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CHAPTER

Industrial America: Corporations and Conflicts 1877–1911

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For millions of his contemporaries, Andrew Carnegie exemplified American success. Arriving from Scotland as a poor twelve-year-old in 1848, Carnegie found work as an errand boy for the Pennsylvania Railroad and rapidly scaled the managerial ladder. In 1865, he struck out on his own as an iron manufacturer, selling to friends in the railroad business. Encouraged by Republican tariffs to enter the steel industry, he soon built a massive steel mill outside Pittsburgh where a state-of-the-art Bessemer converter made steel refining dramatically more efficient. With Carnegie leading the way, steel became a major U.S. industry, reaching annual production of 10 million metric tons by 1900—almost as much as the combined output of the world's other top producers, Germany (6.6 million tons) and Britain (4.8 million).

At first, skilled workers at Carnegie's mill in Homestead, Pennsylvania, earned good wages. They had a strong union, and Carnegie affirmed workers' right to organize. But Carnegie—confident that new machinery enabled him to replace many skilled laborers—eventually decided that collective bargaining was too expensive. In the summer of 1892, he withdrew to his estate in Scotland, leaving his partner Henry Clay Frick in command. A former coal magnate and veteran foe of labor, Frick was well qualified to do the dirty work. He announced that after July 1, members of the Amalgamated Association of Iron and Steel Workers would be locked out of the Homestead mill. If they wanted to return to work, they would have to abandon the union and sign new individual contracts. Frick fortified the mill and prepared to hire replacement workers. The battle was on.

At dawn on July 6, barges chugging up the Monongahela River brought dozens of private armed guards from the Pinkerton Detective Agency, hired by Carnegie to defend the plant. Locked-out workers opened fire, starting a gunfight that left seven workers and three Pinkertons dead. Frick appealed to Pennsylvania's governor, who sent the state militia to arrest labor leaders on charges of riot and murder. Most of the locked-out workers lost their jobs. The union was dead.

As the **Homestead lockout** showed, industrialization was a controversial and often bloody process. During the half century after the Civil War, more and more Americans worked not as independent farmers or artisans but as employees of large corporations. Conditions of work changed for people of all economic classes. Drawn by the dynamic economy, immigrants arrived from around the globe. These transformations provoked working people, including farmers as well as industrial workers, to organize and defend their interests.

IDENTIFY THE BIG IDEA

What new opportunities and risks did industrialization bring, and how did it reshape American society?



Marianna Mine Disaster The bituminous mines of Marianna, Pennsylvania, and many other rich sites provided the coal that fueled American industrial growth. On November 28, 1908, an explosion in the mine killed 158 workers. Many were American-born; some were Irish, Welsh, Italian, and Polish immigrants. Here, a horse-drawn wagon carries bodies recovered from the mine. Such catastrophes laid bare the human cost of industrialization. Marianna was one among many: in the same decade, disasters at Scofield, Utah; Jacobs Creek, Pennsylvania; Monongah, West Virginia; and Cherry, Illinois, each killed over 200 men. Library of Congress.

The Rise of Big Business

In the late 1800s, industrialization in Europe and the United States revolutionized the world economy. It brought large-scale commercial agriculture to many parts of the globe and prompted millions of migrants—both skilled workers and displaced peasants—to cross continents and oceans in search of jobs. Industrialization also created a production glut. The immense scale of agriculture and manufacturing caused a long era of deflation, when prices dropped worldwide (Figure 17.1).

Falling prices normally signal low demand for goods and services, and thus stagnation. In England, a mature industrial power, the late nineteenth century did bring economic decline. But in the United States, production expanded. Between 1877 and 1900, Americans' average real income increased from \$388 to \$573 per capita. In this sense, Andrew Carnegie was right when he argued that, even though industrialization increased the gap between rich and poor, everyone's standard of living rose. In his famous 1889 essay "Wealth"—later called "The Gospel of Wealth"—he observed that "the poor enjoy what the rich could not before afford. What were the luxuries have become the necessities of life."



To see a longer excerpt of "The Gospel of Wealth," along with other primary sources from this period, see *Sources for America's History*.

Technological and business efficiencies allowed American firms to grow, invest in new equipment, and earn profits even as prices for their products fell. Growth depended, in turn, on America's large and

growing population, expansion into the West, and an integrated national marketplace. In many fields, large corporations became the dominant form of business.

Innovators in Enterprise

As rail lines stretched westward between the 1850s and 1880s, operators faced a crisis. As one Erie Railroad executive noted, a superintendent on a 50-mile line could personally attend to every detail. But supervising a 500-mile line was impossible; trains ran late, communications failed, and trains crashed. Managers gradually invented systems to solve these problems. They distinguished top executives from those responsible for day-to-day operations. They departmentalized operations by function—purchasing, machinery, freight traffic, passenger traffic—and established clear lines of communication. They perfected cost accounting, which allowed an industrialist like Carnegie to track expenses and revenues carefully and thus follow his Scottish mother's advice: "Take care of the pennies, and the pounds will take care of themselves." This **management revolution** created the internal structure adopted by many large, complex corporations.

During these same years, the United States became an industrial power by tapping North America's vast natural resources, particularly in the West. Industries that had once depended on water power began to use prodigious amounts of coal. Steam engines replaced human and animal labor, and kerosene replaced whale oil and wood. By 1900, America's factories and urban homes were converting to electric power. With new management structures and dependency on fossil fuels (oil, coal, natural gas), corporations transformed both the economy and the country's natural and built environments.

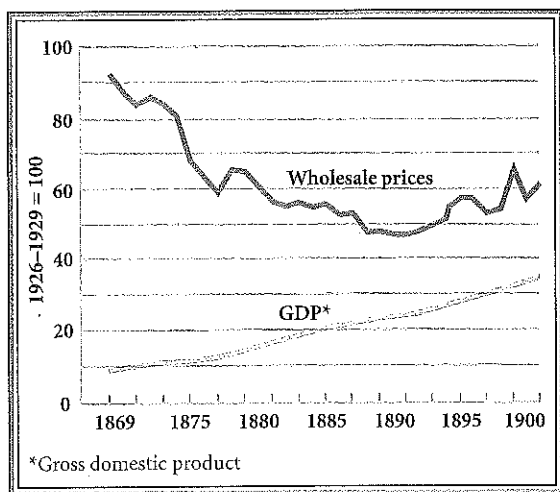


FIGURE 17.1
Business Activity and Wholesale Prices, 1869–1900

This graph shows the key feature of the performance of the late-nineteenth-century economy: while output was booming, wholesale prices were, on the whole, falling. Thus, while workers often struggled with falling wages—especially during decades of severe economic crisis—consumer products also became cheaper to buy.

Production and Sales After Chicago's Union Stock Yards opened in 1865, middlemen shipped cows by rail from the Great Plains to Chicago and from there to eastern cities, where slaughter took place in local butchertowns. Such a system—a national livestock market with local processing—could have lasted, as it did in Europe. But Gustavus Swift, a shrewd Chicago cattle dealer, saw that local slaughterhouses lacked the scale to utilize waste by-products and cut labor costs. To improve productivity, Swift invented the assembly line, where each wageworker repeated the same slaughtering task over and over.

Swift also pioneered vertical integration, a model in which a company controlled all aspects of production from raw materials to finished goods. Once his engineers designed a cooling system, Swift invested in a fleet of refrigerator cars to keep beef fresh as he shipped it eastward, priced below what local butchers could afford. In cities that received his chilled meat, Swift built branch houses and fleets of delivery wagons. He also constructed factories to make fertilizer and chemicals from the by-products of slaughter, and he developed marketing strategies for those products as well. Other Chicago packers followed Swift's lead. By 1900, five firms, all vertically integrated, produced nearly 90 percent of the meat shipped in interstate commerce.

Big packers invented new sales tactics. For example, Swift & Company periodically slashed prices in certain markets to below production costs, driving independent distributors to the wall. With profits from its sales elsewhere, a large firm like Swift could survive temporary losses in one locality until competitors went under. Afterward, Swift could raise prices again. This technique, known as predatory pricing, helped give a few firms unprecedented market control.

Standard Oil and the Rise of the Trusts No one used ruthless business tactics more skillfully than the king of petroleum, John D. Rockefeller. After inventors in the 1850s figured out how to extract kerosene—a clean-burning fuel for domestic heating and lighting—from crude oil, enormous oil deposits were discovered at Titusville, Pennsylvania. Just then, the Civil War severely disrupted whaling, forcing whale-oil customers to look for alternative lighting sources. Overnight, a forest of oil wells sprang up around Titusville. Connected to these Pennsylvania oil fields by rail in 1863, Cleveland, Ohio, became a refining

IDENTIFY CAUSES

Why did large corporations arise in the late nineteenth century, and how did leading industrialists consolidate their power?

Swift & Co.'s Packing House, Chicago, c. 1906

This photograph shows the processing system that enabled Swift and other large packers to save money through high volume and deskilled labor. The overhead pulley system shown in the upper right moved carcasses from place to place for completion of different tasks. Auto manufacturer Henry Ford, who won fame for his moving assembly line, claimed he got the idea after visiting a meat-packing plant such as this. Library of Congress.



center. John D. Rockefeller was then an up-and-coming Cleveland grain dealer. (He, like Carnegie and most other budding tycoons, hired a substitute to fight for him in the Civil War.) Rockefeller had strong nerves, a sharp eye for able partners, and a genius for finance. He went into the kerosene business and borrowed heavily to expand. Within a few years, his firm — Standard Oil of Ohio — was Cleveland's leading refiner.

Like Carnegie and Swift, Rockefeller succeeded through vertical integration: to control production and sales all the way from the oil well to the kerosene lamp, he took a big stake in the oil fields, added pipelines, and developed a vast distribution network. Rockefeller allied with railroad executives, who, like him, hated the oil market's boom-and-bust cycles. What they wanted was predictable, high-volume traffic, and they offered Rockefeller secret rebates that gave him a leg up on competitors.

Rockefeller also pioneered a strategy called *horizontal integration*. After driving competitors to the brink of failure through predatory pricing, he invited them to merge their local companies into his conglomerate. Most agreed, often because they had no choice. Through such mergers, Standard Oil wrested control of 95 percent of the nation's oil refining capacity by the 1880s. In 1882, Rockefeller's lawyers created a new legal form, the **trust**. It organized a small group of associates — the board of trustees — to hold stock from a group of combined firms, managing them as a single entity. Rockefeller soon invested in Mexican oil fields and competed in world markets against Russian and Middle Eastern producers.

Other companies followed Rockefeller's lead, creating trusts to produce such products as linseed oil, sugar, and salt. Many expanded sales and production overseas. As early as 1868, Singer Manufacturing Company established a factory in Scotland to produce sewing machines. By World War I, such brands as Ford and General Electric had become familiar around the world.

Distressed by the development of near monopolies, reformers began to denounce "the trusts," a term that in popular usage referred to any large corporation that seemed to wield excessive power. Some states outlawed trusts as a legal form. But in an effort to attract corporate headquarters to its state, New Jersey broke ranks in 1889, passing a law that permitted the creation of holding companies and other combinations. Delaware soon followed, providing another legal haven for consolidated corporations. A wave of mergers further concentrated corporate power during the depression of the 1890s, as weaker firms succumbed to powerful rivals.

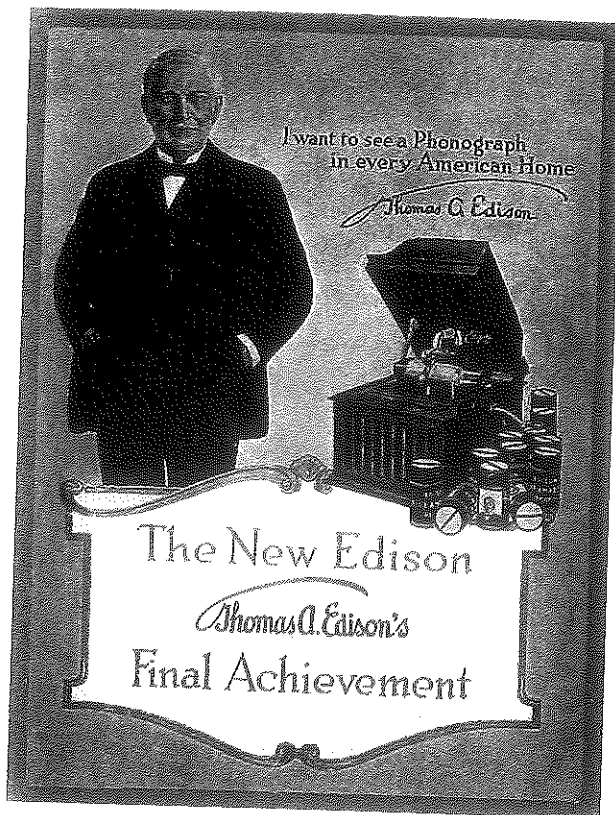
By 1900, America's largest one hundred companies controlled a third of the nation's productive capacity. Purchasing several steel companies in 1901, including Carnegie Steel, J. P. Morgan created U.S. Steel, the nation's first billion-dollar corporation. Such familiar firms as DuPont and Eastman Kodak assumed dominant places in their respective industries.

Assessing the Industrialists The work of men like Swift, Rockefeller, and Carnegie was controversial in their lifetimes and has been ever since. Opinions have tended to be harsh in eras of economic crisis, when the shortcomings of corporate America appear in stark relief. During the Great Depression of the 1930s, a historian coined the term *robber barons*, which is still used today. In periods of prosperity, both scholars and the public have tended to view early industrialists more favorably, calling them *industrial statesmen*.

Some historians have argued that industrialists benefitted the economy by replacing the chaos of market competition with a "visible hand" of planning and expert management. But one recent study of railroads asserts that the main skills of early tycoons (as well as those of today) were cultivating political "friends," defaulting on loans, and lying to the public. Whether we consider the industrialists heroes, villains, or something in between, it is clear that the corporate economy was not the creation of just a few individuals, however famous or influential. It was a systemic transformation of the economy.

A National Consumer Culture As they integrated vertically and horizontally, corporations innovated in other ways. Companies such as Bell Telephone and Westinghouse set up research laboratories. Steelmakers invested in chemistry and materials science to make their products cheaper, better, and stronger. Mass markets brought an appealing array of goods to consumers who could afford them. Railroads whisked Florida oranges and other fresh produce to the shelves of grocery stores. Retailers such as F. W. Woolworth and the Great Atlantic and Pacific Tea Company (A&P) opened chains of stores that soon stretched nationwide.

The department store was pioneered in 1875 by John Wanamaker in Philadelphia. These megastores displaced small retail shops, tempting customers with large show windows and Christmas displays. Like industrialists, department store magnates developed economies of scale that enabled them to slash prices. An 1898 newspaper advertisement for Macy's Department Store urged shoppers to "read our books, cook in our saucepans, dine off our china, wear our silks, get



Thomas Edison

The wondrous inventions that emerged from Edison's laboratory in Menlo Park, New Jersey, ranged from the phonograph shown here to electric light bulbs, moving pictures, and Portland cement. Edison (1847–1931) became a national hero—and the holder of over one thousand patents. He was also a shrewd entrepreneur who artfully cultivated both publicity and investor support. In demonstrating electric lights, he chose first to illuminate the headquarters of the *New York Times* and the nearby offices of powerful financier J. P. Morgan. In this advertisement he makes a democratic appeal to all Americans—but only the affluent could afford a phonograph, which cost about \$20. Dennis Nyhagen, *The Digital Deli Online*, www.digitaldeliftp.com.

under our blankets, smoke our cigars, drink our wines—Shop at Macy's—and Life will Cost You Less and Yield You More Than You Dreamed Possible."

While department stores became urban fixtures, Montgomery Ward and Sears built mail-order empires. Rural families from Vermont to California pored over the companies' annual catalogs, making wish lists of tools, clothes, furniture, and toys. Mail-order companies used money-back guarantees to coax wary customers to buy products they could not see or touch. "Don't be afraid to make a mistake," the Sears catalog counseled. "Tell us what you want, in your own way." By 1900, America counted more than twelve hundred mail-order companies.

The active shaping of consumer demand became, in itself, a new enterprise. Outdoors, advertisements appeared everywhere: in New York's Madison Square, the Heinz Company installed a 45-foot pickle made of green electric lights. Tourists had difficulty admiring Niagara Falls because billboards obscured the view. By 1900, companies were spending more than \$90 million a year (\$2.3 billion today) on print advertising, as the press itself became a mass-market industry. Rather than charging subscribers the cost of production, magazines began to cover their costs by selling ads. Cheap subscriptions built a mass readership, which in turn attracted more advertisers. In 1903, the *Ladies' Home Journal* became the first magazine with a million subscribers.

The Corporate Workplace

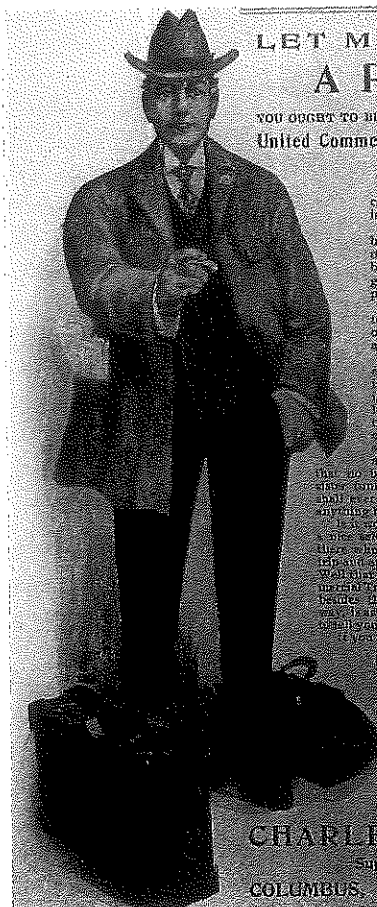
Before the Civil War, most American boys had hoped to become farmers, small-business owners, or independent artisans. Afterward, more and more Americans—both male and female—began working for someone else. Because they wore white shirts with starched collars, those who held professional positions in corporations became known as white-collar workers, a term differentiating them from blue-collar employees, who labored with their hands. For a range of employees—managers and laborers, clerks and salespeople—the rise of corporate work had wide-ranging consequences.

Managers and Salesmen As the managerial revolution unfolded, the headquarters of major corporations began to house departments handling specific activities such as purchasing and accounting. These departments were supervised by middle managers, something not seen before in American industry. Middle managers took on entirely new tasks, directing the flow of goods, labor, and information throughout the enterprise. They were key innovators, counterparts to the engineers in research laboratories who, in the same decades, worked to reduce costs and improve efficiency.

Corporations also needed a new kind of sales force. In post-Civil War America, the drummer, or traveling salesman, became a familiar sight on city streets and in remote country stores. Riding rail networks from town to town, drummers introduced merchants to new products, offered incentives, and suggested sales

EXPLAIN CONSEQUENCES

What opportunities did the rise of corporations offer to different types of "middle workers"—those who were neither top executives nor blue-collar laborers?



**LET ME GIVE YOU
A POINTER**

YOU OUGHT TO BE A MEMBER OF THE ORDER OF
United Commercial Travelers of America

Oh yes, I know you are already carrying accident insurance—but this is something different.

It is a secret order admitting none but Commercial Travelers, City Salesmen or Merchandise Brokers—a brotherhood of Salesmen banded together for their mutual interests and protection.

It ought to be worth a good deal to you to find friends in the same line of business. It is easy to see how you go to all over the country.

There is no matter how much you increase money you may lose. There is always one chance that it will be lost and your beneficiaries left destitute. The Order of United Commercial Travelers meets that condition by constituting a "Widows and Orphans" fund which provides that no benefits are given until the mother dies, and the children of a member shall be cared for until they are of age to support themselves.

It is a grand thing to have your family cared for in such a way and there when you are gone. You may long to see your family and the United Commercial Travelers will see that you do. You will be able to see your family, and the way to see them is to see them in time to see them.

If you wish to see them in time to see them, you should join the Order of United Commercial Travelers. You will be able to see them in time to see them.

Address all communications to
CHARLES C. DANIEL
Supreme Secretary
COLUMBUS, OHIO

The Salesman as Professional, 1906

Salesmanship magazine featured this image in its June 1906 issue, depicting the traveling salesman as an energetic, well-dressed professional. The advertisement urges salesmen to join the United Commercial Travelers of America (UCTA), a fraternal organization founded by salesmen in 1888 (and still in existence today). UCTA offered its members the opportunity to purchase insurance and build business networks with fellow salesmen. Through such organizations, white-collar workers and managers (who were almost never unionized) banded together to pursue their common interests and express professional pride. *Salesmanship*, June 1906, Columbus Ohio.

displays. They built nationwide distribution networks for such popular consumer products as cigarettes and Coca-Cola. By the late 1880s, the leading manufacturer of cash registers produced a sales script for its employees' conversations with local merchants. "Take for granted that he will buy," the script directed. "Say to him, 'Now, Mr. Blank, what color shall I make it?' . . . Handing him your pen say, 'Just sign here where I have made the cross.'"

With such companies in the vanguard, sales became systematized. Managers set individual sales quotas and awarded prizes to top salesmen, while those who sold

too little were singled out for remedial training or dismissal. Executives embraced the ideas of business psychologist Walter Dill Scott, who published *The Psychology of Advertising* in 1908. Scott's principles—which included selling to customers based on their presumed "instinct of escape" and "instinct of combat"—were soon taught at Harvard Business School. Others also promised that a "scientific attitude" would "attract attention" and "create desire."

Women in the Corporate Office Beneath the ranks of managers emerged a new class of female office workers. Before the Civil War, most clerks at small firms had been young men who expected to rise through the ranks. In a large corporation, secretarial work became a dead-end job, and employers began assigning it to women. By the turn of the twentieth century, 77 percent of all stenographers and typists were female; by 1920, women held half of all low-level office jobs.

For white working-class women, clerking and office work represented new opportunities. In an era before most families had access to day care, mothers most often earned money at home, where they could tend children while also taking in laundry, caring for boarders, or doing piecework (sewing or other assembly projects, paid on a per-item basis). Unmarried daughters could enter domestic service or factory work, but clerking and secretarial work were cleaner and better paid.

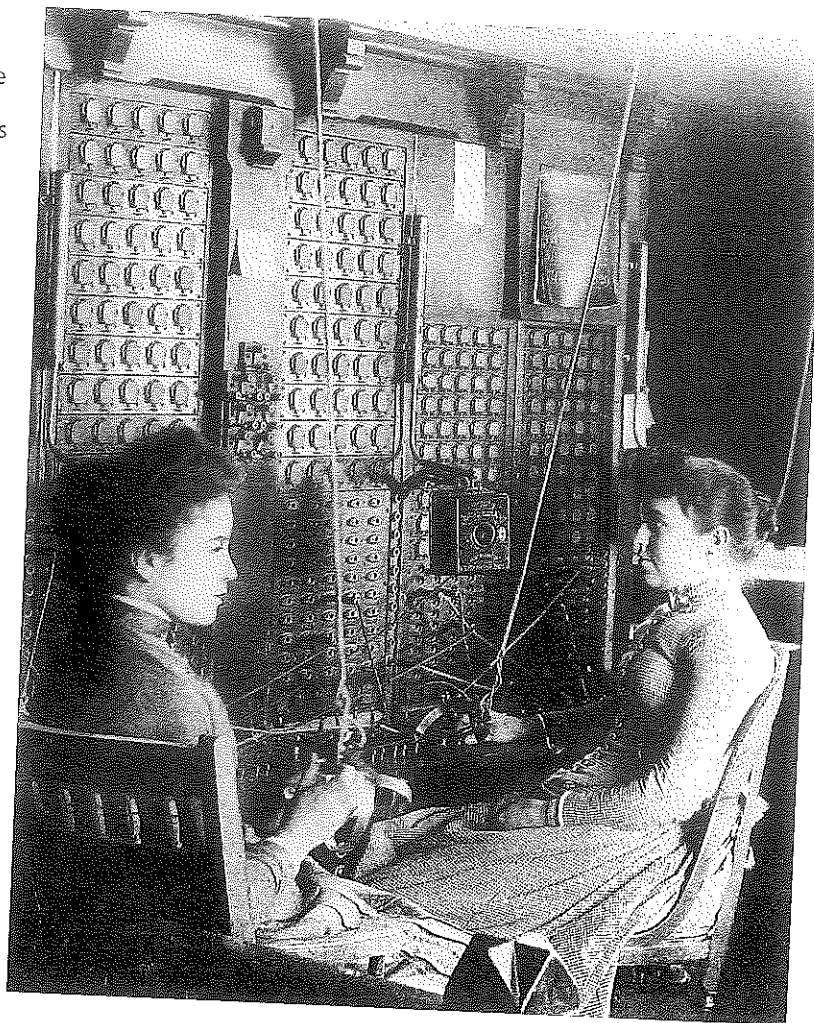
New technologies provide additional opportunities for women. The rise of the telephone, introduced by inventor Alexander Graham Bell in 1876, was a notable example. Originally intended for business use on local exchanges, telephones were eagerly adopted by residential customers. Thousands of young women found work as telephone operators. By 1900, more than four million women worked for wages. About a third worked in domestic service; another third in industry; the rest in office work, teaching, nursing, or sales. As new occupations arose, the percentage of wage-earning women in domestic service dropped dramatically, a trend that continued in the twentieth century.

On the Shop Floor

Despite the managerial revolution at the top, skilled craft workers—almost all of them men—retained considerable autonomy in many industries. A coal miner, for example, was not an hourly wageworker but essentially an independent contractor, paid by the amount of coal he produced. He provided his own tools, worked at his own pace, and knocked off early

Telephone Operators, 1888

Like other women office workers, these switchboard operators enjoyed relatively high pay and comfortable working conditions—especially in the early years of the telephone industry, before operators' work routines speeded up. These young women worked for the Central Union Telephone Company in Canton, Ohio. Ohio Historical Society.



when he chose. The same was true for puddlers and rollers in iron works; molders in stove making; and machinists, glass blowers, and skilled workers in many other industries. Such workers abided by the stint, a self-imposed limit on how much they would produce each day. This informal system of restricting output infuriated efficiency-minded engineers, but to the workers it signified personal dignity, manly pride, and brotherhood with fellow employees. One shop in Lowell, Massachusetts, posted regulations requiring all employees to be at their posts by the time of the opening bell and to remain, with the shop door locked, until the closing bell. A machinist promptly packed his tools, declaring that he had not “been brought up under such a system of slavery.”

Skilled workers—craftsmen, inside contractors, and foremen—enjoyed a high degree of autonomy. But those who paid helpers from their own pocket could also exploit them. Subcontracting arose, in part, to enable manufacturers to distance themselves from the consequences of shady labor practices. In Pittsburgh

steel mills, foremen were known as “pushers,” notorious for driving their gangs mercilessly. On the other hand, industrial labor operated on a human scale, through personal relationships that could be close and enduring. Striking craft workers would commonly receive the support of helpers and laborers, and labor gangs would sometimes walk out on behalf of a popular foreman.

As industrialization advanced, however, workers increasingly lost the independence characteristic of craft work. The most important cause of this was the **deskilling** of labor under a new system of mechanized manufacturing that men like meat-packer Gustavus Swift had pioneered, and that automobile maker Henry Ford would soon call **mass production**. Everything from typewriters to automobiles came to be assembled from standardized parts, using machines that increasingly operated with little human oversight. A machinist protested

TRACE CHANGE OVER TIME

How did conditions change for industrial workers in the late nineteenth century, and why?



Ironworkers—Noontime, 1880

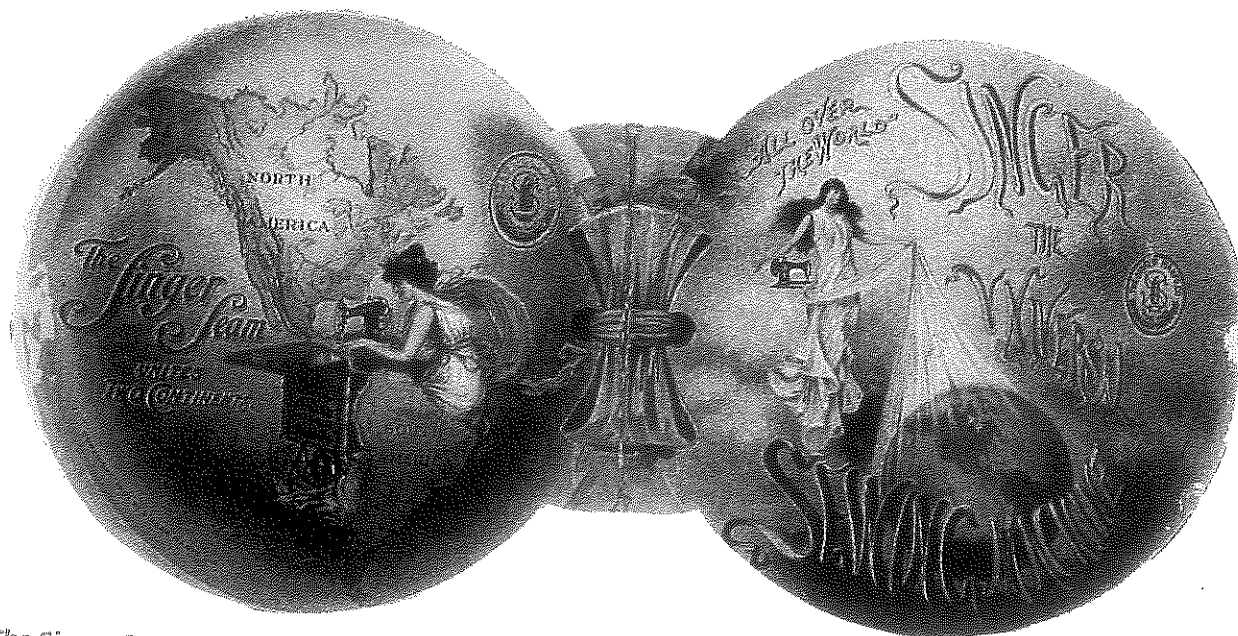
The ideal qualities of the nineteenth-century craft worker—dignity, brotherhood, manliness—shine through in this painting by Thomas P. Anschutz. *Ironworkers—Noontime* became a popular painting after it was reproduced as an engraving in *Harper's Weekly* in 1884. Fine Arts Museum of San Francisco.

in 1883 that the sewing machine industry was so “subdivided” that “one man may make just a particular part of a machine and may not know anything whatever about another part of the same machine.” Such a worker, noted an observer, “cannot be master of a craft, but only master of a fragment.” Employers, who originally favored automatic machinery because it increased output, quickly found that it also helped them control workers and cut labor costs. They could pay unskilled workers less and replace them easily.

By the early twentieth century, managers sought to further reduce costs through a program of industrial efficiency called **scientific management**. Its inventor, a metal-cutting expert named Frederick W. Taylor, recommended that employers eliminate all brain work from manual labor, hiring experts to develop rules for the shop floor. Workers must be required to “do what they are told promptly and without asking questions or making suggestions.” In its most extreme form, scientific management called for engineers to time each task with a stopwatch; companies would pay workers more if they met the stopwatch standard. Taylor assumed

that workers would respond automatically to the lure of higher earnings. But scientific management was not, in practice, a great success. Implementing it proved to be expensive, and workers stubbornly resisted. Corporate managers, however, adopted bits and pieces of Taylor’s system, and they enthusiastically agreed that decisions should lie with “management alone.” Over time, in comparison with businesses in other countries, American corporations created a particularly wide gap between the roles of managers and those of the blue-collar workforce.

Blue-collar workers had little freedom to negotiate, and their working conditions deteriorated markedly as mass production took hold. At the same time, industrialization brought cheaper products that enabled many Americans to enjoy new consumer products—if they could avoid starvation. From executives down to unskilled workers, the hierarchy of corporate employment contributed to sharper distinctions among three economic classes: the wealthy elite; an emerging, self-defined “middle class”; and a struggling class of workers, who bore the brunt of the economy’s new risks



The Singer Sewing Machine

The sewing machine was an American invention that swiftly found markets abroad. The Singer Manufacturing Company, the dominant firm by the time the Civil War began, exported sewing machines to markets as far-flung as Ireland, Russia, China, and India. The company also moved some manufacturing operations abroad, producing 200,000 machines annually at a Scottish plant that employed 6,000 workers. Singer's advertising rightly boasted of the international appeal of a product that the company dubbed "The Universal Sewing Machine." © Collection of the New-York Historical Society.

and included many Americans living in dire poverty. As it wrought these changes, industrialization prompted intense debate over inequality (Thinking Like a Historian, p. 554).

Health Hazards and Pollution Industrialized labor also damaged workers' health. In 1884, a study of the Illinois Central Railroad showed that, over the previous decade, one in twenty of its workers had been killed or permanently disabled by an accident on the job. For brakemen — one of the most dangerous jobs — the rate was one in seven. Due to lack of regulatory laws and inspections, mining was 50 percent more dangerous in the United States than in Germany; between 1876 and 1925, an average of over 2,000 U.S. coal miners died each year from cave-ins and explosions. Silver, gold, and copper mines were not immune from such tragedies, but mining companies resisted demands for safety regulation.

Extractive industries and factories also damaged nearby environments and the people who lived there. In big cities, poor residents suffered from polluted air and the dumping of noxious by-products into the water supply. Mines like those in Leadville, Colorado, contaminated the land and water with mercury and lead.

Alabama convicts, forced to work in coal mines, faced brutal working conditions and fatal illnesses caused by the mines' contamination of local water. At the time, people were well aware of many of these dangers, but workers had an even more urgent priority: work. Pittsburgh's belching smokestacks meant coughing and lung damage, but they also meant running mills and paying jobs.

Unskilled Labor and Discrimination As managers deskilled production, the ranks of factory workers came to include more and more women and children, who were almost always unskilled and low paid. Men often resented women's presence in factories, and male labor unions often worked to exclude women — especially wives, who they argued should remain in the home. Women vigorously defended their right to work. On hearing accusations that married women worked only to buy frivolous luxuries, one female worker in a Massachusetts shoe factory wrote a heated response to the local newspaper: "When the husband and father cannot provide for his wife and children, it is perfectly natural that the wife and mother should desire to work. . . . Don't blame married women if the land of the free has become a land of slavery and oppression."



Child Labor

For many working-class families, children's wages—even though they were low—made up an essential part of the household income. These boys worked the night shift in a glass factory in Indiana. Lewis Hine, an investigative photographer for the National Child Labor Committee, took their picture at midnight, as part of a campaign to educate more prosperous Americans about the widespread employment of child labor and the harsh conditions in which many children worked. Library of Congress.

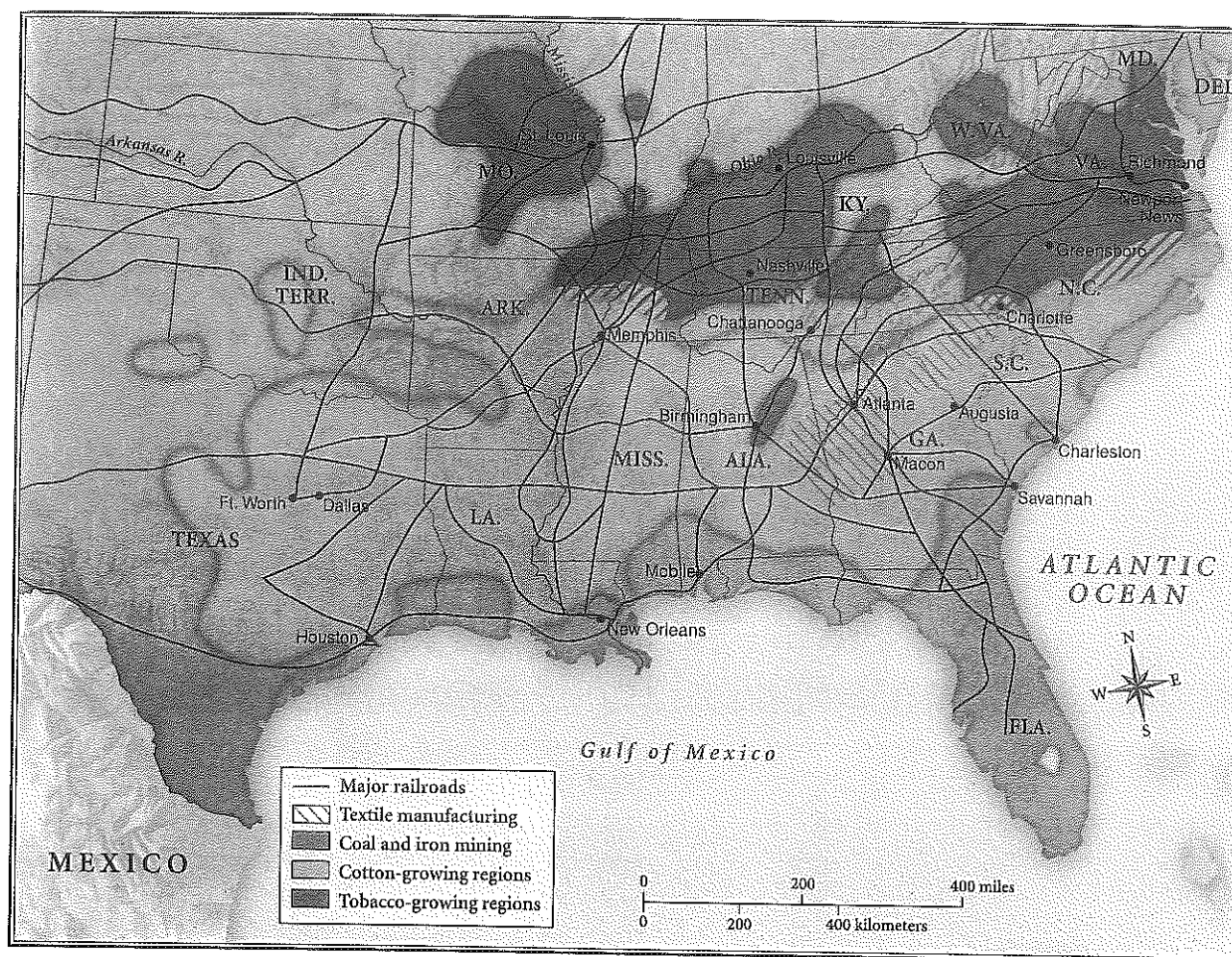
In 1900, one of every five children under the age of sixteen worked outside the home. Child labor was most widespread in the South, where a low-wage industrial sector emerged after Reconstruction (Map 17.1). Textile mills sprouted in the Carolinas and Georgia, recruiting workers from surrounding farms; whole families often worked in the mills. Many children also worked in Pennsylvania coal fields, where death and injury rates were high. State law permitted children as young as twelve to labor with a family member, but turn-of-the-century investigators estimated that about 10,000 additional boys, at even younger ages, were illegally employed in the mines.

Also at the bottom of the pay scale were most African Americans. Corporations and industrial manufacturers widely discriminated against them on the basis of race, and such prejudice was hardly limited to the South. After the Civil War, African American women who moved to northern cities were largely

barred from office work and other new employment options; instead, they remained heavily concentrated in domestic service, with more than half employed as cooks or servants. African American men confronted similar exclusion. America's booming vertically integrated corporations turned black men away from all but the most menial jobs. In 1890, almost a third of black men worked in personal service. Employers in the North and West recruited, instead, a different kind of low-wage labor: newly arrived immigrants.

Immigrants, East and West

Across the globe, industrialization set people in motion with the lure of jobs. Between the Civil War and World War I, over 25 million immigrants entered the United States. The American working class became truly global, including not only people of African and Western



MAP 17.1
The New South, 1900

The economy of the Old South focused on raising staple crops, especially cotton and tobacco. In the New South, staple agriculture continued to dominate, but there was marked industrial development as well. Industrial regions evolved, producing textiles, coal, and iron. By 1900, the South's industrial pattern was well defined, though the region still served—like the West—as a major producer of raw materials for the industrial region that stretched from New England to Chicago.

European descent but also Southern and Eastern Europeans, Mexicans, and Asians. In 1900, census takers found that more than 75 percent of San Francisco and New York City residents had at least one parent who was foreign-born.

In the new industrial order, immigrants made an ideal labor supply. They took the worst jobs at low pay, and during economic downturns tens of thousands returned to their home countries, reducing the shock of unemployment in the United States. But many native-born Americans viewed immigrants with hostility, through the lens of racial, ethnic, and religious prejudices. They also feared that immigrants would take more coveted jobs and erode white men's wages.

For immigrants themselves, America could be disorienting, liberating, and disappointing.

Newcomers from Europe

Mass migration from Western Europe had started in the 1840s, when more than one million Irish fled a terrible famine. In the following decades, as Europe's population grew rapidly and agriculture became commercialized, peasant economies suffered, first in Germany and Scandinavia, then across Austria-Hungary, Russia, Italy, and the Balkans. This upheaval displaced millions of rural people. Some went to Europe's mines and factories; others headed for South America and



German Beer, Mexican Workers, c. 1900

Immigrants from Germany owned and managed most of the breweries in the United States. But workers at the Maier and Zoblein Brewery in Los Angeles came from many nations, including Mexico. At that time, about 4,000 Mexicans lived in Los Angeles County (about 4 percent of the population); by 1930, 150,000 Mexican-born immigrants lived in Los Angeles, making up about 7 percent of the city's rapidly growing population. Los Angeles Public Library.

the United States (Map 17.2; *America Compared*, p. 560).

"America was known to foreigners," remembered one Jewish woman from Lithuania, "as the land where you'd get rich." But the reality was much harsher. Even in the age of steam, a transatlantic voyage was grueling. For ten to twenty days, passengers in steerage class crowded belowdecks, eating terrible food and struggling with seasickness. An investigator who traveled with immigrants from Naples asked, "How can a steerage passenger remember that he is a human being when he must first

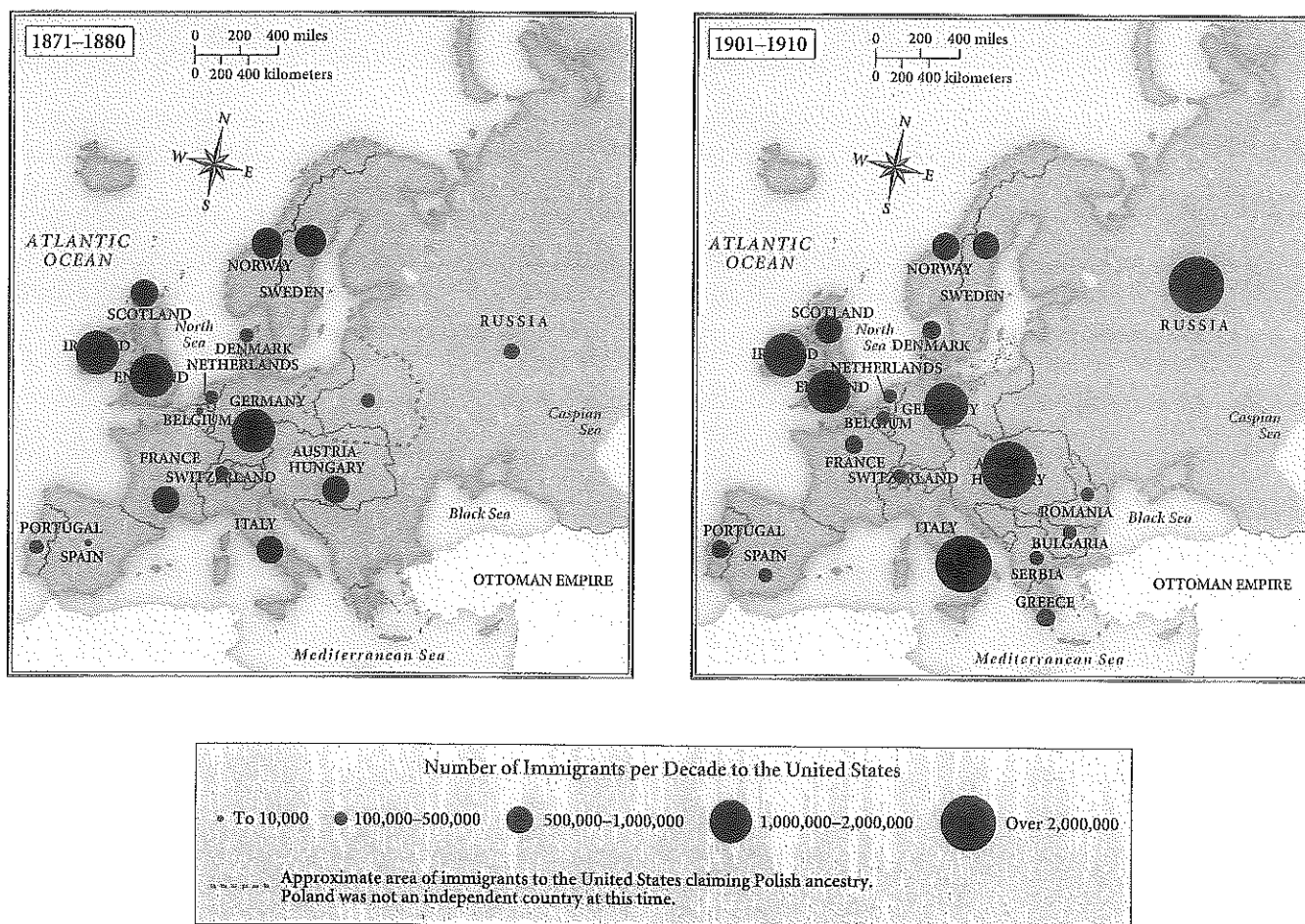
pick the worms from his food?" After 1892, European immigrants were routed through the enormous receiving station at New York's Ellis Island.

Some immigrants brought skills. Many Welshmen, for example, arrived in the United States as experienced tin-plate makers; Germans came as machinists and carpenters, Scandinavians as sailors. But industrialization required, most of all, increasing quantities of unskilled labor. As poor farmers from Italy, Greece, and Eastern Europe arrived in the United States, heavy, low-paid labor became their domain.

In an era of cheap railroad and steamship travel, many immigrants expected to work and save for a few years and then head home. More than 800,000 French

UNDERSTAND POINTS OF VIEW

What factors accounted for the different expectations and experiences of immigrants in this era?

**MAP 17.2****Sources of European Immigration to the United States, 1871–1910**

Around 1900, Americans began to speak of the “new” immigration. They meant the large numbers of immigrants arriving from Eastern and Southern Europe—Poles, Slovaks and other Slavic peoples, Yiddish-speaking Jews, Italians—who overwhelmed the still substantial number of immigrants from the British Isles and Northern Europe.

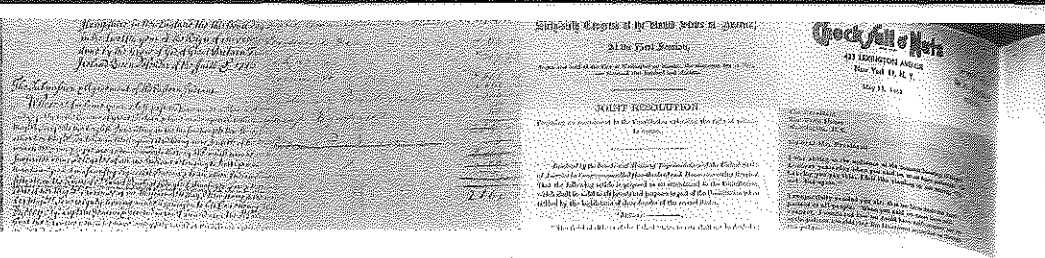
Canadians moved to New England in search of textile jobs, many families with hopes of scraping together enough savings to return to Quebec and buy a farm. Thousands of men came alone, especially from Ireland, Italy, and Greece. Many single Irishwomen also immigrated. But some would-be sojourners ended up staying a lifetime, while immigrants who had expected to settle permanently found themselves forced to leave by an accident or sudden economic depression. One historian has estimated that a third of immigrants to the United States in this era returned to their home countries.

Along with Italians and Greeks, Eastern European Jews were among the most numerous arrivals. The first American Jews, who numbered around 50,000 in 1880, had been mostly of German-Jewish descent. In the next four decades, more than 3 million poverty-stricken

Jews arrived from Russia, Ukraine, Poland, and other parts of Eastern Europe, transforming the Jewish presence in the United States. Like other immigrants, they sought economic opportunity, but they also came to escape religious repression (American Voices, p. 562).

Wherever they came from, immigrants took a considerable gamble in traveling to the United States. Some prospered quickly, especially if they came with education, money, or well-placed business contacts. Others, by toiling many years in harsh conditions, succeeded in securing a better life for their children or grandchildren. Still others met with catastrophe or early death. One Polish man who came with his parents in 1908 summed up his life over the next thirty years as “a mere struggle for bread.” He added: “Sometimes I think life isn’t worth a damn for a man

AMERICA COMPARED



Emigrants and Destinations, 1881–1915

The United States received more new residents than any other nation during the era of industrialization, but it was not the only place where emigrants (those departing) became immigrants (those arriving). The graph below shows six major destinations for emigrants from four European countries.

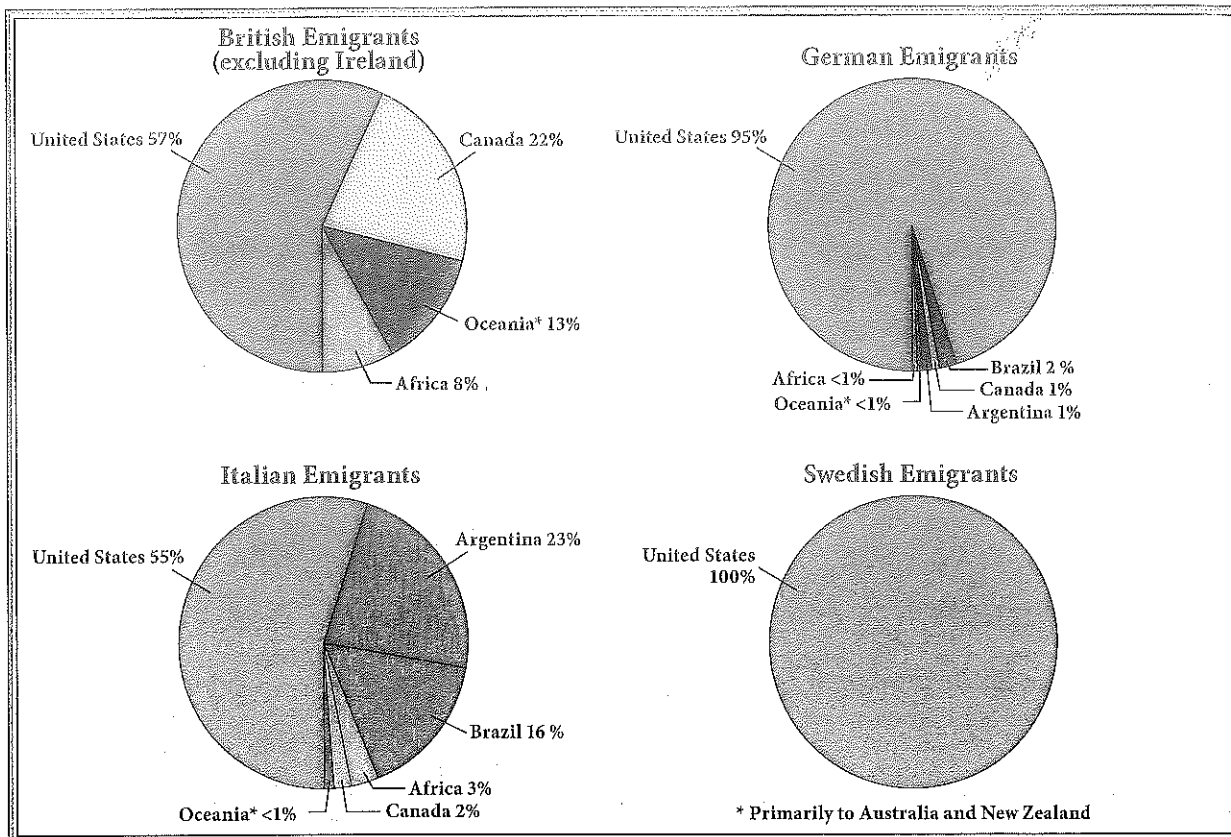


FIGURE 17.2
Major Destinations for Emigrants, 1881–1915

QUESTIONS FOR ANALYSIS

1. What might account for the different emigration patterns shown here?
2. What choices and limitations might each group of emigrants have faced in choosing the country to which they

emigrated? Do these figures suggest anything about the conditions various groups may have encountered in different countries, upon arrival?

like me. . . . Look at my wife and kids—undernourished, seldom have a square meal.” But an Orthodox Russian Jewish woman told an interviewer that she “thanked God for America,” where she had married, raised three children, and made a good life. She “liked everything about this country, especially its leniency toward the Jews.”

Asian Americans and Exclusion

Compared with Europeans, newcomers from Asia faced even harsher treatment. The first Chinese immigrants had arrived in the late 1840s during the California gold rush. After the Civil War, the Burlingame Treaty between the United States and China opened

the way for increasing numbers to emigrate. Fleeing poverty and upheaval in southern China, they, like European immigrants, filled low-wage jobs in the American economy. The Chinese confronted threats and violence. "We kept indoors after dark for fear of being shot in the back," remembered one Chinese immigrant to California. During the depression of the 1870s, a rising tide of racism was especially extreme in the Pacific coast states, where the majority of Chinese immigrants lived. "The Chinese must go!" railed Dennis Kearney, leader of the California Workingmen's Party, who referred to Asians as "almond-eyed lepers." Incited by Kearney in July 1877, a mob burned San Francisco's Chinatown and beat up residents. In the 1885 Rock Springs massacre in Wyoming, white men burned the local Chinatown and murdered at least twenty-eight Chinese miners.

Despite such atrocities, some Chinese managed to build profitable businesses and farms. Many did so by filling the only niches native-born Americans left open to them: running restaurants and laundries. Facing intense political pressure, Congress in 1882 passed the Chinese Exclusion Act, specifically barring Chinese

laborers from entering the United States. Each decade thereafter, Congress renewed the law and tightened its provisions; it was not repealed until 1943. Exclusion barred almost all Chinese women, forcing husbands and wives to spend many years apart when men took jobs in the United States.

Asian immigrants made vigorous use of the courts to try to protect their rights. In a series of cases brought by Chinese and later Japanese immigrants, the U.S. Supreme Court ruled that all persons born in the United States had citizenship rights that could not be revoked, even if their parents had been born abroad. Nonetheless, well into the twentieth century, Chinese immigrants (as opposed to native-born Chinese Americans) could not apply for citizenship. Meanwhile, Japanese and a few Korean immigrants also began to arrive; by 1909, there were 40,000 Japanese immigrants working in agriculture, 10,000 on railroads, and 4,000 in canneries. In 1906, the U.S. attorney general ruled that Japanese and Koreans, like Chinese immigrants, were barred from citizenship.

The Chinese Exclusion Act created the legal foundations on which far-reaching exclusionary policies

Chinese Workers in a Salmon Cannery, c. 1900

Shut out of many fields of employment by racial discrimination, many Chinese immigrants founded their own restaurants, laundries, and other small businesses. Others, like these cannery workers in Astoria, Oregon, took on some of the most grueling and lowest-paid work in the American economy. Job segregation reinforced, in turn, racial prejudice. Visiting British author Rudyard Kipling, touring canneries along the Columbia River, described Chinese workers in the plants as "blood-besmeared yellow devils." These workers, refuting Kipling's slur, appear clean and respectable. Notice the man in an apron, on the left, who wears his traditional queue, or braided pigtail, tucked into his straw hat. Oregon Historical Society.



**EXPLAIN
CONSEQUENCES**

What were the long-term consequences of the Chinese Exclusion Act for U.S. immigration policy?

would be built in the 1920s and after (Chapter 22). To enforce the law, Congress and the courts gave sweeping new powers to immigration officials, transforming the Chinese into America's first illegal immigrants. Drawn, like others,

by the promise of jobs in America's expanding economy, Chinese men stowed away on ships or walked across the borders. Disguising themselves as Mexicans—who at that time could freely enter the United States—some perished in the desert as they tried to reach California.

Huang Zunxian, a Chinese consul general who served in San Francisco in the early 1880s, became increasingly disillusioned as he tried to aid his immigrant countrymen. He expressed his bitterness in a poem:

They have sealed all the gates tightly,
Door after door with guards beating alarms. . . .
Those who do not carry passports
Are arrested as soon as they arrive.
Anyone with a yellow-colored face
Is beaten even if guiltless.
. . . The American eagle strides the heavens
soaring,
With half of the globe clutched in his claw.
Although the Chinese arrived later,
Couldn't you leave them a little space?

Some would-be immigrants, known as paper sons, relied on Chinese residents in the United States, who

generated documents falsely claiming the newcomers as American-born children. Paper sons memorized pages of information about their supposed relatives and hometowns. The San Francisco earthquake of 1906 helped their cause by destroying all the port's records. "That was a big chance for a lot of Chinese," remembered one immigrant. "They forged themselves certificates saying they could go back to China and bring back four or five sons, just like that!" Such persistence ensured that, despite the harsh policies of Chinese exclusion, the flow of Asian immigrants never fully ceased.

Labor Gets Organized

In the American political system, labor has typically been weak. Industrial workers cluster in cities, near factories and jobs; compared with small towns and rural areas, urban areas have been underrepresented in bodies such as the U.S. Senate and the presidential electoral college, in which representation is calculated by state, rather than (or in addition to) individuals. This problem became acute in the era of industrialization, and it has lingered. Even today, the twenty-two U.S. senators elected from Alaska, Idaho, Iowa, Maine, Mississippi, Montana, New Mexico, North Dakota, Vermont, West Virginia, and Wyoming represent a smaller number of people, *combined*, than the two U.S. senators who represent heavily urban California.

Faced with this obstacle, labor advocates could adopt one of two strategies. First, they could try to make political alliances with sympathetic rural voters



Anti-Chinese Racism

This cartoon from the magazine *Puck*, drawn by James A. Wales during the 1880 presidential campaign, offers vivid evidence of the widespread and virulent American prejudice against Chinese immigrants. Republican candidate James Garfield, on the left, and Democratic candidate Winfield Scott Hancock, on the right, both nail up their party's "planks" in favor of restricting Chinese immigration. Asian immigrants were not permitted to apply for naturalization as U.S. citizens; they thus had no vote and no power in politics. Congress passed the Chinese Exclusion Act, with bipartisan support, soon after Garfield's victory. Library of Congress.

who shared their problems. Second, they could reject politics and create narrowly focused trade unions to negotiate directly with employers. In general, labor advocates emphasized the first strategy between the 1870s and the early 1890s, and the latter in the early twentieth century. Across this era, while industrialization made America increasingly rich and powerful, it also brought large-scale conflict between labor and capital.

The Emergence of a Labor Movement

The problem of industrial labor entered Americans' consciousness dramatically with the **Great Railroad Strike of 1877**. Protesting steep wage cuts amid the depression that had begun in 1873, thousands of railroad workers walked off the job. Broader issues were at stake. "The officers of the road," reported strike leader Barney Donahue in upstate New York, "were bound to break the spirit of the men, and any or all organizations they belonged to." He believed railroad companies wanted to block workers from "all fellowship for mutual aid." The strike brought rail travel and commerce to a halt. Thousands of people poured into the streets of Buffalo, Pittsburgh, and Chicago to protest the economic injustice wrought by railroads—as well as fires caused by stray sparks from locomotives and injuries and deaths on train tracks in urban neighborhoods. When Pennsylvania's governor sent state militia to break the strike, Pittsburgh crowds reacted by burning railroad property and overturning locomotives. Similar clashes between police and protesters occurred in other cities across the country, from Galveston, Texas, to San Francisco.

The 1877 strike left more than fifty people dead and caused \$40 million worth of damage, primarily to railroad property. "It seemed as if the whole social and political structure was on the very brink of ruin," wrote one journalist. For their role in the strike, many railroad workers were fired and blacklisted: railroad companies circulated their names on a "do not hire" list to prevent them from getting any work in the industry. In the aftermath of the strike, the U.S. government created the National Guard, intended not to protect Americans against foreign invasion but to enforce order at home.

Watching the upheavals of industrialization, some radical thinkers pointed out its impact on workers. Among the most influential was Henry George, whose book *Progress and Poverty* (1879) was a best-seller for decades after publication. George warned that Americans had been too optimistic about the impact of

railroads and manufacturing, which they hoped would—after an initial period of turmoil—bring prosperity to all. George believed the emerging industrial order meant permanent poverty. Industrialization, he wrote, was driving a wedge through society, lifting the fortunes of professionals and the middle class but pushing the working class down by forcing them into deskilled, dangerous, and low-paid labor. George's proposed solution, a federal "single tax" on landholdings, did not win widespread support, but his insightful diagnosis of the problem helped encourage radical movements for economic reform.

Many rural people believed they faced the same problems as industrial workers. In the new economy, they found themselves at the mercy of large corporations, from equipment dealers who sold them harvesters and plows to railroads and grain elevators that shipped and stored their products. Though farmers appeared to have more independence than corporate employees, many felt trapped in a web of middlemen who chipped away at their profits while international forces robbed them of decision-making power.

Farmers denounced not only corporations but also the previous two decades of government efforts to foster economic development—policies that now seemed wrongheaded. Farmers' advocates argued that high tariffs forced rural families to pay too much for basic necessities while failing to protect America's great export crops, cotton and wheat. At the same time, they charged, Republican financial policies benefitted banks, not borrowers. Farmers blamed railroad companies for taking government grants and subsidies to build but then charging unequal rates that privileged big manufacturers. From the farmers' point of view, public money had been used to build giant railroad companies that turned around and exploited ordinary people.

The most prominent rural protest group of the early postwar decades was the National Grange of the Patrons of Husbandry, founded in 1867. Like industrial workers, Grange farmers sought to counter the rising power of corporate middlemen through cooperation and mutual aid. Local Grange halls brought farm families together for recreation and conversation. The Grange set up its own banks, insurance companies, and grain elevators, and, in Iowa, even a farm implement factory. Many Grange members also advocated political action, building independent local parties that ran on anticorporate platforms.

During the 1870s depression, Grangers, labor advocates, and local workingmen's parties forged a national political movement, the **Greenback-Labor**



Houston's Cotton Depot, c. 1909

After the Civil War, cotton agriculture blossomed on the rich lands of east Texas, and Houston simultaneously blossomed as the region's commercial center. This tinted photograph from the 1890s reveals the tremendous volume of traffic that came through Houston, where Texas cotton was compacted in steam-powered cotton presses, loaded onto railcars, and shipped to the Southeast and Britain to be made into cloth. University of Houston Libraries, Special Collections, George Fuerman Collection.

COMPARE AND CONTRAST

How did the methods used by railroad workers to protest their working conditions compare with the tactics employed by the Greenbackers, who also sought reform?

Party. In the South, Greenbackers protested the collapse of Reconstruction and urged that every man's vote be protected. Across the country, Greenbackers advocated laws to regulate corporations and enforce an eight-hour workday to reduce long, grueling work hours. They called for the federal government to print more

greenback dollars and increase the amount of money in circulation; this, they argued, would stimulate the economy, create jobs, and help borrowers by allowing them to pay off debts in dollars that, over time, slowly decreased in value. Greenbackers, like many industrial labor leaders, subscribed to the ideal of **producerism**: they dismissed middlemen, bankers, lawyers, and investors as idlers who lived off the sweat of people who worked with their hands. As a Pittsburgh worker put it in an 1878 poem, it was not the money-handlers

or executives at the top but the "noble sons of Labor . . . / Who with bone, and brain, and fiber / Make the nation's wealth."

The Greenback movement radicalized thousands of farmers, miners, and industrial workers. In Alabama's coal-mining regions, black and white miners cooperated in the party. Texas boasted seventy African American Greenback clubs. In 1878, Greenback-Labor candidates won more than a million votes, and the party elected fifteen congressmen nationwide. In the Midwest, Greenback pressure helped trigger a wave of economic regulatory actions known as **Granger laws**. By the early 1880s, twenty-nine states had created railroad commissions to supervise railroad rates and policies; others appointed commissions to regulate insurance and utility companies. Such early regulatory efforts were not always effective, but they were crucial starting points for reform. While short-lived, the Greenback movement created the foundation for more sustained efforts to regulate big business.

The Knights of Labor

The most important union of the late nineteenth century, the **Knights of Labor**, was founded in 1869 as a secret society of garment workers in Philadelphia. In 1878, as the Greenback movement reached its height, some Knights served as delegates to Greenback-Labor conventions. Like Grangers, Knights believed that ordinary people needed control over the enterprises in which they worked. They proposed to set up shops owned by employees, transforming America into what they called a cooperative commonwealth. In keeping with this broad-based vision, the order practiced open membership, irrespective of race, gender, or field of employment—though, like other labor groups, the Knights excluded Chinese immigrants.

The Knights had a strong political bent. They believed that only electoral action could bring about many of their goals, such as government regulation of corporations and laws that required employers to negotiate during strikes. Their 1878 platform denounced the “aggressiveness of great capitalists and corporations.” “If we desire to enjoy the full blessings of life,” the Knights warned, “a check [must] be placed upon unjust accumulation, and the power for evil of aggregated wealth.” Among their demands were workplace safety laws, prohibition of child labor, a federal tax on the nation’s highest incomes, public ownership of telegraphs and railroads, and government recognition of workers’ right to organize. The Knights also advocated personal responsibility and self-discipline. Their leader, Terence Powderly, warned that the abuse of liquor robbed as many workers of their wages as did ruthless employers.

Growing rapidly in the 1880s, the Knights union was sprawling and decentralized. It included not only skilled craftsmen such as carpenters, ironworkers, and beer brewers but also textile workers in Rhode Island, domestic workers in Georgia, and tenant farmers in Arkansas. Knights organized workingmen’s parties to advocate a host of reforms, ranging from an eight-hour workday to cheaper streetcar fares and better garbage collection in urban areas. One of their key innovations was hiring a full-time women’s organizer, Leonora Barry. An Irish American widow who was forced into factory work after her husband’s death, Barry became a labor advocate out of horror at the conditions she experienced on the job. To the discomfort of some male Knights, she investigated and exposed widespread evidence of sexual harassment on the job.

The Knights’ growth in the 1880s showed the grassroots basis of labor activism. Powderly tried to avoid



The Knights of Labor

The caption on this union card—“By Industry we Thrive”—expresses the core principle of the Knights of Labor that everything of value is the product of honest labor. The two figures are ideal representations of that “producerist” belief—handsome workers, respectably attired, doing productive labor. A picture of the Grand Master Workman, Terence V. Powderly, hangs on the wall, benignly watching them. Picture Research Consultants & Archives.

strikes, which he saw as costly and risky. But the organization’s greatest growth resulted from spontaneous, grassroots striking. In 1885, thousands of workers on the Southwest Railroad walked off the job to protest wage cuts; afterward, they telegraphed the Knights and asked to be admitted as members. The strike enhanced the Knights’ reputation among workers and built membership to 750,000. By the following year, local assemblies had sprung up in every state and almost every county in the United States.

Just as the Knights reached this pinnacle of influence, an episode of violence brought them down. In 1886, a protest at the McCormick reaper works in

IDENTIFY CAUSES

What factors contributed to the rapid rise of the Knights of Labor? To its decline?



Industrial Violence: A Dynamited Mine, 1894

Strikes in the western mining regions pitted ruthless owners, bent on control of their property and workforce, against fiercely independent miners who knew how to use dynamite. Some of the bloodiest conflicts occurred in Colorado mining towns, where the Western Federation of Miners (WFM) had strong support and a series of Republican governors sent state militia to back the mine owners. Violence broke out repeatedly between the early 1890s and the 1910s. At Victor, Colorado, in May 1894, as dozens of armed sheriffs' deputies closed in on angry WFM members occupying the Strong Mine in protest, the miners blew up the mine's shaft house and boiler. Showered with debris, the deputies boarded the next train out of town. Because Colorado then had a Populist governor, Davis Waite, who sympathized with the miners and ordered the deputies to disband, this strike was one of the few in which owners and miners reached a peaceful settlement—a temporary victory for the union. Library of Congress.

Chicago led to a clash with police that left four strikers dead. (Three unions, including a Knights of Labor assembly, had struck, but the Knights had reached an agreement and returned to work. Only the machinists' union remained on strike when the incident occurred.) Chicago was a hotbed of **anarchism**, the revolutionary advocacy of a stateless society. Local anarchists, many of them German immigrants, called a protest meeting the next day, May 4, 1886, at **Haymarket Square**. When police tried to disperse the crowd, someone threw a bomb that killed several policemen. Officers responded with gunfire. In the trial that followed, eight anarchists were found guilty of murder and criminal conspiracy. All were convicted, not on any definitive evidence that one of them threw the bomb (the bomber's identity still remains unknown) but on the basis of their antigovernment speeches. Four of the eight were executed by hanging, one committed suicide in prison, and the others received long sentences.

The Haymarket violence profoundly damaged the American labor movement. Seizing on resulting anti-union hysteria, employers took the offensive. They broke strikes with mass arrests, tied up the Knights in expensive court proceedings, and forced workers to sign contracts pledging not to join labor organizations. The Knights of Labor never recovered. In the view of the press and many prosperous Americans, they were tainted by their alleged links with anarchism. Struggles between industrialists and workers had created bitter divides.

Farmers and Workers: The Cooperative Alliance

In the aftermath of Haymarket, the Knights' cooperative vision did not entirely fade. A new rural movement, the **Farmers' Alliance**, arose to take up many of the issues that Grangers and Greenbackers had earlier

sought to address. Founded in Texas during the depression of the 1870s, the Farmers' Alliance spread across the plains states and the South, becoming by the late 1880s the largest farmer-based movement in American history. A separate Colored Farmers' Alliance arose to represent rural African Americans. The harsh conditions farmers were enduring—including drought in the West and plunging global prices for corn, cotton, and wheat—intensified the movement's appeal. Traveling Alliance lecturers exhorted farmers to “stand as a great conservative body against . . . the growing corruption of wealth and power.”

Like earlier movements, Alliance leaders pinned their initial hopes on cooperative stores and exchanges that would circumvent middlemen. Cooperatives gathered farmers' orders and bought in bulk at wholesale prices, passing the savings along. Alliance cooperatives achieved notable victories in the late 1880s. The Dakota Alliance, for example, offered members cheap hail insurance and low prices on machinery and farm supplies. The Texas Alliance established a huge cooperative enterprise to market cotton and provide farmers with cheap loans. When cotton prices fell further in 1891, however, the Texas exchange failed. Other cooperatives also suffered from chronic underfunding and lack of credit, and they faced hostility from merchants and lenders they tried to circumvent.

The Texas Farmers' Alliance thus proposed a federal price-support system for farm products, modeled on the national banks. Under this plan, the federal government would hold crops in public warehouses and issue loans on their value until they could be profitably sold. When Democrats—still wary of big-government schemes—declared the idea too radical, Alliances in Texas, Kansas, South Dakota, and elsewhere decided to create a new political party, the Populists (see Chapter 20). In this venture, the Alliance cooperated with the weakened Knights of Labor, seeking to use rural voters' substantial clout on behalf of urban workers who shared their vision.

By this time, farmer-labor coalitions had made a considerable impact on state politics. But state laws and commissions were proving ineffective against corporations of national and even global scope. It was difficult for Wisconsin, for instance, to enforce new laws against a railroad company whose lines might stretch from Chicago to Seattle and whose corporate headquarters might be in Minnesota. Militant farmers and labor advocates demanded federal action.

In 1887, responding to this pressure, Congress and President Grover Cleveland passed two landmark laws. The Hatch Act provided federal funding for agricultural

research and education, meeting farmers' demands for government aid to agriculture. The Interstate Commerce Act counteracted a Supreme Court decision of the previous year, *Wabash v. Illinois* (1886), that had struck down states' authority to regulate railroads. The act created the Interstate Commerce Commission (ICC), charged with investigating interstate shipping, forcing railroads to make their rates public, and suing in court when necessary to make companies reduce “unjust or unreasonable” rates.

Though creation of the ICC was a direct response to farmer-labor demands, its final form represented a compromise. Radical leaders wanted Congress to establish a direct set of rules under which railroads must operate. If a railroad did not comply, any citizen could take the company to court; if the new rules triggered bankruptcy, the railroad could convert to public ownership. But getting such a plan through Congress proved impossible. Lawmakers more sympathetic to business called instead for an expert commission to oversee the railroad industry. In a pattern that repeated frequently over the next few decades, the commission model proved more acceptable to the majority of congressmen.

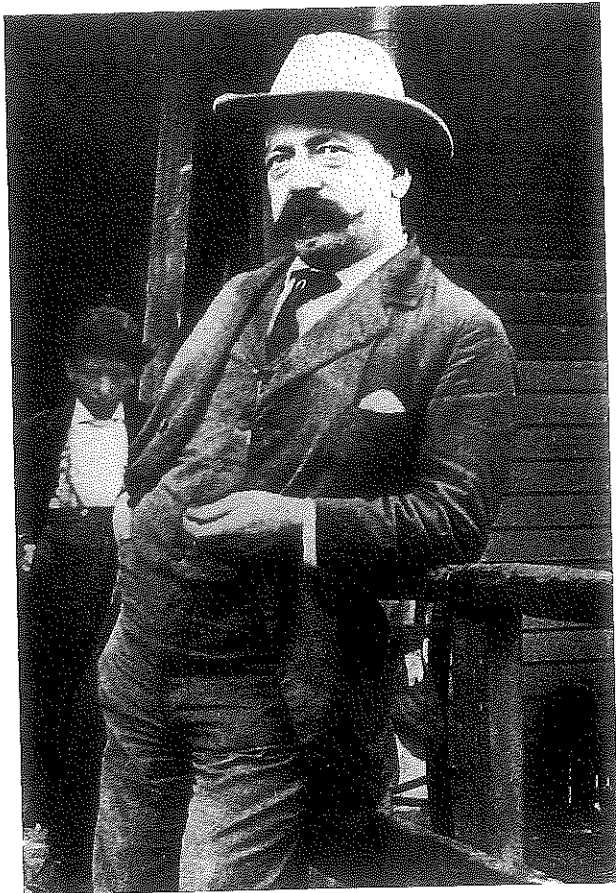
The ICC faced formidable challenges. Though the new law forbade railroads from reaching secret rate-setting agreements, evidence was difficult to gather and secret “pooling” continued. A hostile Supreme Court also undermined the commission's powers. In a series of sixteen decisions over the two decades after the ICC was created, the Court sided with railroads fifteen times. The justices delivered a particularly hard blow in 1897 when they ruled that the ICC had no power to interfere with shipping rates. Nonetheless, the ICC's existence was a major achievement. In the early twentieth century, Congress would strengthen the commission's powers, and the ICC would become one of the most powerful federal agencies charged with overseeing private business.

Another Path: The American Federation of Labor

While the Knights of Labor exerted political pressure, other workers pursued a different strategy. In the 1870s, printers, ironworkers, bricklayers, and other skilled workers organized nationwide trade unions. These “brotherhoods” focused on the everyday needs of workers in skilled occupations. Trade unions sought

PLACE EVENTS IN CONTEXT

Why did farmers and industrial workers cooperate, and what political objectives did they achieve?



Samuel Gompers, c. 1890s

Samuel Gompers (1850–1924) was one of the founders of the American Federation of Labor, and its president for nearly forty years. A company detective took this photograph when the labor leader was visiting striking miners in West Virginia, an area where mine operators resisted unions with special fierceness. George Meany Memorial Archives.

a **closed shop**—with all jobs reserved for union members—that kept out lower-wage workers. Union rules specified terms of work, sometimes in minute detail. Many unions emphasized mutual aid. Because working on the railroads was a high-risk occupation, for example, brotherhoods of engineers, brakemen, and firemen pooled contributions into funds that provided accident and death benefits. Above all, trade unionism asserted craft workers' rights as active

decision-makers in the workplace, not just cogs in a management-run machine.

In the early 1880s, many trade unionists joined the Knights of Labor coalition. But the aftermath of the Haymarket violence persuaded them to leave and create

the separate **American Federation of Labor (AFL)**. The man who led them was Samuel Gompers, a Dutch-Jewish cigar maker whose family had emigrated to New York in 1863. Gompers headed the AFL for the next thirty years. He believed the Knights relied too much on electoral politics, where victories were likely to be limited, and he did not share their sweeping critique of capitalism. The AFL, made up of relatively skilled and well-paid workers, was less interested in challenging the corporate order than in winning a larger share of its rewards.

Having gone to work at age ten, Gompers always contended that what he missed at school he more than made up for in the shop, where cigar makers paid one of their members to read to them while they worked. As a young worker-intellectual, Gompers gravitated to New York's radical circles, where he participated in lively debates about which strategies workingmen should pursue. Partly out of these debates, and partly from his own experience in the Cigar Makers Union, Gompers hammered out a doctrine that he called pure-and-simple unionism. *Pure* referred to membership: strictly limited to workers, organized by craft and occupation, with no reliance on outside advisors or allies. *Simple* referred to goals: only those that immediately benefitted workers—better wages, hours, and working conditions. Pure-and-simple unionists distrusted politics. Their aim was collective bargaining with employers.

On one level, pure-and-simple unionism worked. The AFL was small at first, but by 1904 its membership rose to more than two million. In the early twentieth century, it became the nation's leading voice for workers, lasting far longer than movements like the Knights of Labor. The AFL's strategy—personified by Gompers—was well suited to an era when Congress and the courts were hostile to labor. By the 1910s, the political climate would become more responsive; at that later moment, Gompers would soften his antipolitical stance and join the battle for new labor laws (Chapter 20).

What Gompers gave up most crucially, in the meantime, was the inclusiveness of the Knights. By comparison, the AFL was far less welcoming to women and blacks; it included mostly skilled craftsmen. There was little room in the AFL for department-store clerks and other service workers, much less the farm tenants and domestic servants whom the Knights had organized. Despite the AFL's success among skilled craftsmen, the narrowness of its base was a problem that would come back to haunt the labor movement later on. Gompers, however, saw that corporate titans and their political allies held tremendous power, and he

TRACE CHANGE OVER TIME

How did the key institutions and goals of the labor movement change, and what gains and losses resulted from this shift?

advocated what he saw as the most practical defensive plan. In the meantime, the upheaval wrought by industrialization spread far beyond the workplace, transforming every aspect of American life.

SUMMARY

The end of the Civil War ushered in the era of American big business. Exploiting the continent's vast resources, vertically integrated corporations emerged as the dominant business form, and giant companies built near monopolies in some sectors of the economy. Corporations devised new modes of production, distribution, and marketing, extending their reach through the department store, the mail-order catalog, and the new advertising industry. These developments laid the groundwork for mass consumer culture. They also offered emerging jobs in management, sales, and office work.

Rapid industrialization drew immigrants from around the world. Until the 1920s, most European and Latin American immigrants were welcome to enter

the United States, though they often endured harsh conditions after they arrived. Asian immigrants, by contrast, faced severe discrimination. The Chinese Exclusion Act blocked all Chinese laborers from coming to the United States; it was later extended to other Asians, and it built the legal framework for broader forms of exclusion.

Nationwide movements for workers' rights arose in response to industrialization. During the 1870s and 1880s, coalitions of workers and farmers, notably the Knights of Labor and the Farmers' Alliance, sought political solutions to what they saw as large corporations' exploitation of working people. Pressure from such movements led to the first major attempts to regulate corporations, such as the federal Interstate Commerce Act. Radical protest movements were weakened, however, after public condemnation of anarchist violence in 1886 at Chicago's Haymarket Square. Meanwhile, trade unions such as the American Federation of Labor organized skilled workers and negotiated directly with employers, becoming the most popular form of labor organization in the early twentieth century.

CHAPTER REVIEW

MAKE IT STICK Go to **LearningCurve** to retain what you've read. 

TERMS TO KNOW Identify and explain the significance of each term below.

Key Concepts and Events

Homestead lockout (p. 544)
 management revolution (p. 546)
 vertical integration (p. 547)
 horizontal integration (p. 548)
 trust (p. 548)
 deskilling (p. 551)
 mass production (p. 551)
 scientific management (p. 552)
 Chinese Exclusion Act (p. 561)
 Great Railroad Strike of 1877
 (p. 565)

Greenback-Labor Party (p. 565)
 producerism (p. 566)
 Granger laws (p. 566)
 Knights of Labor (p. 567)
 anarchism (p. 568)
 Haymarket Square (p. 568)
 Farmers' Alliance (p. 568)
 Interstate Commerce Act (p. 569)
 closed shop (p. 570)
 American Federation of Labor
 (p. 570)

Key People

Andrew Carnegie (p. 544)
 Gustavus Swift (p. 547)
 John D. Rockefeller (p. 547)
 Henry George (p. 565)
 Terence Powderly (p. 567)
 Leonora Barry (p. 567)
 Samuel Gompers (p. 570)

REVIEW QUESTIONS

Answer these questions to demonstrate your understanding of the chapter's main ideas.

1. How did the rise of big business in the United States transform the economy and affect the lives of working people?
2. How did patterns of immigration to the United States change between the 1840s and the 1910s? What roles did newly arrived immigrants play in the economy during the late nineteenth and early twentieth centuries?
3. Compare the accomplishments and limitations of American farmer-labor movements of the 1870s and 1880s, such as the Greenback-Labor Party and the Knights of Labor, with those of the American Federation of Labor. Why did the latter choose a different strategy?
4. This chapter explores the impact of industrialization from many points of view. Based on this information, do you think the term *industrial statesmen* or *robber barons* is more accurate as a description for Andrew Carnegie, John D. Rockefeller, and other early titans? Or would you prefer a different term? Explain why.
5. **THEMATIC UNDERSTANDING** Review the events listed under "Politics and Power," "Peopling," and "Work, Exchange, and Technology" on the thematic timeline on page 543. Industrialization was an *economic* process, but it also transformed American society and politics. How?

MAKING CONNECTIONS

Recognize the larger developments and continuities within and across chapters by answering these questions.

1. **ACROSS TIME AND PLACE** Imagine a conversation in the 1890s between a young brother and sister in Chicago, who are working, respectively, in a meat-packing plant and as a telephone operator, and their grandmother, who as a young girl worked in a Lowell, Massachusetts, textile mill in the 1840s (Chapter 9) before the family moved west to take advantage of new opportunities. What similarities and differences might they see in their various experiences of work? What does this tell us about changes in workers' lives over these decades?
2. **VISUAL EVIDENCE** Return to the chapter-opening photograph (p. 545), taken in the aftermath

of a terrible mining accident in Pennsylvania. Imagine, first, that the young man in the middle of the picture, facing the camera, is the nephew of an Irish immigrant miner who was killed in the explosion. In the voice of this young man, write a letter to the editor of the local paper explaining what lessons Americans should take from the disaster.

Now imagine instead that the young man has enrolled in business school to become a manager; he is the son of a Scottish-born executive in the mining company, and Andrew Carnegie is his hero. In the voice of this young man, write a letter to the editor explaining what lessons Americans should take from the disaster.

MORE TO EXPLORE

Start here to learn more about the events discussed in this chapter.

Roger Daniels, *Coming to America* (2002). A sweeping overview of immigration to the United States from colonial times to the 1980s.

Walter Friedman, *Birth of a Salesman* (2004). A lively treatment of the rise of salesmanship.

Erika Lee, *At America's Gates* (2003). One of several superb recent treatments of Chinese immigration and exclusion.

Harold Livesay, *Samuel Gompers and Organized Labor in America* (1978). A classic biography of the AFL's founder.

David Montgomery, *Citizen Worker* (1993). A brief exploration of workers' experiences with government, electoral politics, and the marketplace in the late nineteenth century.

Richard White, *Railroaded* (2011). A recent reassessment of big business and its impact, focusing on the railroad industry.