to do this, he located a large power plant at the rear center of the Olympia Mills and used the electric power generated there to run the machinery and furnish lights to all four Whaley Mills. To supplement the power of the Granby and Richland Mills and to fully supply the Capital City Mills and the Columbia Street Railway Power Company's circuits, Whaley installed a circuit

²⁰ *Ibid.*, pp. 116-120.

²¹ Anonymous, *Unbound Scrapbook of Reorganization, 1903-1905*, Manuscript Collection, South Caroliniana Library, University of South Carolina, Columbia, S.C. (hereinafter cited as SCL). See also Byars, *Olympia-Pacific*, p. 12.

²² *Ibid.*; Smith, pp. 153-177; *Modern Cotton Mill Engineering* (Columbia, S.C.: The State Company, 1903), pp. 31-47.

²³ Byars, p. 12; Smith, pp. 166-175.



Rendering of Olympia Cotton Mill, Columbia, 1907. From the collections of the South Carolina Historical Society.

switchboard, making the Olympia Mills the first fully electric-powered textile mill in the United States.²⁴

Not all of Whaley's experiments paid off, however, and as late as 1905, the company president reported to stockholders that the "power plant . . . has continued to cause problems," leading to shutdowns, decreased production, and increased costs. In 1906 the company spent over \$3,000 to repair the Olympia power plant. In a letter to stockholders dated January 5, 1906, Lewis W. Parker, Whaley's successor, reported "a difficult [year] on operations, owing . . . to the continued inconstancy [*sic*] of our power." Negotiations, Parker continued, "are now in progress which will insure . . . provisions for additional power, which will prevent the interruptions referred to."²⁵ Once the factory buildings were constructed, the Whaley Mills also faced the problem of purchasing, receiving, installing, and

²⁴Smith, pp. 166-175; Byars, pp. 12-15; Jacquelyn Dowd Hall, et al., *Like A Family: The Making of a Southern Cotton Mill World* (New York: W. W. Norton & Company, 1987), p. 48; *Modern Cotton Mill Engineering*, pp. 31-47.

²⁵President's Report to Stockholders, November 20, 1905, Minutes of Stockholders' Meetings, 1899-1912, p. 83, SCL; President's Report, November 15, 1906, *ibid.* See also Parker's Letter to the Stockholders of the Granby Cotton Mills, January 5, 1906, William Guion Childs Papers, SCL.

maintaining production machinery. Whaley equipped the Columbia textile mills with the most technically advanced machinery available, purchasing it from established textile machinery manufacturers such as the Atherton Machine Company, Woonsocket Machine & Press, the Draper Corporation, and others—all New England firms.²⁶

While Whaley had connections in New England engineering and textile manufacturing circles, those connections were strained by distance and his Columbia-based mills suffered because of their dependence on northern machinery manufacturers and marketing agents. In the late nineteenth and early twentieth centuries, transportation between New England and the South was slow, and it was difficult to gage when machinery orders would arrive. In addition, once machinery arrived, if it was not in good order or required repairs, servicing meant either returning it to the manufacturer or arranging for service representatives to make an on-site visit. Either scenario could take weeks or months and tended to delay installation and decrease production and profit margins.

Transportation expenses plagued the first two presidents of the Whaley Mills and made it difficult to acquire the manufacturing equipment needed to maintain efficient production levels. When the Granby Cotton Mill began operations, only part of the necessary machinery had been installed and only surplus electrical power from the Olympia Mills was available to power the new factory.²⁷ Even after equipment arrived and was installed and operating in one section of the mill, it often offset the coordination of production levels from one department to the other, particularly from spinning to weaving. In 1908 Parker reported the installation of fifty-eight additional looms in the Olympia Mills and recommended to the board of directors that the company purchase one hundred more, explaining that the spinning and carding departments produced more yarn than could be woven “with the looms now at our disposal.”²⁸ The difficulty and expense of transporting machinery from New England to Columbia and finished products from Columbia to New York selling agencies led Parker to invest in a boat line. Parker explained to the board of directors that the “prevailing rate via railway is 41 cents per cwt [cotton weight ton], but confidentially, I think I can arrange to transport our freight by the boat line to New York for about 34 cents per cwt.” Parker loaned the boating concern \$5,000 to be repaid gradually through shipping charges. Still, the difficulty of transport

²⁶ Smith, pp. 175-177.

²⁷ Byars, pp. 5, 9.

²⁸ “President’s Report,” November 17, 1908, Olympia Cotton Mills, Board of Directors Meeting Minutes, 1899-1912, pp. 100-103, SCL. See also Nancy Francis Kane, *Textiles in Transition: Technology, Wages, and Industry Relocation in the U.S. Textile Industry, 1880-1930* (New York: Greenwood Press, 1988), pp. 9-65.

plagued the boat line: boats were loaded in Columbia and cargo shipped to Georgetown, where it was reloaded onto ships of the Clyde Line before being transported to New York.²⁹

In addition to transportation problems, the lack of adequate capital exacerbated the Whaley Mills' burden in dealing with northern machinery manufacturers. In his third annual report to stockholders, Whaley expressed frustration in trying to bring a mammoth enterprise like the Olympia Mills into production without the necessary capital: "In the past year we have succeeded in very nearly filling our mill with machinery and getting practically the whole mill in operation . . . attaining . . . the large number of people necessary to furnish the help for an institution of the dimensions of the Olympia is no easy matter [and the problems of] bringing the mill to a uniform producing plant are legion."³⁰ Whaley sought to circumvent cash flow difficulties by encouraging textile machinery manufacturers to accept the stock of his Columbia factories in part payment for machinery. In 1907 four of nine owners of Olympia Cotton Mills common stock were machinery manufacturers, and by far the largest holders of first preferred Olympia stock were either banks or machinery manufacturers. The Draper Corporation owned 1,230 shares of first preferred stock, Fales & Jenks Machine Company controlled at least 1,300 shares, and the Eastern Machinery Company owned 303 shares. All of these shares were exchanged for machinery and other equipment needed to bring the mill into full production.³¹

At various times, both stockholders and the media blamed the problems of the Whaley Mills on poor management, and both Whaley and Parker were accused of mishandling stockholder investments. In most cases, the actions identified as mishandling were their attempts to circumvent capital shortages and technological problems. At the time of the first reorganization, one local newspaper accused "the directors and officials of Columbia's cotton mills" of "chenanigins [*sic*]" and salting "down a considerable pile for a rainy day."³² Others blamed the "Olympia downfall" on the fact that it was "managed and controlled by an engineer and not by a manufacturer."³³

²⁹ Parker to Executive Committee, September 27, 1906, William Guion Childs Papers, SCL.

³⁰ President's Annual Report to the Stockholders, February 13, 1902, "Minute Book, Meetings of Stockholders," p. 26, SCL.

³¹ Olympia Mills, List of Stockholders, February 27, 1907, Whaley Mills Reorganization Papers, 1907, SCL; Parker to Elliott, n.d., William Elliott, Jr. Papers, SCL.

³² "The Whaley Mills," 1903 newspaper article in Anonymous, Unbound Scrapbook of Reorganization, 1903-1905, SCL.

³³ "The Cotton Mills of the Piedmont," *Greenville News* article in Anonymous, Unbound Scrapbook of Reorganization, 1903-1905, SCL, p. 2.

In his memoirs, a lawyer for the Whaley Mills noted, "William Barnwell . . . was at first assistant treasurer, but got out as he did not like the reckless manner in which the mill was run." And later, referring to conditions in 1903, the same lawyer stated: "The mills were recklessly managed. For instance, the Granby and Richland notes, referred to above, were never put on the financial statements of those two mills, nor was the (worthless) common stock of Olympia shown as an asset. The result was that the mills went on the rocks in December, 1903."³⁴ According to critics, the Whaley Mills' directors had attempted to "build and equip [the] largest cotton mill in the world," Olympia Mills, on credit and at the expense of stockholders in the Granby and Richland enterprises. Among the liabilities listed for the Olympia Mills were "machinery builders who sold machinery part on cash, part on note under false pretense of directors that [the] company was in good shape."³⁵

When Whaley returned to South Carolina and began overseeing the planning and construction of mills in Columbia, he adopted more than the architectural and engineering designs of northern engineers. He also sought to recreate the technological networks that supported New England manufacturing centers, including power supplies and access to railroad systems. But Whaley and his mills were much more isolated than the nineteenth-century entrepreneurs of the New England textile industry. He depended upon the success of the Olympia power house and, when it failed to meet his original vision, production and finances suffered at all four facilities. Whaley did not own or help to manage the railroads upon which he relied to deliver machinery and raw materials and to ship out his finished product. The distances between his mills in Columbia and machinery manufacturers and selling agencies was much further than the distance between nineteenth-century New England textile factories and the port cities of Boston and New York. These technological disadvantages helped to undermine the financial stability of the Whaley Mills and that, in turn, led to the loss of local control and Pacific Mills' purchase of the Columbia textile companies in 1916.³⁶ The circumstances leading to Pacific Mills' first step

³⁴ William Elliott Memoirs, pp. 23-24, SCL.

³⁵ "A Restraining Order Asked, Complaints In the Famous Olympia Mills Case," newspaper article in Anonymous, Unbound Scrapbook of Reorganization, 1903-1905, pp. 4-10; "Whaley Mills Reorganize: Olympia, Richland & Granby Decide What to Do," newspaper article in Anonymous, Unbound Scrapbook of Reorganization, 1903-1905, SCL, pp. 19-23.

³⁶ Smith, pp. 116-193. See also Robert F. Dalzell, Jr., *Enterprising Elite: The Boston Associates and the World They Made* (Cambridge, Mass.: Harvard University Press, 1987).

south are made clearer when the financial arrangements surrounding the construction and operation of the four Whaley Mills are considered.

THE WHALEY MILLS AND FINANCIAL NETWORKS

Constructed one immediately after the other, each of the Whaley mills suffered from severe capital shortages, and as each project multiplied obligations, the financial condition of the entire enterprise grew increasingly precarious. The four Whaley Mills dwarfed all other factories in the Columbia area in terms of size and design. Constructing the Richland Mills first, Whaley sought to make the next two mills, Granby and Olympia Mills, bigger and better. All four enterprises suffered from a lack of fluid capital and efforts to circumvent this situation led to increasingly desperate measures. Attempts to overcome recurring financial crises tended to create interlocking boards of directors and a risky mixture of the personal finances of individual investors with the corporate finances of the textile companies.³⁷

The firms' original stock remained un-subscribed, and the companies lacked adequate capital to complete construction and furnish the factories once they were built. Whaley and members of the board of directors of each firm endorsed personal notes in exchange for remaining stock, securing their consequent personal debt obligations by mortgaging mill properties. When these loans proved inadequate, Whaley and his associates increased

³⁷ Richland Cotton Mills, Application for Charter, January 17, 1895, Records of the Secretary of State, Corporate Charter Division, File #975, Charter Book F, p. 16, South Carolina Department of Archives and History, Columbia, S.C. (hereinafter cited as SCDAH); Articles of Incorporation, February 12, 1895, Charter Book D, p. 578, *ibid.*; Certificate of Organization, February 12, 1895, Charter Book F, p. 26, *ibid.*; Certificate of Organization, February 12, 1895, Charter Book F, p. 26, *ibid.*; Richland Cotton Mills, Application for Increase of Capital Stock to \$300,000, December 19, 1899, File #975, Charter Book P, pp. 1-3, and Charter Book H, p. 96, *ibid.*; Granby Cotton Mills, Petition for Charter, May 30, 1895, File #1038, Charter Book F, p. 80, *ibid.*; Articles of Incorporation, September 11, 1895, Charter Book D, p. 648, *ibid.*; Certificate of Organization, September 11, 1895, Charter Book F, p. 145, and Charter Book D, p. 648, *ibid.*; Petition for Amendment of Charter for Increase of Stock, August 22, 1896, File #1038, Charter Book F, p. 317, *ibid.*; Petition for Amendment of Charter for Increase of Stock, August 31, 1898, Charter Book H, p. 45, and Charter Book L, p. 105, *ibid.*; Olympia Cotton Mills, Application for Charter, May 16, 1899, File #1717, Charter Book L, p. 281, *ibid.*; Return of Corporators, July 3, 1900, *ibid.*; Articles of Incorporation, August 3, 1899, Charter Book G, p. 455, *ibid.*; Amendment of Charter for Increase of Capital, August 2, 1900, Charter Book H, p. 132, *ibid.* For a list of the original incorporators, see Olympia Cotton Mills, "Minute Book, Meeting of the Stockholders," August 1, 1899, August 4, 1899, and June 20, 1900, SCL. See also Smith, pp. 120-159, and Byars, pp. 5-11.

the capital stock of each company and used the new stock to purchase machinery and supplies. No one ever paid cash for these stock subscriptions.³⁸ Instead, Whaley used the stock to pay machinery manufacturers for spinning equipment, looms, flooring, windows, and all sorts of mill furnishings. In this way, the stockholder lists of the four Whaley Mills expanded to include northern machinery manufactures. To finance the Olympia Mills, Whaley personally purchased land and contracted for machinery, which he later signed over to Olympia in exchange for \$326,000 in common stock subscriptions.³⁹

Despite these elaborate efforts, the Olympia, Capital City, Granby, and Richland Mills continued to experience difficulties and their finances became more and more intertwined. According to Smith, the Whaley Mills' financial problems came from "an outlay, especially in the case of Olympia, in fixed assets that was much too large for the permanent capital structure."⁴⁰ The officers and directors of Olympia often served in the same capacity for the Richland and Granby Mills, allowing the finances of the three companies to be tied together. Whaley and directors of the Richland and Granby Mills subscribed to shares of the Olympia Mills stock. In addition, the Richland Cotton Mills Company and the Granby Cotton Mills Company both subscribed to shares in Olympia common stock.⁴¹ To overcome continuing shortages of capital, the mills increased bills payable, took out loans, and opened debenture accounts. These efforts provided only temporary relief, and in July 1903, Olympia could not pay a \$37,500 installment due on its debentures. Financial difficulties grew so severe that company directors decreased salaries and suspended dividend payments, and the companies' selling agents, Carey, Bayne and Smith of Baltimore, dropped the Whaley Mills. In October the directors proposed a bond issue, and with stockholders' approval, the Richland, Granby, and Olympia Mills issued bonds

³⁸ Smith, pp. 125-142; William Elliott Memoirs, SCL.

³⁹ See Richland Cotton Mills, Application for Increase of Capital Stock to \$300,000, December 19, 1899, Records of the Secretary of State, Corporate Charter Division, File #975, Charter Book P, pp. 1-3, and Charter Book H, p. 96, SCDAH; W. B. Whaley to Olympia Cotton Mills, Deed Book AD, p. 321, Registrar of Deeds, Richland County, Columbia, S.C. (hereinafter cited as RDRC).

⁴⁰ Smith, p. 193.

⁴¹ *Ibid.*, pp. 153-159, 177-178, and Byars, pp. 9-11. For a list of the original incorporators, see Olympia Cotton Mills, "Minute Book, Meeting of Stockholders," July 18, 1900, and August 1, 1900, SCL. See also W. B. Whaley to Olympia Cotton Mills, Deed Book AD, p. 321, RDRC. For information regarding the finances of the fourth and smallest of the Whaley Mills, see Capital City Mills, Petition for Charter, September 3, 1900, Records of the Secretary of State, Corporate Charter Division, File #2152, SCDAH; Return of Corporators, October 23, 1900, *ibid.*; Articles of Incorporation, September 1, 1900, *ibid.*; Increase of Capital Stock, July 5, 1904, *ibid.*

simultaneously of \$450,000, \$800,000, and \$1,750,000, respectively.⁴² In his memoirs, lawyer William Elliott described the crisis atmosphere accompanying this decision:

Everyone interested except Mr. Clark was in a frenzy, and there was a great gathering of lawyers and interested parties in Columbia. Judge Simonton gave a hearing in Richmond and Mess. W. H. Lyles and Robert W. Shand, of Columbia, and Francis K. Carey's partner . . . and I went to Richmond. They really had no grounds to oppose the receivership until I suggested that as Phinizy's stock was all preferred stock, and his interest was limited to the par value of the stock and dividends, the receiver could be discharged if a bond was given, which was done. The bond for \$20,000, and enough to cover dividends, . . . this afforded a breathing spell.⁴³

The bond issue, however, came too late to prevent the reorganization, which resulted in personnel changes, a continuance of the bond issue, and centralization of the administrative functions of all four companies. Five of the seven new board members elected late in 1903 represented northern creditor interests. William Elliott further described the reorganization process:

A great meeting was held in Columbia. A lot of machinery men, Lewis W. Parker, Francis K. Carey and Robert F. Herrick, of Boston. Herrick had come south on the Southern R[ailroad] train for Atlanta, and had overlooked getting off at Charlotte to change cars, and when he woke up he was in Spartanburg. He hired an engine and came on to Columbia unshaven and without his "court" clothes on. As he was to be made, (and was made), the chairman of the reorganization committee he minded this seriously. Lewis Parker was made chairman of the meeting and was put at the head of the four mills.⁴⁴

⁴² Olympia Cotton Mills, "Minute Book, Meetings of the Stockholders," February 13, 1902, and November 14, 1903, SCL. At the November meeting, stockholders of Olympia approved the issue of \$1,750,000 worth of bonds. To do this, the bond issue had to be secured by a mortgage on the plan, buildings, etc., of the Olympia Cotton Mills. A similar mortgage had to be made on the properties of Richland, Granby, and Capital City Mills. For a copy of the bond agreements and mortgages, see Olympia Cotton Mills and Baltimore Trust and Guarantee Company Trust, *Mortgages of Real Estate*, Book AO, p. 169, RDRC; Granby Cotton Mills and International Trust Company of Maryland Trust, *ibid.*, Book AO, p. 180; Capital City Mills and Mercantile Trust Company, *ibid.*, Book AO, p. 200; Richland Cotton Mills and Safe Deposit and Trust Company of Baltimore Trust, *ibid.*, Book AO, p. 190. See also Smith, pp. 193-203, and Byars, pp. 17-19.

⁴³ William Elliott Memoirs, pp. 24-25, SCL.

⁴⁴ *Ibid.*

When Lewis W. Parker became president, the combined debt of Olympia, Granby, and Richland was over \$1.7 million, and he moved quickly to consolidate indebtedness through the bond issue.⁴⁵

In 1910 Parker unified management of the Whaley firms in the Parker Cotton Mills' holding company and later sold them to the Hampton Cotton Mills, an operating firm owned by the Parker Cotton Mills.⁴⁶ Under new management from 1911 to 1914, the Whaley Mills continued their pattern of financial instability. Operations under Hampton began with a note issue of \$1 million financed by the Old Colonial Trust Company of Boston and payable in three installments: July 1 of 1915, 1916, 1917. During his presidency, Parker also faced labor problems, power shortages, production curtailments, and machinery and production changes. Parker's inability to determine the most profitable cloth to produce caused further inefficiency, and each of the mills changed its production several times. In addition, his speculation in over 54,000 bales of raw cotton, which could not be resold, developed into a financial liability, tying up needed capital and costing the company over \$1 million in a single year. The situation grew worse when the Old Colonial Trust Company called for payment of the first \$250,000 note issued to Hampton Cotton Mills in 1912. When this financial crisis led to Parker's resignation and a second reorganization, the total unsecured outstanding debt of the corporation was \$3.2 million.⁴⁷

While plans were being made for the reorganization of the entire Parker Cotton Mills, negotiations began that eventually led to the northern-based Pacific Mills' purchase of the Whaley Mills. In 1915 representatives of

⁴⁵ Smith, pp. 203-207, 223-241; Byars, p. 19; Anonymous, *Unbound Scrapbook of Reorganization, 1903-1905*, SCL. See also William Elliott, Jr. Papers, SCL; Whaley Mills Reorganization Committee, "Records of the Reorganization Committee," March 1-November 24, 1905, SCL; Olympia Cotton Mills, "Minute Book, Meetings of the Stockholders," September 20, 1904, August 26, 1905, and November 20, 1905, SCL.

⁴⁶ Smith, pp. 277-285. See also Hampton Cotton Mills, *Petition for Charter*, June 17, 1912, Records of the Secretary of State, Corporate Charter Division, File #7241, SCDAH; *Return of Corporators*, July 1, 1912, *ibid.*; *Articles of Incorporation*, June 17, 1912, *ibid.*; Olympia Cotton Mills, *Certificate of Dissolution of Charter*, December 27, 1913, File #1717, *ibid.*; Capital City Mills, *Certificate of Dissolution of Charter*, December 27, 1913, File #2152, *ibid.*; Granby Cotton Mills, *Certificate of Dissolution of Charter*, December 27, 1913, File #1038, *ibid.*; Richland Cotton Mills, *Certificate of Dissolution of Charter*, December 27, 1913, File #975, *ibid.* See also Granby, Capital City, Richland, and Olympia Cotton Mills to Hampton Cotton Mills Company, *Deed Book BG*, pp. 1-8, RDRC; Olympia Cotton Mills, "Minute Book, Meetings of the Stockholders," May 22, 1912, SCL.

⁴⁷ Smith, pp. 249-277, 286-302. See also William Guion Childs Papers, December 19, 1905-February 28, 1910, SCL, and William Elliott Memoirs, pp. 25-26, SCL.

Lockwood Greene, a Boston-based engineering and architectural firm, met with M. C. Branch, the new president of the Parker Cotton Mills. Branch expressed interest in hiring Lockwood Greene to manage the troubled southern holding firm, and at a later meeting, Edwin F. Greene, president of Lockwood Greene, offered to direct the Parker Cotton Mills' reorganization for a \$10,000 fee. Parker Mills declined the offer, but left the option for a management contract open. In February 1916, Greene and other officials of Lockwood Greene toured the Parker Cotton Mills manufacturing facilities. At that time, Parker Cotton Mills functioned as a holding company for three operating firms: Monaghan Mills, Victor Manufacturing Company, and the Hampton Cotton Mills. These operating companies were individually incorporated and controlled the assets of many textile plants throughout South Carolina, with a capacity of over 500,000 spindles. The Hampton Cotton Mills—composed of the four Whaley Mills in Columbia, Fairfield Mills near Winnsboro, Wylie Mills near Chester, and Pine Creek and Beaver Dam Mills at Edgefield—alone operated more than 275,184 active spindles.⁴⁸

Besides being president of Lockwood Greene, Edwin F. Greene served as treasurer of Pacific Mills, and after touring the Parker plants, he informed Branch that Pacific Mills might be interested in buying grey goods (unfinished textile cloth) directly from the Parker Cotton Mills. This arrangement, however, rested on Lockwood Greene receiving the management contract. W. E. Beattie, treasurer of the Parker Mills, did not approve of contracting for management and by this time had convinced Branch to turn down Greene's proposal. When the management contract was rejected, Greene proposed that Pacific Mills and Lockwood Greene buy the Hampton Cotton Mills and mentioned \$3 million as a possible purchasing price. Pacific Mills wished to buy only the four Whaley Mills in Columbia; Lockwood Greene agreed to buy the four remaining mills in the Hampton group, and the Hanover National Bank of New York advanced funds for the purchase.⁴⁹

Before the purchase, stockholders of the Parker Cotton Mills brought two separate and unsuccessful lawsuits to stop the sale. After the decisions, Pacific Mills and Lockwood Greene bought the Parker Cotton Mills stock held by each of the plaintiffs and paid each lawyer working on the case

⁴⁸Smith, pp. 277-281, 303-304. In his discussion of negotiations leading to Pacific Mills' purchase of the Whaley Mills, Smith utilized the transcripts of two court cases: *Heywart et al. v. Parker Cotton Mills Company et al.*, in the District Court of the U.S. for the Western District of S.C., in Equity, 1916, and *Summersett et al. v. Parker Cotton Mills et al.*, Richland County Court of Common Pleas, 1917.

⁴⁹Smith, pp. 304-306. See Hampton Cotton Mills Company to Pacific Mills, Deed Book BK, pp. 522-526, RDRC; Hampton Cotton Mills, Certificate of Dissolution of Charter, September 14, 1916, Records of the Secretary of State, Corporate Charter Division, File #7241, SCDAH.

\$2,500, eliminating the possibility of appeal and allowing the final transfer of ownership to Pacific Mills in February 1917. Once the transfer of stock and properties to Pacific Mills had been completed, James A. Summersett and B. F. P. Leaphart brought a third suit against the Parker Cotton Mills Company, Lockwood Greene, Pacific Mills, and the directors of both the Parker and Hampton Cotton Mills. The plaintiffs complained that negotiations were conducted privately by three men (Greene, Woodward, and Branch); that the Hanover National Bank of New York denied credit to the Parker Cotton Mills, but extended it to the Pacific Mills; that the financial condition of the Parker Cotton Mills was unknown to stockholders when they voted for the sale; that protests raised against the sale were suppressed; and finally, that the purchase was an inside job and the price inadequate. Two facts came to light in the arguments presented: Lockwood Greene owned stock in the Parker Cotton Mills, and Robert F. Herrick, president of Pacific Mills, was also a director of Parker Cotton Mills in 1911 and 1912.⁵⁰

The court addressed each complaint individually. Edwin F. Greene, in his statement before the Richland County Court of Common Pleas, admitted that the initial negotiations were private. Once plans were set, however, the entire Parker board, with one exception, voted in favor of the sale, as did the stockholders. William Woodward, president of the Hanover National Bank, testified that credit was given to Pacific Mills and not to the Parker Cotton Mills because of their relative credit standings. His testimony also revealed that the Hanover National Bank's customers included Pacific Mills, Lockwood Greene, and the selling agents of the Parker Cotton Mills. The court concluded that stockholders had sufficient opportunity to investigate the company's financial position and found that officers of both firms acted in good faith. The adequacy of the price paid for the Hampton Cotton Mills was also discussed during the trial, and the value according to the company books, before allowance for any depreciation, was \$7,607,680. Despite his own 1910 appraisal of the Whaley Mills at \$4,432,505, J. E. Sirrine, a mill engineer, testified in 1916 that the \$3,271,010 purchase price for the entire Hampton Cotton Mills group was adequate. The assessed taxation value for the Hampton Group was \$2,794,124, and the holding company carried a \$6,640,571 insurance policy. There is little doubt that Pacific Mills bought the Whaley Mills at a bargain price.⁵¹

The importance of Robert F. Herrick in the Hampton Mills purchase and his connection with the original Whaley Mills organization became increasingly obvious during the trial. Herrick served on the Olympia Mills

⁵⁰ Smith, pp. 306-313. See also William Elliott Memoirs, pp. 26-27, SCL.

⁵¹ Smith, pp. 306-317; "Pacific Mills Stock Dividend," *Textile World Journal* (February 17, 1917): 8. See also William Elliott Memoirs, p. 27.

board of directors during the 1903 reorganization and continued to serve until the formation of the Parker Cotton Mills Company in 1911. Smith described him as the "power behind the throne" during Lewis W. Parker's presidency of the Whaley Mills.⁵² Stockholders elected him to the Parker Cotton Mills' board of directors in 1911, and he attended, by invitation, executive committee meetings in 1912. Beginning in 1912, he served on the advisory board of directors, and in 1915 he recommended Herbert French & Company as auditors and was probably present at the discussion of reorganization plans in the fall. Herrick also served as a director of the Old Colony Trust Company of Boston and, until Branch's presidency, as registrar for the Parker Cotton Mills Company. Herrick's law firm did a great deal of work for Lockwood Greene, and both Herrick and Edwin F. Greene were stockholders and high officials in Pacific Mills.⁵³

W. B. Smith Whaley's architectural and engineering dreams for Columbia exceeded local resources. By 1916, when the company purchased the Olympia, Granby, Richland, and Capital City Mills, the Pacific Mills was one of the largest and most stable textile firms in the world. The company easily financed the debts of the Whaley and Parker enterprises and placed the four modern Columbia mills into full operation. Begun through southern entrepreneurial efforts, the Whaley Mills failed to compete successfully against northern competitors. This series of events—investment, construction, financial instability, and takeover by better-financed northern firms—was not unusual during the initial era of New South industrial development. In the late nineteenth and early twentieth centuries, many entrepreneurs in the South established textile-manufacturing facilities and then, for a variety of reasons, failed to move them into profitable production. When this occurred, southern firms became vulnerable to takeover by the larger, older, and better-financed textile firms of the North.

Northern textile firms relied on business, financial, and technological networks developed in the Northeast since the early nineteenth century, but these networks did not reach into the South. To enter into the textile industry, southern entrepreneurs had no choice but to acknowledge and seek access into the existing networks of the mature capitalist economy. While the relative positions of the administrators of southern and northern textile firms in relation to business, financial, and technological networks can be seen in events leading to Pacific Mills purchase of the Whaley Mills, the power of established networks to shape the direction of a mature industry become even more clear when Pacific Mills' efforts to vertically

⁵² Smith, pp. 216-220, 268, 313.

⁵³ *Ibid.*, pp. 214-219, 313-315, 330-331.

integrate grey-goods production and finishing in the South Carolina piedmont are considered.

SPARTANBURG, PACIFIC MILLS, AND A POLICY OF INTEGRATION

Until 1916 Pacific Mills' dye and print works in Lawrence, Massachusetts, had to purchase grey goods from other manufacturers in order to operate at capacity. The production of the four Whaley Mills, combined with grey goods produced in Dover, New Hampshire, and Lawrence, brought those operations to capacity without buying grey goods from other manufacturers.⁵⁴ The vertical integration obtained was more than coincidental. The entire Hampton Mills group could have been purchased at a bargain price, but Pacific Mills bought only the number needed to satisfy their print works capacity. Pacific Mills officials knew the capacity of their Lawrence print works and, through longstanding connections with Parker Cotton Mills, knew the capacity of the Whaley Mills. Knowledge of Parker Cotton Mills' financial difficulties allowed the management of Pacific Mills, with the help of Lockwood Greene, to gain control of one-quarter of its ailing competitor's mills. In doing so, Pacific Mills pursued longstanding corporate and regional policies of expansion and vertical integration, while simultaneously improving manufacturing efficiency and market position. This becomes more obvious when considered in conjunction with Pacific Mills' purchase of a former cotton plantation outside Spartanburg and construction of the mill village of Lyman in 1923.

With the coming of the Piedmont Air Line Railroad, the population of Spartanburg tripled in the 1870s, and by 1880 Spartanburg County "could boast of over a hundred manufacturing establishments."⁵⁵ In 1890 Spartan Mills was established with a large proportion of its capital investment coming from small shareholders in and around Spartanburg, with some 48.2 percent owning shares worth less than \$5,000 and a total of 197 shareholders. According to David Carlton, "The median Spartan shareholder contributed less than \$1,000 and those investing \$2,500 or less controlled over one-third (36.6 percent) of the stock."⁵⁶ Despite this, Spartan Mills also received "considerable aid from important New England textile interests" in reaching a \$500,000 capitalization. Similarly, "Spartanburg's Pacolet Manufacturing Company, which by 1895 was capitalized at \$700,000 . . . attracted extensive interest from New Yorkers (16.1 percent), New Englanders (8.3 percent), Baltimoreans (8.7 percent), and Charlestonians

⁵⁴ *Ibid.*, pp. 304-305, 320.

⁵⁵ Moore, p. 214.

⁵⁶ Carlton and Coclanis, *The South, the Nation, and the World*, pp. 106-107.

(12.3 percent).⁵⁷ This tells us that while Spartanburg entrepreneurs relied heavily on local capital to initiate manufacturing facilities, community businessmen and leaders had also made efforts, with some success, to gain access to northern business, financial, and technological networks. Between 1880 and 1930, as Carlton notes, twelve counties formed "a compact cluster" of manufacturing in the South Carolina piedmont with "industrial activity most intense in the upper Piedmont, around Greenville and Spartanburg."⁵⁸ Essential to the development of Spartanburg and its surrounding communities was the arrival of the Pacific Mills textile corporation in conjunction with the industrial engineering firm of Lockwood Greene.

On January 17, 1923, the *Greenville News* and *The State* announced the possibility of Pacific Mills purchasing land and constructing a factory near Spartanburg.⁵⁹ The following day, the *New York Times* and the *Spartanburg Herald* expanded on the announcement:

No confirmation of the reports that the Pacific Mills Company of Lawrence, Mass., contemplates the establishing of a huge bleachery and finishing plant at Groce, twelve miles west of Spartanburg, at a cost of from \$7,000,000 to \$8,500,000 was available . . . It is understood that an option of ninety days duration on the property of A. E. Groce is held by the Pacific Mills Company and that final decision on the site is to be made in the near future.⁶⁰

Pacific Mills' final decision was not made public until March, when the company announced plans to construct a cotton textile factory and finishing facility.⁶¹

⁵⁷ Ibid.

⁵⁸ Ibid., pp. 137-138.

⁵⁹ "Great Textile Plant for Piedmont Section," *The State* [Columbia, S.C.], January 17, 1923, p. 1; "Pacific Mills Plans Immense Bleaching Plant Near Groce: New Industry May Cost Over 2 Million," *Greenville News* [Greenville, S.C.], January 17, 1923, p. 1.

⁶⁰ "Huge Bleachery Plant May Be Established at Groce," *Spartanburg Herald* [Spartanburg, S.C.], January 18, 1923, p. 1; "Pacific Mills Gets Option in South," *New York Times*, January 18, 1923, p. 21, col. 3; "Great Textile Plant for Piedmont Section," *The State*, January 17, 1923, p. 1; "Plan for Large Worsted Mill Is Still Indefinite," *Greenville News*, January 19, 1923, p. 1.

⁶¹ "Proposed Bleachery Plant appears to Be Assured Fact; Company Will Build," *Spartanburg Herald*, January 20, 1923, p. 1; "Pacific Mills Will Acquire Groce Property: Plan Finishing Plant and Big Cotton Mill," *ibid.*, March 3, 1923, p. 1. (The March date of the paper was a printing error. The actual date was February 3, 1923.) See also A. B. Groce et al. to Pacific Mills, Deed Book 6-T, pp. 97-116, Registrar of Deeds, Spartanburg County, Spartanburg, S.C. (RDSC); Survey of Pacific Mills at Groce, Plate Book 7, p. 127, *ibid.*



Pacific Mills' "Lyman Department"—cotton mill, bleaching and finishing plant, and village—circa 1930. Courtesy of the Herald-Journal Willis Collection, Spartanburg County (S.C.) Public Libraries.

As in the 1916 Columbia purchase, Lockwood Greene played an important role in Pacific Mills moving to Spartanburg. During the initial stages of the purchase, newspapers had trouble distinguishing the assets of Pacific Mills from those of Lockwood Greene. For example, the *Greenville News*, in a description of Pacific Mills, stated that "the company has large mills at Columbia and Winnsboro."⁶² The mills in Winnsboro belonged to Lockwood Greene. Edwin F. Greene, holding positions in both corporations, carried on most negotiations in the purchase, and Lockwood Greene completed all of the engineering work for the Lyman development. The cotton mill in Lyman could not produce enough grey goods to satisfy the new bleachery's capacity of 1.25 million yards per week, and shipments

⁶² "Pacific Mills Plans Immense Bleachery Plant Near Groce," *Greenville News*, January 17, 1923, p. 1; "Boston Confirms Mill Negotiations," *Spartanburg Herald*, July 10, 1923, p. 1.

came to Lyman from other mills.⁶³ While this seems to contradict the policy of vertical integration established with the Whaley Mills purchase, an examination of Lockwood Greene's activities in the South Carolina piedmont proves otherwise.

In August 1923, Lockwood Greene purchased Tucapau Mills, only a mile and a half below Lyman, and Pelzer Mills in Pelzer.⁶⁴ On September 13, 1923, the *Spartanburg Herald* reported Lockwood Greene's "acquisition of Lancaster Mills, Lancaster, South Carolina; Eureka and Springstein Mills, Chester, South Carolina; and Fort Hill Manufacturing Company, Fort Hill, South Carolina." These purchases gave Lockwood Greene over 700,000 spindles and a total of fifteen thousand looms in South Carolina alone. The products of these mills and those in Columbia were shipped to Lyman, added to the grey-cloth production there, and sent to the Lyman bleachery for finishing.⁶⁵ Not only did Pacific Mills and Lockwood Greene vertically integrate their cotton textile production in the South, they gained control of a large percentage of the textile production in piedmont South Carolina.

The efforts of southern businessmen to have Pacific Mills locate near Spartanburg was also an important factor in the company's decision to purchase land and build the mill village of Lyman. Men associated with the Spartanburg Chamber of Commerce encouraged Pacific Mills executives to visit their community and build factories in the neighboring countryside. Promoting the area's low tax rate and plentiful labor supply, Spartanburg "boosters" sought to bring new industry and jobs to the county. While selecting a location for their new cotton textile and finishing facilities, Pacific Mills executives were wined and dined in Spartanburg. Local businessmen arranged for the sale of the seven hundred-acre plantation to the northern firm, and the chamber of commerce hosted a dinner for Pacific Mills officials, making them the guests of honor after a day of touring local sites.⁶⁶

⁶³ "Pacific Mills Bleachery at Lyman Begins Operation," *Spartanburg Herald*, May 27, 1924, p. 3; Little, "Lyman Development Told Of," *ibid.*, January 16, 1924, p. 10.

⁶⁴ "Tucapau Mills Sold to Lockwood, Greene & Company," *Spartanburg Herald*, August 7, 1923, p. 1; "Boston Interests Buy Pelzer Mills for Nine Million," *ibid.*, August 9, 1923, p. 1.

⁶⁵ "Lockwood-Greene Increases Holdings in the State," *Spartanburg Herald*, September 13, 1923, p. 1; "Will Build Three Mills in Georgia," *ibid.*, September 19, 1923, p. 1; "Lockwood, Greene Officials Coming," *ibid.*, November 20, 1923, p. 1.

⁶⁶ "Proposed Bleachery Plant Appears to Be Assured Fact; Company Will Build," *Spartanburg Herald*, February 3, 1923, p. 1; "Plans for Entertainment of Textile Executives Are Complete; Here Tomorrow," *ibid.*, March 14, 1923, p. 1; "Several Millions [sic] to Be Spent At Groce," *ibid.*, March 16, 1923, p. 1.

While Spartanburg's businessmen relied heavily on local capital to initiate textile mills in the 1880s and 1890s, in 1923 they bypassed the path of entrepreneurship and competition against northern industry, opting instead to invite northern capitalists to finance and construct industry in their backyard. This second path to industrial development was followed across the South. Seeking to industrialize, but lacking the capital to go forward, southern businessmen and politicians embarked on campaigns to attract branch factories of large national and international corporations to their towns and cities. This process convinced Pacific Mills to invest not just in Lyman, but also in several Virginia towns, where the company built woolen, worsted, and rayon production facilities.⁶⁷ Throughout the South, business and political leaders sought to industrialize by whatever means they found most feasible, but in almost every case, attracting extra-regional capital and technology to their communities was essential.

CONCLUSION

The means by which Pacific Mills moved into Columbia and Spartanburg can be used to document the variation in southern entrepreneurial response to the larger business, financial, and technological networks with which they competed in the late nineteenth and early twentieth centuries. In Columbia, Pacific Mills purchased the Whaley Mills' state-of-the-art manufacturing facilities initially financed, constructed, and operated by southerners. In Spartanburg, Pacific Mills, invited by local boosters, purchased land and constructed new manufacturing and finishing facilities. The New South did not develop by following any single path toward industrialization. To the contrary, southern entrepreneurs, through failure and success, worked out a variety of accommodations with the long-established northern business, financial, and technological networks against which they were forced to compete. Perhaps more important than any other single factor, the path to industrialization taken by entrepreneurs and political leaders in many southern communities was determined by how they could and would gain access to the technological networks dominated by northern manufacturers. This was most directly related to the relationship southern textile mill managers and owners developed with northern

⁶⁷ "Novel Arrangement Made to Provide Power for Worsted Mill Plant Located at Halifax," *Halifax Gazette* [South Boston, Va.], November 7, 1946, p. 10; "Brookneal is Selected After Careful Consideration," *Union Star* [Brookneal, Va.], May 9, 1947, p. 1; Josef Berger, ed., *Memoirs of a Corporation: The Story of Mary and Mack and Pacific Mills* (Boston: The Barta Press, 1950), chap. 9, pp. 15-17; "Resolution," *Charlotte Gazette* [Charlotte, N.C.], February 16, 1948, p. 2; "Town Entertains Mill Officials At Luncheon," *ibid.*, March 25, 1948, p. 1.

machinery manufacturers. In Columbia, Whaley sought direct access to northern technological networks through his personal and business connections. In Spartanburg, or Lyman, community developers invited northerners to take advantage of local transportation facilities and to bring their technology into the region.

The textile industry stood at the forefront of southern industrialization in the late nineteenth and early twentieth centuries. The process by which southerners brought textile factories into their communities differed from town to town, but tended to involve a degree of compromise with the northern branch of the industry. This variety in local industrial development from community to community in the New South illustrates the region's need to accommodate itself to broader and more established national capitalist networks. Rather than following any clearly defined process of industrial development, business and political leaders weighed the relative assets and liabilities of their communities and then proceeded to industrialize through what they determined to be the most rapid means at their disposal. In every community, however, the question of access—be it to capital, technical knowledge, or markets—and how to obtain that access was essential. Northerners and northern institutions, particularly in the textile industry, dominated the mature economic networks in the United States. Southerners could work with northerners, as Whaley and Parker did in Columbia, attempting a compromise between southern ownership and northern capital and technological expertise. Or, southerners could capitulate, giving the northern industry full access to local resources and raw materials to be developed by them, as the Spartanburg Chamber of Commerce did with Pacific Mills construction of Lyman.

In both cases, we see the extension of an existing and mature capitalist system, a system characterized by financial, business, and technological networks, into a previously underdeveloped region of the country. When the Whaley Mills were taken over by Pacific Mills, a southern city found itself tied to the well-developed networks of capitalism that dominated the textile industry in 1916. When Pacific Mills and Lockwood Greene moved into Spartanburg County to build a factory and bleachery and gained control over cotton grey-cloth production in the area surrounding Lyman, a small southern village surrounded by cotton fields became linked to national and international capitalist networks. This envelopment of underdeveloped regions by expanding capitalism occurred through the interaction of individuals in banks, factories, engineering schools, on boards of directors, and in machinery factories. New South industrial development depended less on entrepreneurial incentive or class persistence than on individuals in local communities gaining access to the resources in capital formation, business organization, or technological knowledge and resources controlled by those already in association with national and international capitalist networks.

BOOKS REVIEWS

Memory and Identity: The Huguenots in France and the Atlantic Diaspora. Edited by Bertrand Van Ruymbeke and Randy J. Sparks. (Columbia: University of South Carolina Press, 2003. Pp. xvi, 352; \$39.95, cloth.)

Memory and Identity is a collection of essays, most of which were presented at the 1997 symposium "Out of New Babylon: The Huguenots and their Diaspora" sponsored by the Lowcountry and Atlantic Studies Program of the College of Charleston. The number of essays (sixteen including the introduction) precludes a discussion that would do them justice. This review will mention all the essays, but comment on a select few.

Memory and Identity is an excellent example of recent trends in Atlantic history. In the introduction, Van Ruymbeke states that the volume "offers a novel comparative perspective on Huguenot communities" throughout the Atlantic world (p. 1). Major themes connecting the essays are: the Huguenot experience as a minority; their efforts to preserve their identity; and the Huguenot revival of the late nineteenth century. The French Protestants who emigrated did so in two waves: the Premier (ca. 1530s-ca. 1660s) and the Second (ca. 1670s-ca. 1710s) Refuges. The Premier Refuge was largely made up of Walloons, French-speaking natives of the Low Countries. In response to increasing religious intolerance that culminated in the 1685 revocation of the Edict of Nantes (which had granted the Huguenots freedom of worship), the Second Refuge "was the third-largest one-shot migration in early modern Europe" and led to "the creation of a Huguenot Atlantic world" (p. 6, 11). The organization of this Huguenot Atlantic is not "the usual Europe/colonies dichotomy," but rather an Atlantic and continental "refugee space." The dividing line between the two spaces "is not in the middle of the Atlantic, but in the middle of the Netherlands" (p. 12). Although the Huguenots quickly integrated into their host societies (usually within three generations), they did not disappear completely. During the nineteenth century, various heritage groups "preserved an embellished individual and collective memory" (p. 18). Thus, "Huguenot identity, in France and in the Refuge, is rooted in the gray area where memory and history overlap" (p. 18).

The first chapters deal with the Huguenot experience on the Continent. Diane C. Margolf examines how the Huguenots litigated to protect the privileges granted to them under the Edict of Nantes. Margolf includes an excellent discussion of the Edict, which serves as a useful adjunct to the information in the introduction. Raymond A. Mentzer considers how French Huguenots relied on mediation to avoid the royal legal system and encourage harmony. Keith P. Luria looks at how different patterns of