

# Wonder and Woe

The Rise of Industrial America, 1865–1900

“This association of poverty with progress is the great enigma of our times.... It is the riddle which the Sphinx of Fate puts to our civilization, and which not to answer is to be destroyed.”

HENRY GEORGE, *Progress and Poverty*, 1879

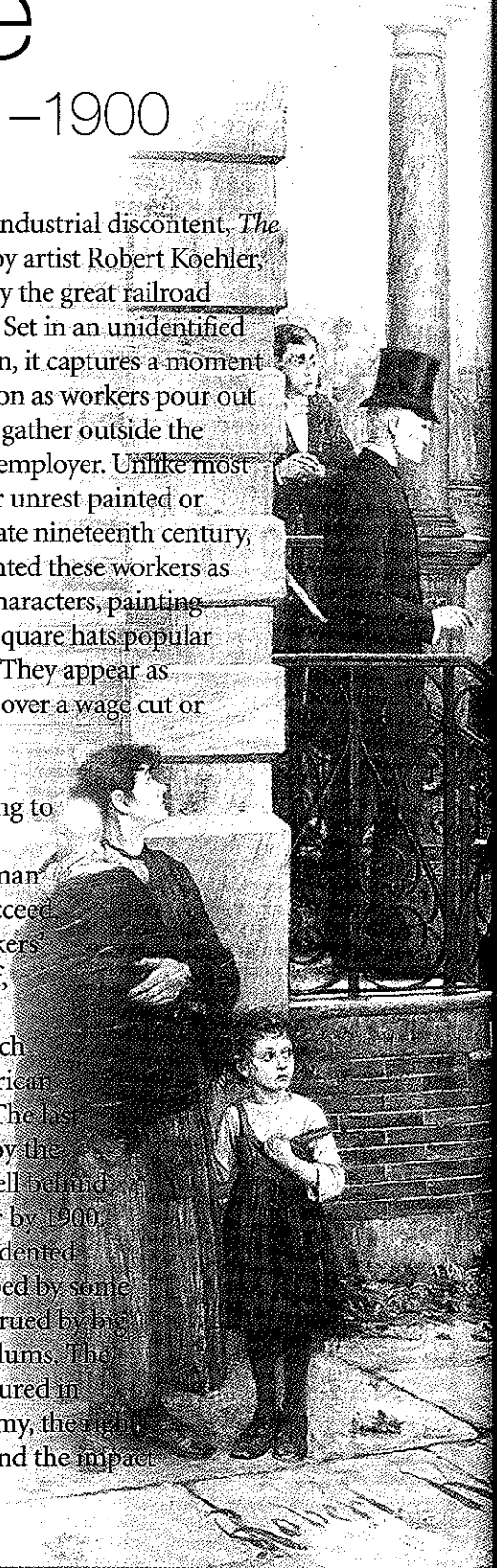
This scene of industrial discontent, *The Strike* (1886) by artist Robert Koehler, was inspired by the great railroad strike of 1877. Set in an unidentified industrial town, it captures a moment of confrontation as workers pour out of a factory to gather outside the office of their employer. Unlike most scenes of labor unrest painted or drawn in the late nineteenth century, Koehler presented these workers as sympathetic characters, painting

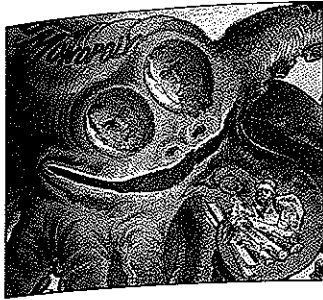
each as an individual rather than as nondescript members of a mob. Many wear square hats popular among various skilled trades, suggesting that these are more established workers. They appear as hardworking and hard-pressed men voicing their anger to the employer, perhaps over a wage cut or a round of layoffs, through the spokesman at the bottom of the stairs.

Yet the painting is fraught with tension and an atmosphere suggestive of impending violence. Notice, for example, the worker in the foreground stooping to pick up a rock. Maybe he is doing this merely as a dramatic show of anger, but perhaps he fully intends to throw it. Note also the scene to his left where a woman tries to calm down another angry worker. Again, it is not clear that she will succeed. And what about the employer? He appears to be listening patiently to the workers' representative, but whether he will accede to their demands is unclear (his stiff, emotionless bearing suggests he will not).

The uncertainty in the painting over both what is about to happen and which side—workers or employer—is in the right illuminates a central theme in American society as it experienced rapid industrialization in the late nineteenth century. The last third of the nineteenth century saw the United States thoroughly transformed by the Industrial Revolution, from a predominantly agricultural nation that ranked well behind England, Germany, and France to the world's most formidable industrial power by 1900.

While many Americans celebrated the Industrial Revolution for the unprecedented material wealth and progress it brought to American society, others grew disturbed by some of the grim consequences of industrialization, especially the immense power accrued by big businesses and capitalists and the growing number of workers living in squalid slums. The result of these conflicting visions was an intense debate—much of it vividly captured in Koehler's painting—over the proper role of government in regulating the economy, the right of workers to form unions and strike for better wages and working conditions, and the impact of growing disparities of wealth on America's republican traditions.





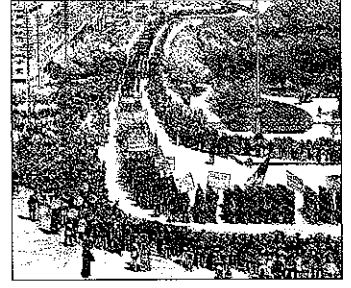
The Emergence of Big Business p. 470



Creating a Mass Market p. 478



The World of Work Transformed p. 483



Conflicting Visions of Industrial Capitalism p. 489



# The Emergence of Big Business



## 16.1 The Industrial Revolution by the Numbers

During the second half of the nineteenth century, every area of the economy produced enormous increases in output and value. Huge population increases helped to drive industrial and farm output.

America's huge supplies of key raw materials, its rapidly growing urban workforce, and its tradition of imposing few restraints on business enabled the explosion of industrialization after the Civil War. The railroads quickly emerged as the first big business, followed by steel and petroleum. All three industries pioneered in establishing modern business practices, but they also drew increasing criticism as Americans worried about their extraordinary power.

## Sources of the Industrial Revolution















Compared to most of Western Europe, the United States was a relative latecomer to the Industrial Revolution, which made its rise to industrial supremacy by 1900 even more astonishing. Every

statistical comparison between 1860 and 1900, from factory production to railroad mileage, told the same story of phenomenal growth that saw the Gross National Product rise 171 percent (16.1).

Several crucial factors combined to allow the United States to surpass all other industrialized countries by 1900. First, the nation possessed

enormous quantities of two essential ingredients for rapid industrialization: raw materials and cheap labor. Vast deposits of bituminous coal in Pennsylvania and Kentucky, for example, provided a seemingly inexhaustible supply of inexpensive fuel to fire steam locomotives and factory machinery. Other plentiful resources included iron, lead, copper, silver, and gold, as well as wood, cotton, and oil. Cheap labor came from two sources. Record levels of immigration (see Chapter 17) in the late-nineteenth century pushed the number of foreign-born to one in five American workers (two in five in manufacturing and mining) by 1910. Likewise millions of American-born workers moved from rural settings to manufacturing centers in search of new opportunities. Women and children, both immigrant and native-born, also entered the workforce in growing numbers.

The incessant development and widespread

	1860	1900	% Increase
 Population	31,450,000	76,212,000	142.3
 Farms	2,044,000	5,737,000	180.7
 Value of Farms	\$6.64 billion	\$16.60 billion	150.0
 Factories	140,500	510,000	263.0
 Value Factory Production	\$1.9 billion	\$13 billion	584.0
 Industrial Workers	1.3 million	5.1 million	292.3
 Patents Issued	4,589	95,573	1982.7
 Coal	20 million tons	270 million tons	1250
 Lumber	10 billion board ft.	40 billion board ft.	300
 Cotton	3.8 million bales	10.1 million bales	165.8
 Oil	500,000 barrels	45,824,000 barrels	9064.8
 Railroads	30,000 track miles	193,000 track miles	543.3
 Steel	13,000 tons	10,382,000 tons	79,761.5
 Gross National Product	\$7 billion	\$19 billion	171.4

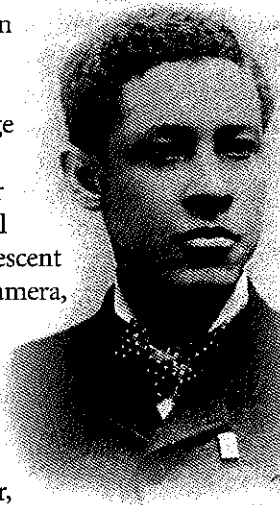
adoption of new technology, a reflection of what many called the inventive spirit of the age, also furthered industrialization in the United States. Inventors flooded the U.S. Patent Office with applications, raising the number from an average of 1,000 per year in the 1850s to 20,000 per year in the 1890s.

Some notable inventors, such as George Eastman (Kodak camera), William S. Burroughs (adding machine), Isaac Singer (sewing machine), Alexander Graham Bell (telephone), and Thomas Edison (incandescent light bulb, phonograph, motion picture camera, mimeograph machine, and more) went on to become business giants. Less well known were the many women, immigrant, and African American inventors who filed thousands of patents in this period. For example, Jan Matzeliger, an immigrant of African and Dutch heritage from South America, invented a machine that simplified the most difficult and time-consuming step in the making of shoes (16.2). While much of shoemaking had become mechanized by the 1880s, the difficult "lasting" process—attaching the upper portion of a shoe to the sole—could only be done by hand.

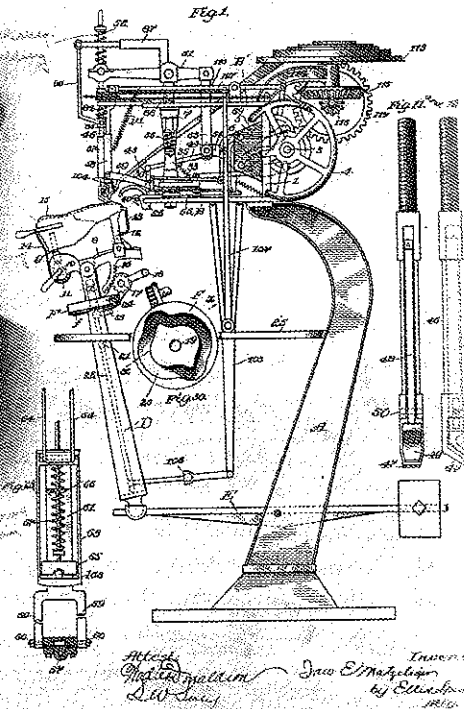
Matzeliger's lasting machine (patented in 1883) was a remarkably complex device, yet was easy for unskilled workers to operate, allowing manufacturers to greatly boost production while slashing costs.

Government policy likewise played a key role in furthering American industrialization. The federal government and the states extended substantial support to railroad projects that totaled almost 180 million acres in land grants and \$500 million in loans and tax breaks (see Chapters 13 and 15). Public officials, in an argument later used to justify government support for the Interstate highway system and the Internet, defended this largess by arguing that railroads generated economic growth that benefited everyone from travelers to farmers to manufacturers. High federal tariffs that raised the price of imported goods, thereby helping domestic manufacturers, represented another government policy that promoted industrialization.

Yet the government also promoted industrialization by inaction. Public officials, business leaders, and conservatives subscribed to the philosophy of *laissez-faire* (French for "let do" or leave alone), which argued that the government should impose no restraints on business, including workers' demands for laws to regulate the hours of work, safety conditions, and wages. Government officials also



(No. Model.) J. E. MATZELIGER. 7 Sheets—Sheet 1.  
LASTING MACHINE.  
No. 274,207. Patented Mar. 20, 1883.



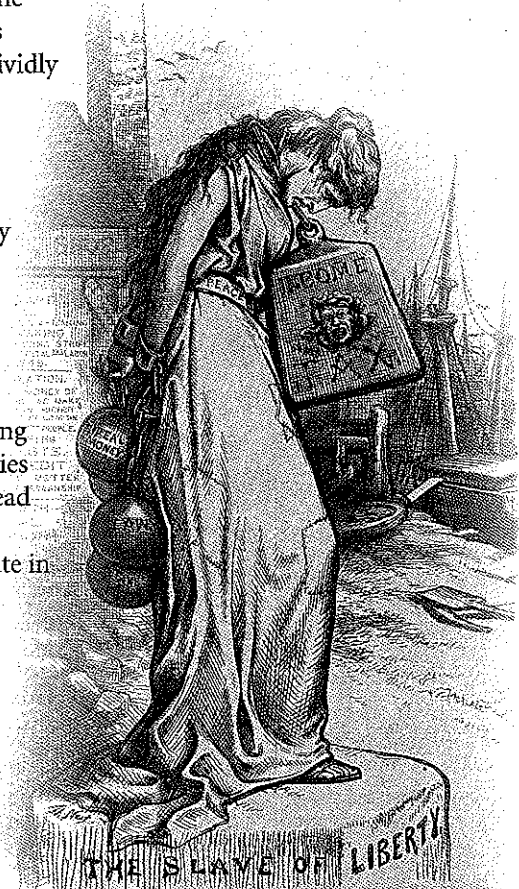
## 16.2 The Matzeliger Lasting Machine

Jan Matzeliger's complex sewing machine wiped out jobs for skilled shoe "lasters," who had hand-stitched shoe tops to soles, but allowed for a huge increase in mechanized shoe production.

ignored reformers' demands for statutes curbing cutthroat business practices and the establishment of an income tax. As Thomas Nast's political cartoon vividly shows (16.3), business and government leaders argued government interference harmed the American economy, depicted here as a woman weighed down by government-imposed burdens such as income taxes, laws (regulations), and "ideal" money (money not backed by gold). The closed shop and idle ship in the background and the vulture circling overhead all suggested these policies would kill the economy. Widespread support for *laissez-faire* among lawmakers left capitalists to operate in a market free of the restraints of government regulation.

## 16.3 Defending Laissez-Faire

This 1878 cartoon warns that government interference with the economy threatens the well-being of the nation.



## The Railroads

The most dramatic change in the late nineteenth-century industrial economy was the emergence of large corporations, business organizations established by a group of individuals and owned by people who buy shares of stock in the company. Before the Civil War, most American manufacturers were small-scale operations with fewer than twenty-five employees. They were usually privately owned and sold their products within a few hundred miles of where they were made. All this changed after 1865, as entrepreneurs, seeking bigger markets and greater profits that they could now reach thanks to the railroad and telegraph, began to form massive corporations that boasted thousands of employees in a single factory complex, operations in several states, and millions of dollars of investment capital raised from the sales of stock.

The original big businesses were railroads, and they played a key role in transforming the United States into an industrial power. In 1865 there were scores of small railroad companies scattered throughout the Northeast and Midwest and, to a lesser extent, the South. Comprising 35,000 miles of track, they serviced small areas and established their own standards for things such as track gauge (the distance between the rails). Nearly all suffered from financial instability and poor management. But by 1900, this haphazard system had developed into a massive, consolidated, and integrated national railroad network of 193,000 miles dominated by just seven large corporations.

Railroads grew at such a ferocious pace because they could be built almost anywhere, creating a transportation network no longer confined to meandering rivers and expensive, slow-to-construct canals that often froze in winter. The railroad also offered another great advantage: speed. People, mail, and goods traveling by stagecoach might, on a good day, cover 50 miles. A steam locomotive pulling many times more people, mail, and goods could cover the same distance in less than two hours. And after the completion of the first of several transcontinental lines in 1869 (see map 15.7) the railroad offered service from coast to coast.

The railroad meant more quick and cheap transportation, both boosts for the national economy. Wherever railroads were built new areas of settlement opened. Farmers settled on nearby land, often sold to them by the railroad company, confident that they could get their agricultural produce to market.

Shopkeepers, artisans, laborers, and railroad employees (one million by 1900) settled in towns that sprang up along the tracks. In turn they became consumers of finished goods brought by the railroad from eastern manufacturers. The railroad industry also contributed to the national economy by consuming large quantities of iron, steel, coal, and wood.

Fierce competition among railroads initially led to the rapid expansion of lines. By the 1870s, many railroads tried to diminish competition by buying out rival railroads, leading to the creation of giant corporations such as the Pennsylvania Railroad and the New York Central Railroad. Both owned thousands of miles of track in many states, employed tens of thousands of workers, and handled millions of dollars in investment capital and revenue.

## Modern Business Practices

The success of the large railroad corporations led to the modernization of business practices in two important ways. First, railroad corporations allowed other types of businesses to see the advantages of incorporating and issuing stock. Stock sales allowed corporations to raise capital to expand the business (for example, to buy new and more efficient equipment, or to buy a rival company). If the company earned a profit, stockholders benefited from an increase in the value of the stock (which they could sell for a profit) and sometimes by earning dividends. Stockholders played no direct role in running a company; a professional management team performed that function. But stockholders also enjoyed “limited liability”: If the company failed they were not liable for any of its debts or obligations, but they stood to lose only their shares. By the 1870s increasing numbers of companies involved in manufacturing, mining, communications, and finance had incorporated.

Second, the sudden emergence of huge railroad corporations operating in many states, employing thousands of workers, and handling millions of dollars encouraged the development of modern, sophisticated management practices. Chief among these practices was standardization. For example, in 1883, the nation’s major railroads established the four time zones that are still in use today. This decision helped to combat the problem of irregular “local time” (for example, when local time in New York City was 12:00 p.m., it was 11:55 a.m. in Philadelphia and 11:47 in Washington, D.C.) that

“Railroad time, it appears, is to be the time of the future. And so, people will now have to marry and die by railroad time. Ministers will preach by railroad time, and banks will be required to open and close by the same time. The sun is no longer the boss of the job.”

*Indianapolis Sentinel, 1883*

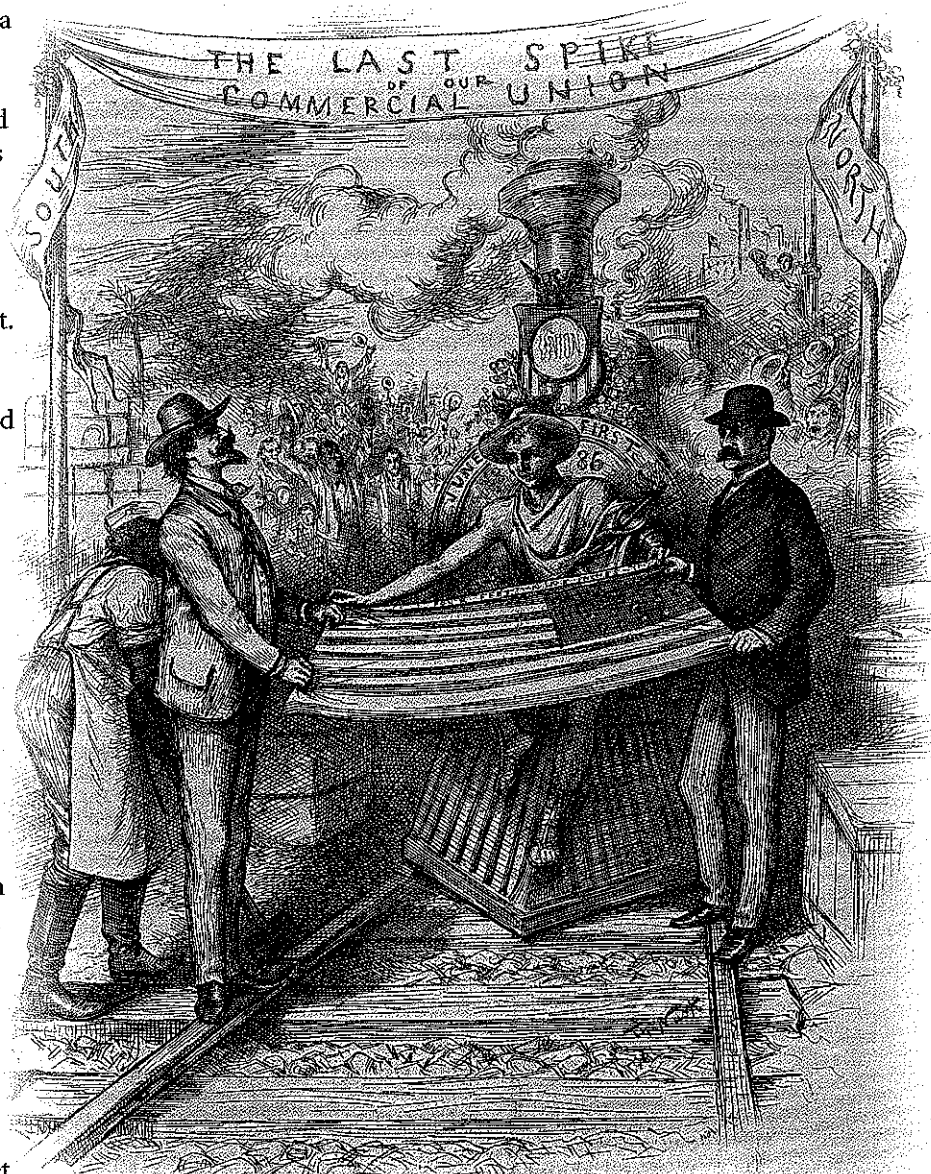
often led to costly accidents between trains sharing a single track or crossing at a junction.

Similarly, the development of standardized equipment like couplers, signals, and brakes allowed for easier operation and maintenance of a railroad's growing fleet of rolling stock. In 1886 the railroads also established a standard gauge for track of 4 feet 8.5 inches, thereby eliminating costly delays caused by the need to transfer cargo from one train to another wherever tracks of two different gauges met. As this drawing (16.4) indicates, many Americans viewed standard gauge as bringing both economic and political benefits to the nation, since it promised to create both a more efficient railroad system and greater unity between the less developed South (see Chapter 14) with the rapidly industrializing North. The banner “The Last Spike in Our Commercial Union” likens the event to the 1869 completion of the transcontinental railroad.

To oversee these vast commercial operations—the largest in the world—executives of the major railroads, such as Jay Gould, Tom Scott, and Collis B. Huntington, developed complex hierarchies of superintendents, managers, and clerks and new systems of accounting, advertising information management, and pricing. Other big businesses, such as steel, oil, manufacturing, and retailing, soon copied these organizational practices, making them the norm in most large corporations.

## Rising Concern over Corporate Power

Americans greeted the astonishing spread of the railroad with mixed feelings. Many agreed with poet Walt Whitman, who celebrated the railroad as “the modern emblem of motion and power—the pulse of the continent.” They delighted in the benefits of inexpensive and speedy travel and increased access to finished goods in new mail order catalogs.



OUR STANDARD (GAUGE) ADOPTED ALL OVER THE UNION.

### 16.4 Celebrating the Standard Gauge, 1886

In this imagined scene Northerners and Southerners celebrate the adoption of a standard rail gauge as a measure destined to bind the country together economically.



**16.5 Demonizing the Monopoly**  
Americans grew increasingly worried about the rising power of railroads, the largest of which were often criticized as monopolies that strangled their competition.

Yet many Americans worried about the larger implications of the railroad. The cartoon depicting the Southern Pacific Railroad as a ravenous octopus (16.5) expressed their concern. The railroads and the fabulously wealthy men who ran them (shown in the eyes of the octopus) wielded immense power. The artist labeled the octopus a **monopoly**, a popular term to describe the control of an industry or market by one corporation. Was such unchecked power vested in the hands of so few people, worried the critics, compatible with the nation's republican principles? Many feared it was not—especially when it became clear that railroad executives routinely used their wealth to bribe state legislatures, members of Congress, and cabinet officials. Additional

revelations of stock manipulation, price gouging of farmers and manufacturers, exploitation of workers, and shoddy construction and unsafe operation added to the railroad's tarnished image and fueled concerted efforts to curb its power. Although few critics raised the issue at the time, later generations decried the railroad for its role in hastening the defeat of the Plains Indians and the near extermination of buffalo upon which they depended (see Chapter 15).

Growing anxiety and anger over the abusive practices of many large railroads eventually compelled reformers to seek tighter regulation of the industry. Given the immense power and wealth of the railroad and a general reluctance among politicians to regulate business, reform faced many setbacks. Farmers, bitterly opposing the high rates charged by railroads to transport and store agricultural commodities, led the first significant effort to curb laissez-faire business practices. Known as the Grange (see Chapter 15) it led a successful political movement in the 1870s to pass numerous laws regulating prices and outlawing unfair business practices.

## Andrew Carnegie: Making Steel and Transforming the Corporation

Of all the new things produced by the explosion of industrial output after 1865, none was more important than steel. Many times stronger than iron, steel became the essential ingredient in the transformation of America into an industrial society, allowing for the construction of the railroad and telegraph networks and tall buildings called “skyscrapers.” Steel also allowed for the construction of huge factories, filled with powerful manufacturing machinery—made from steel, of course. Steel likewise accelerated the commercialization of American agriculture as the material that made possible sharp, durable, and deep-cutting plows and mechanical reapers. It also altered modern warfare, enabling the development of more accurate, powerful, and thus more deadly weapons. Steel, in short, was as influential and revolutionary a substance in the late nineteenth century as silicon (used to make computer chips) was to become in the late twentieth.

Steel was important in still another way, for it brought to prominence the single most influential big business man of the era, Andrew Carnegie.

Carnegie's success was all the more remarkable because of his humble origins. Born in Scotland in 1836, he immigrated to America with his family at the age of twelve. Settling in Pittsburgh they struggled to earn a living. Young Carnegie dropped out of school and took a job in a textile factory where he earned just \$1.20 per week. Bright and ambitious, Carnegie took night classes in accounting, taught himself telegraphy, and went to work for Western Union. In 1853 Pennsylvania Railroad regional supervisor and future company president, Thomas A. Scott, hired the seventeen-year-old to serve as his personal telegrapher and eventually private secretary. In this capacity, Carnegie learned every detail of modern business practices that the railroad was developing. With his higher salary, he invested in railroads, factories, and, increasingly, the iron and steel industries.

In 1870 while running a very successful company that built steel bridges, Carnegie decided to move entirely in steel production. He built his own steel works and, drawing upon his knowledge of railroad management, he followed obsessively one fundamental business principle: reducing production costs to the lowest possible level.

To achieve this goal, Carnegie hired the brightest executives, accountants, managers, scientists, and engineers. He also invested heavily in the latest technology. He was the first to invest in the breakthrough Bessemer-Kelly process, a method of making exceptionally strong steel quickly and at low cost (in part due to reducing the need for skilled metalworkers).

Carnegie's focus on cost control led him to pioneer what is in the business practice known as **vertical integration**, the organization of a business by which one company controls all the main phases of production, from acquiring raw materials to retailing the finished product. Other industrial magnates who came to dominate their industries opted for a **horizontal integration**, a model where they bought out many companies producing the same product

to eliminate competition and achieve greater efficiency (16.6). To provide a steady supply of cheap coal, iron, and other essential raw materials that steel production depended on, Carnegie bought mines, smelting operations, railroads, and ships.

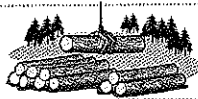
Finally, Carnegie pursued cutthroat practices to battle rival steel producers. To drive smaller rivals out of business, Carnegie slashed his prices to levels that bankrupted his competitors, allowing him to buy them out and gain a greater share of the market.

**VERTICAL INTEGRATION** Seeking to bring under one company the many different products and processes that go into the making of paper, Company A has acquired forests, logging companies, railroads, and chemical companies, as well as paper manufacturing plants. The advantages in this system are lower prices for and greater control over supplies of essential materials (such as wood pulp from trees).

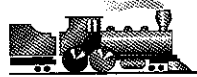
**Paper Company A Acquires**



Forests  
(to supply pulp needed for paper)



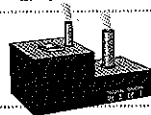
Logging Company  
(to harvest the trees)



Railroad  
(to bring lumber and chemicals to the paper factory and to ship the finished product to market)



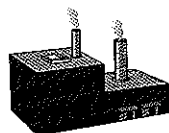
Chemical Company  
(to manufacture chemicals like bleach needed to make paper)



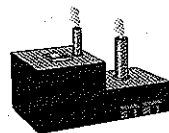
Paper Factory  
(to manufacture the paper from pulp)

**HORIZONTAL INTEGRATION** Seeking to gain the largest share of the market for paper products, Company B has acquired five more paper manufacturing companies. The advantage of this system is that Company B can generate more revenue from the added production and sales of paper products. It can also lower costs by eliminating redundant operations like advertising, marketing, and accounting in the acquired companies in favor of single operations covering these functions. Because of its increased size, the company can also lower costs by striking deals with suppliers (wood pulp, chemicals, etc.) eager for its business.

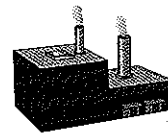
**Paper Company B Acquires**



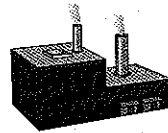
Paper Company



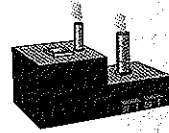
Paper Company



Paper Company



Paper Company



Paper Company

**16.6 Horizontal Integration versus Vertical Integration**

Industrialists pursued two strategies when seeking to expand the size of their corporation. With vertical integration they sought to minimize costs and increase control of production by acquiring different kinds of companies involved in the chain of production. Through horizontal integration they attempted to reduce competition by acquiring their competitors.



Like many other industrialists, he also signed secret deals with railroads, securing lower transportation rates for his steel than that charged by his competitors. Most of these tactics were legal at that time, but many critics considered them abusive.

The result of Carnegie's business policies was astonishing, bringing annual profits to \$40 million by 1900. By then Carnegie Steel was the largest corporation in the world, with more than twenty thousand employees and related operations in many countries. Carnegie's success was part of the much larger story of the "age of steel." By 1900 the U.S. steel industry employed 272,000 workers who that year produced 10.4 million tons of steel—an output more than twice that of its nearest rivals, Germany and Great Britain.

## Rockefeller and the Rise of the Trust

Carnegie was the most famous industrialist in the late nineteenth century, but countless others similarly led the way in developing key parts of the American economy. These included entrepreneurs like Philip Armour and Gustavus Swift (meat-packing), James B. Duke (tobacco products), George Eastman (Kodak camera) and Cyrus McCormick (farm equipment). Like Carnegie these industry leaders and thousands more succeeded by combining vision and ruthlessness, leading the public to both laud them as "captains of industry" who offered an ever-growing number of new products and services and denounce them as "robber barons," greedy capitalists who grew rich by devious business practices, exploitation of workers, and political manipulation.

The industrialist most frequently denounced as a robber baron was John D. Rockefeller. In many ways his rise to dominance in the oil industry resembled that of Andrew Carnegie. Through relentless cost-cutting, acquisition of new technology, hiring top-notch managers and scientists, and making secret deals with railroads to undermine his competition Rockefeller's Standard Oil company controlled more than 80 percent of the nation's oil-refining capacity by 1879. Unlike Carnegie, Rockefeller initially expanded his interests via horizontal integration (16.6), focusing almost exclusively on buying or building oil refineries. Later he followed Carnegie's vertical integration model as well, purchasing oil fields, railroad cars and warehouses, pipelines, and barrel factories.

Rockefeller's chief contribution to the rise of big business was the invention of two new forms of corporation management: the trust and the holding company. Like many industrial magnates, Rockefeller upheld the ideal of competition, but privately he believed competition between rival companies merely created waste and instability in the market. When so-called pools—secret deals between ostensibly rival companies to set production limits to keep prices high and award each participant a certain share of the market—inevitably failed, Rockefeller devised the trust.

Unlike pools, which lacked any legal basis and thus carried no penalty for cheating, trusts were legally binding arrangements that brought many companies in the same industry under the direction of a single board of "trustees." To join a trust, a company turned over to a board a majority of its stock in exchange for trust certificates, which guaranteed it a share of the profits. Rockefeller's Standard Oil Trust, for example, consisted of forty companies under the direction of a nine-member board of trustees selected by Rockefeller himself. As profits soared, dozens of trusts in other industries, such as sugar, lead, cotton, and oil, were formed, although not all successfully.

---

**"Honest labor never rusts:  
up with labor down with trusts."**

Banner in 1889 Boston Labor Day Parade

---

The rapid emergence of giant trusts, as with the rise of large railroads, alarmed many Americans. Fueling this rising concern was the unwillingness of Congress and the Supreme Court to curb the power of big business. In 1886 the very conservative Supreme Court declared that state railroad commissions did not have the authority to impose regulations on railroads because only Congress had the right to regulate interstate commerce (*Wabash, St. Louis & Pacific Railway Co. v. Illinois*, 1886). In a separate case (*Santa Clara County v. Southern Pacific Railroad*, 1886), the court also declared that corporations were "de facto persons" and thus subject to all the protections under the Fourteenth Amendment. No state or local government, therefore, could impose limits on corporations "without due process of law"—in other words, approval by conservative federal courts.

The next year in 1887 Congress attempted to curb the power of the railroads by establishing the Interstate Commerce Commission and making pools and rebates (special discounts by railroads to favored customers) illegal. But the ICC proved weak and ineffective, especially in the face of a conservative Supreme Court. Of the sixteen cases when railroads challenged a ruling by the ICC between 1887 and 1905, the Supreme Court sided with the railroads fifteen times.

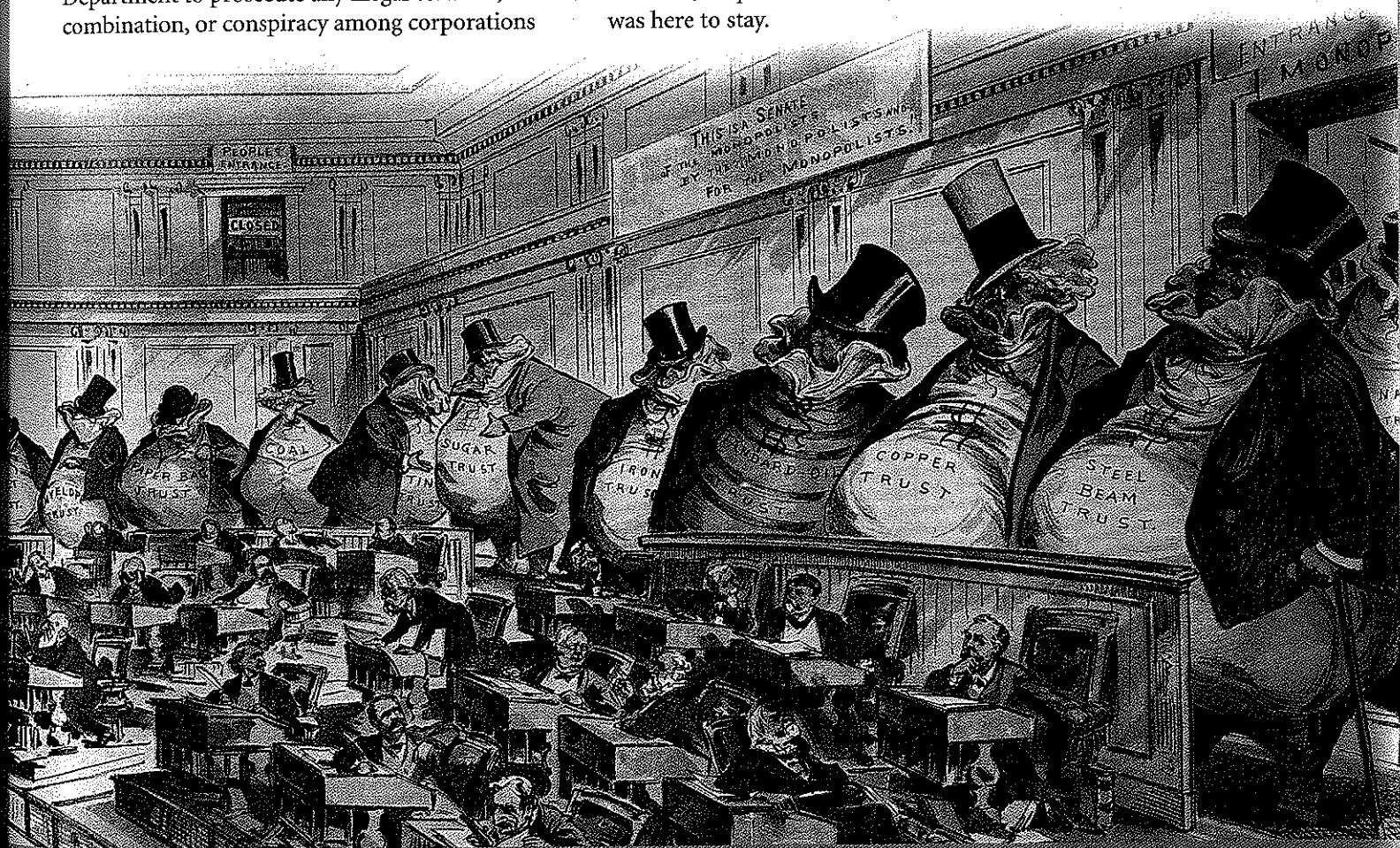
Big business also benefited from enormous political influence in Congress. In this damning 1889 cartoon, *The Bosses of the Senate* (16.7), from the popular magazine *Puck*, the bloated trusts are clearly in charge. Congress was all too willing to do the bidding of corporate interests. Note that the doorway marked "People's Entrance" is boarded shut while a much larger "Entrance for Monopolists" is wide open. Note too the bitter conclusion that big business has subverted American democracy: "This is a Senate of the monopolists, by the monopolists, and for the monopolists."

The fate of the Sherman Anti-Trust Act of 1890 seemed to verify this conclusion. It was originally proposed as a law that empowered the Justice Department to prosecute any illegal contract, combination, or conspiracy among corporations

that was designed to eliminate competition or in any way restrain free trade. In other words the act made trusts illegal. But months of lobbying by corporate interests influenced Congress to word the final version of the act so vaguely that it was essentially unenforceable. As a result, the Justice Department prosecuted only eighteen antitrust cases between 1890 and 1904.

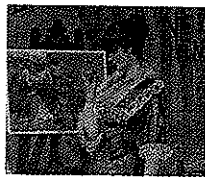
Rockefeller's other major corporate management innovation—the holding company—replaced the trust in the 1890s as the preferred big business model. The holding company was a huge corporation that bought and ran other corporations by purchasing their stock. Rockefeller's idea caught on immediately because it offered protection from the Sherman Act and allowed for the creation of enormous corporations, many of which exercised near monopoly control of the market. Corporate mergers occurred at an astonishing pace in the 1890s, so that by 1900 a mere 1 percent of corporations controlled 33 percent of the nation's manufacturing output, a figure that rose to 44 percent by 1910. The same was true of the railroads. In 1900 seven colossal railroads controlled two-thirds of the nation's track mileage. Big business, despite the best effort of reformers, was here to stay.

**16.7 The Political Power of the Trusts**  
Reformers criticized trusts for their power to bribe and bully Congress to pass favorable legislation. Here, a meek-looking Congress sits under the domineering gaze of the bloated trusts.



Why did efforts to curb the power of trusts fail?

# Creating a Mass Market



Railroads, oil refineries, textile factories, and steel mills were the most vivid symbols of the industrial era, but production was only one part of the story. Equally important was consumption—getting the public to purchase the growing array of the national economy's new products. The development of advertising would play a crucial role in creating a consumer culture, as would the department store and mail order catalogs.

## The Art of Selling

To promote consumption, businesses developed sophisticated advertising techniques and marketing strategies. Many hired psychologists and other experts to develop advertising campaigns that appealed to both consumers' fears and their desires. Ads for toothpaste and deodorant, for example, stoked the public's fears of bad breath and body odor, while those for pianos and fine clothing played to desires to appear sophisticated and wealthy. Advertisers also cultivated brand loyalty through catchy slogans and impressive claims. The makers of Ivory Soap, for example, touted their product's healthful qualities with the impressive, but ridiculously exaggerated, claim that it was "99 44/100% Pure." Recognizing the value of celebrity, some manufacturers hired famous entertainers and athletes to endorse their products and allow the use of their pictures in ads. The underlying idea of advertising—spending a portion of a business's profits to generate more profit—soon became a standard business principle. Spending on advertising jumped accordingly, from \$50 million in 1867 to more than \$500 million by 1900.

As advertising caught on among manufacturers and retailers, competition led to increasingly complex and sophisticated advertisements. Gone were the days from before the Civil War when advertisers relied exclusively on a few bold headlines in a newspaper or magazine and some accompanying text touting a product's quality and price. With so many advertisements jamming the pages of these media, and adorning roadside signs, sides of buildings, and grocery store windows, a product's advertisement had to be eye-catching, convincing, and memorable. Advertisers began experimenting with new styles and sizes of type, developed catchy slogans, and enlisted celebrities and "experts" like doctors to vouch for their product. Once developments in print technology made it possible

and affordable, they focused increasingly on images to sell their products. (See *Images as History: Advertising and the Art of Cultivating Anxiety and Desire*, page 480.)

## Shopping as an Experience: The Department Store

With the emergence of advertising came the development of the department store. Irish immigrant Alexander Turney Stewart established the first in New York City in 1846. Stewart and the entrepreneurs who copied his idea built giant stores that offered a huge selection of goods, usually organized into different "departments." Customers also found a small army of clerks ready to assist them and fixed prices that eliminated uncomfortable negotiations. Retailers also offered attractive policies such as the money back guarantee and free delivery.

By the 1870s customers, increasingly called "shoppers," flocked to department stores not only for the selection, price, and convenience but also for the experience. Retailers had discovered that it was not enough to offer the finest products at good prices. Shopping had to be a pleasurable experience, so merchants built palatial, richly decorated "emporiums," an impressive Latin term meaning a

**"You can now buy your pins,  
your outing shirts, your wines,  
your prayer books, your Indian  
clubs, your pianolas, your false  
teeth, your automobiles, ...  
[and] your spectacles ... in the  
same place."**

*The Wall Street Journal*, 1903

store that displayed a large variety of merchandise. One of the first merchants to do so was John Wanamaker, who took over a Philadelphia railroad depot and in 1876 opened a massive and opulently decorated store he called the Grand Depot.

In the coming decades rival stores sought to outdo each other in size and splendor, and customers came to look forward to store openings. On September 12, 1896, for example, 150,000 New Yorkers paraded through the new Siegel Cooper store on opening day. This new "shopping resort," as the *New York Times* called it, employed eight thousand clerks and cashiers and one thousand drivers and packers. The store offered not only a huge selection of merchandise but also conveniences such as telegraph and long-distance telephone services, offices for foreign currency exchange and stock trading, and a dentist office. As this photograph (16.8) of the central lobby shows, the store also wowed shoppers with its lavish interior. Note the marble columns and high, decorative ceilings, as well as the statue at right of "The Republic," a copy of the one recently designed by the renowned American sculptor Daniel Chester French for the 1893 World's Fair in Chicago. It rested in a large fountain where streams of water illuminated by colorful lights flowed over it.

The success of the department store led some retail entrepreneurs to expand their operations to large regions or even the whole country. The most noted figure in

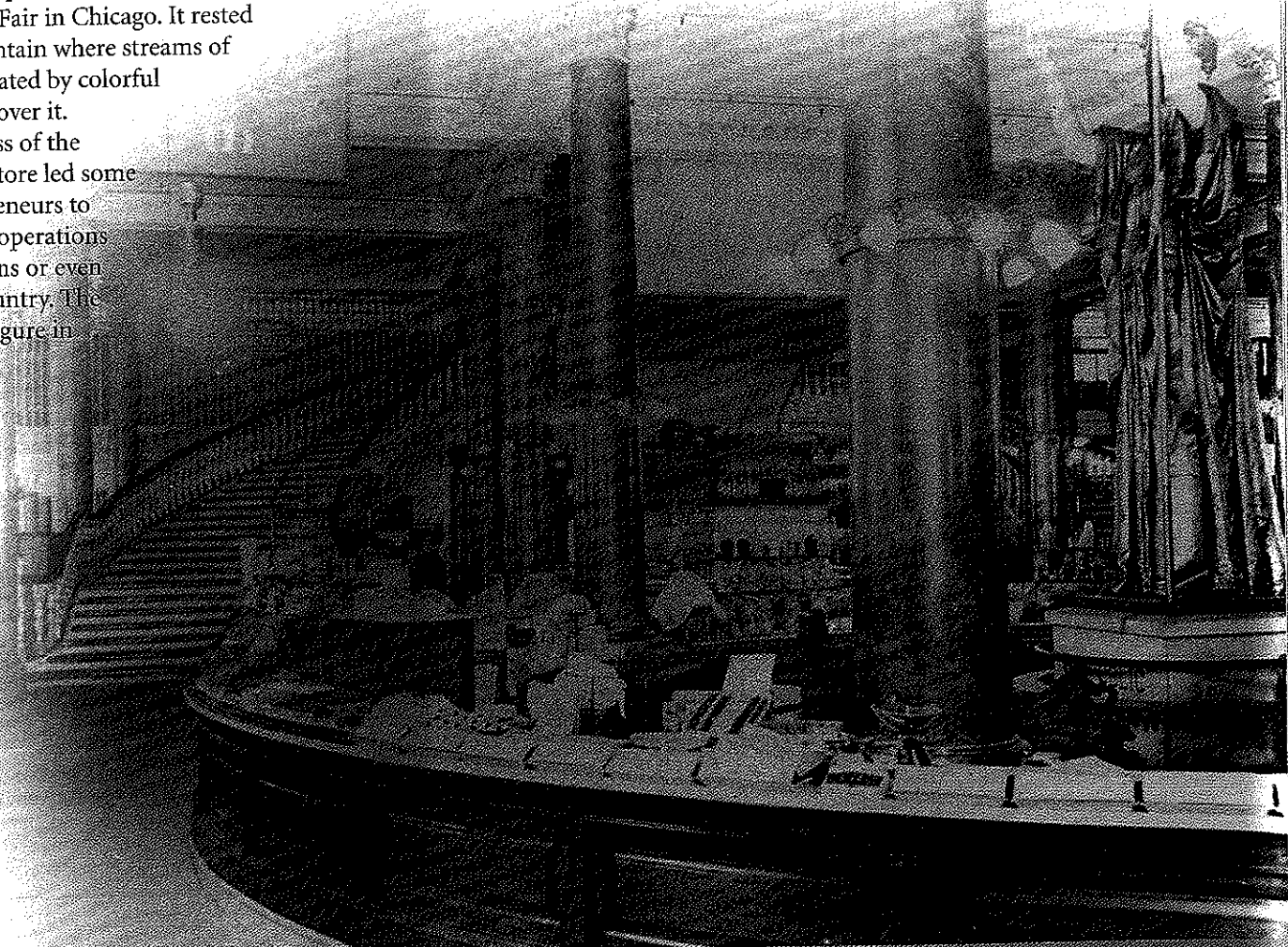
this field was Frank W. Woolworth, whose "five and dime" stores specialized in low prices rather than opulence. He opened his first store in Utica, New York, in 1879. By 1900 he owned fifty-nine stores, a number that eventually topped six hundred nationwide by 1911. Like their big business counterpart in manufacturing, Woolworth and other national retailers found that with size came certain advantages. Because they bought huge quantities of goods, Woolworth received big price discounts from wholesalers and manufacturers that in turn allowed him to sell his merchandise at low prices.

## Bringing the Market to the Frontier

Some entrepreneurs realized that in spite of advertising and the growth of department stores, a massive retail market remained untapped: rural America. Living on farms or in small towns far from cities, these potential customers had money and desire but lacked access to consumer goods. In 1872 Montgomery Ward set out to change that. If rural

### 16.8 Shopping as an Experience

Large retailers in cities built lavishly appointed shopping palaces to attract customers. The Siegel-Cooper store in New York City opened with great fanfare in 1896.



How did retailers justify spending so much money to build lavish stores?

# Images as History

## ADVERTISING AND THE ART OF CULTIVATING ANXIETY AND DESIRE

At first advertisers used images simply to display their product, both to show potential buyers what it looked like and to convince them of its quality. But by the 1880s advertisers began to take literally the old maxim, "a picture is worth a thousand words." They began using images to link certain powerful ideas, sentiments, values, and aspirations with the product. Often advertisers used

images without ever showing the product itself. This 1887 advertisement for the Williams' Shaving Stick, a four-inch cylinder stick of shaving soap, that appeared in *Century Magazine* provides a vivid example of this new approach. There was a growing trend among American men in the late 1880s toward a clean-shaven look (or at the very least to confining facial hair to a mustache), a

Nude imagery was considered scandalous and unacceptable in late nineteenth century society. The use of a widely respected religious image, however, allowed the advertisers to grab readers' attention while not offending the public.

By asserting that "Shaggy, unkempt beards were common among the fallen, barbarous nations," the ad suggests that America's rising status in the world depends on its men taking up the razor (and Williams' Shaving Stick, of course).

This full-page advertisement omits an image of the product being sold. Instead it devotes half the page to a religious image and the rest to cleverly crafted words.



Instead of using the image of an anonymous man sporting a whisker-free face and a smile of contentment, the advertisers opted for Michelangelo's *Adam at the Time of Creation*, an image most of their target audience—educated middle- and upper-class men who read *Century Magazine*—would recognize and respect.

All the relics of antiquity, both in art and sculpture, prove the idea of the ancients to have been that

### ADAM WAS CREATED WITHOUT A BEARD.

Shaggy, unkempt beards were common among fallen, barbarous nations, until the time of the EMPEROR JULIAN, who was the first to denounce them.  
 For HALF A CENTURY WILLIAMS' SHAVING SOAPS have been the delight of Gentlemen who shave themselves. Eminent Physicians recommend their healing properties as preventive and curative of cutaneous diseases. Their extreme richness and creaminess of lather, rare delicacy, and exquisite fragrance have established them as the favorites of those who are MOST PARTICULAR in regard to toilet requisites.

Note the religious and moral imperative in this phrase: if God created Adam without a beard, the advertisement implies, then God must want all men to be clean-shaven!

## WILLIAMS' SHAVING STICK.

THIS EXQUISITE TOILET ARTICLE, contains all of those rich and lasting qualities which have made our "GENUINE YANKEE" SHAVING SOAP famous for fifty years. Delicately scented with finely selected Attar of Rose. Each Stick in a neat Wood Case, covered with Red Morocco Leatherette. VERY PORTABLE. INDISPENSABLE TO TRAVELERS.

### A CONVENIENCE AND LUXURY FOR ALL WHO SHAVE.

If your Druggist does not keep Williams' Shaving Soaps, they will be sent, post-paid, to any address upon receipt of price in stamps or currency, as follows: WILLIAMS' SHAVING STICK, 25 cents; GENUINE YANKEE SOAP, 15 cents; WILLIAMS' CELEBRATED BARBERS' SOAP—FOR TOILET USE—a Pound Package—6 cakes—by mail, 40 cents. Registered Packages, 10 cents extra.

Address THE J. B. WILLIAMS CO. Glastonbury, Connecticut, U. S. A.

(Formerly Williams & Bros., Manchester.) Established 1840.

For Half a Century, Manufacturers of the "GENUINE YANKEE" SHAVING SOAP.

The Williams' Shaving Stick

This full-page ad ran in the November 1887 issue of *Century Magazine*.

trend that benefited manufacturers like J. B. Williams Co. To lure existing shavers to the Williams' Shaving Stick and to convince more men to shed their beards, the company used religious imagery and text to generate anxiety among men over their appearance. What other associations and messages do advertisers often try to convey through images?

This 1885 advertisement poster for the New Home Sewing Machine, designed to hang in a public space such as a train station or store, represents a different use of visual imagery in advertising. Unlike the Williams' Shaving Stick advertisement's effort to instill anxiety, it appeals to the consumer's desire for a more refined and wholesome life.

So central is this machine to creating a "new home" of middle-class tranquility that this woman has included it in the scene she is painting, suggesting that it is part of the family.

Liberated from the dismal, time-consuming task of sewing by the "Light-Running New Home Sewing Machine," this middle-class housewife is free to pursue more refined activities such as painting.

The happy child in the picture suggests that women who buy the machine will have more time to devote to the well-being and proper rearing of their children.

#### The New Home Sewing Machine

The New Home Sewing Machine Company created this poster in 1885 to promote their product as beneficial to the American family.



The quality of the sewing machine is taken for granted, for it sits in the background.

Even though this intricate and expensive-looking dress would most likely have been made by a professional and sold in a store, the ad implies that it is easily made with the New Home Sewing Machine.

America could not get to a department store, he would bring it to them—in the form of a single broadsheet offering two dozen items for sale by “mail order.”

Ward’s idea proved so successful he steadily expanded his list of offerings. By 1884 Ward presided over a thriving enterprise based on a catalog of 240 pages featuring some 10,000 items. By this time a rival mail order company run by Richard W. Sears and Alvah C. Roebuck had begun operation. Eager to reach this new market, established department stores like Macy’s in New York, Jordan Marsh in Boston, and Marshall Field in Chicago followed the trend and brought out their own mail order catalogs.

The reach of corporate retailing beyond urban centers and into rural America (where most Americans lived until 1920) marked the emergence of a mass market. Whereas Americans had long shared a common language and republican political culture, they now developed a shared consumer culture. Exposed to the same advertising images and appeals, millions of Americans in different parts of the country began to adopt the same fashions, develop the same habits (cigarette smoking, for example), and purchase the same newfangled contraptions, including more than one million bicycles a year in the 1890s.

## Selling to the World

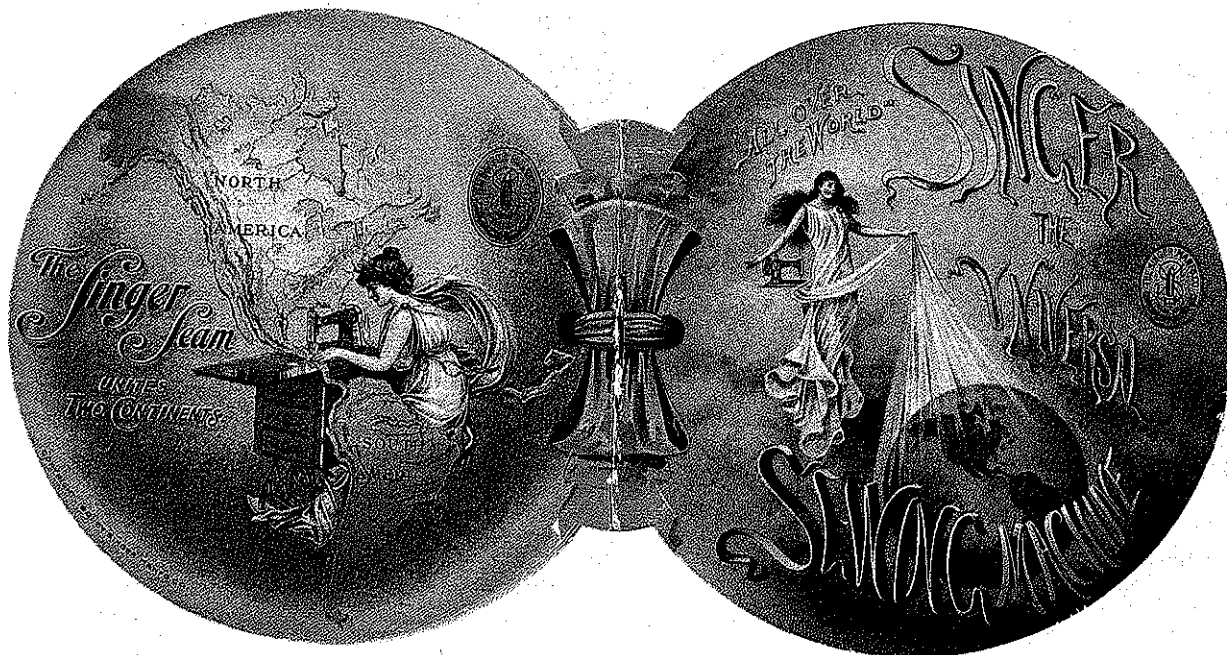
As the nation’s industrial production soared to unprecedented heights, manufacturers began to look

for new markets for their goods. The United States had long been an exporter of agricultural products like cotton and wheat, but the leading trend after the Civil War was the export of manufactured goods. The total value of exports rose between 1870 and 1900 from \$450 million to \$1.5 billion, with the percentage of manufactured goods rising from 15 to 32 percent.

In addition to selling produce and goods overseas, American business interests also began to invest heavily in business ventures in foreign countries. By 1897 Americans had invested \$635 million in mines, plantations, oil wells, and increasingly, manufacturing plants (\$94 million). By the 1890s the Singer Sewing Machine Co. was an international corporation (16.9). With a factory in Kilbowie, Scotland, as well as in the United States, Singer sold its machines throughout the world. Note how the advertisement’s text, “The Singer Seam unites Two Continents,” and angelic female figures suggest that the company is pursuing humanitarian as well as capitalist goals. Farm equipment giant, International Harvester, likewise opened factories in Canada and Norrköping, Sweden.

The globalization of the American economy brought many benefits to workers, consumers, and investors. But it also contributed to the growing sentiment in the 1890s that the United States needed to become an imperial power to protect overseas investments and ensure that markets in Asia, Africa, and Latin America remained open.

**16.9** The Globalization of American Industry  
Like many large American corporations, the Singer Sewing Machine Co. became an international corporation by the 1890s, selling its machines throughout the world.



How did advertising promote the development of a national consumer culture?

# The World of Work Transformed



The huge industrial enterprises built by Carnegie, Rockefeller, and others ultimately depended not on their individual genius but on the collective labors of American workers. As the number and size of factories grew in the late nineteenth century, the size of the industrial workforce expanded rapidly, from 1.3 million workers in 1860 to 5.1 million in 1900. Many of them faced hardships: long hours, low pay, dangerous conditions, and frequent downturns in the economy. Workers responded by forming unions, staging strikes, and protesting the surging power of business as a threat to democracy.

## The Impact of New Technology

The constant introduction of new technology that marked the Industrial Revolution resulted in much more than increased manufacturing output. Even more important was its impact on the status of industrial workers. New machines produced more goods in less time and usually required only low-skilled labor to operate. Machinery transformed shoemaking, for example, from a skilled trade in the 1820s to a low-skill factory occupation by the 1860s. The same was true in the garment and textile industries. Because they could easily replace low-skilled labor, employers could pay them low wages and demand long hours. They could also simply fire or replace workers who complained or failed to keep up the pace with other unskilled workers.

This trend occurred unevenly across industrial America. For example in building trades like carpentry and bricklaying, new technology did little to undermine the position of skilled craftsmen. In other settings new technology created new opportunities for some workers. Some found well-paid skilled work as mechanics, while others became foremen and floor managers who oversaw the work of unskilled operatives. These more fortunate workers often enjoyed far higher wages, shorter hours, and better treatment compared to the unskilled.

Nonetheless for many workers new industrial technology eliminated their skilled jobs in favor of unskilled ones. Just as shoemaking changed from a skilled trade in the 1820s to a low-skill factory occupation by the 1860s, so did the garment and textile industries. In these settings, employers enjoyed increasing power over their employees for the simple reason that unskilled workers were easily replaced.

## Hard Times for Industrial Workers

New technology was but one of many difficulties confronting industrial workers in the age of industrialization. Most workers complained about long hours and low wages. Although averages for both varied by industry and region, workers often toiled twelve hours each day, six days a week, for wages that barely covered weekly basic living expenses. By some estimates the average wage earner in the late nineteenth century made \$400–500 per year, when living decently required a minimum of \$600–800. Working-class families made up the difference by sending their children to work, taking in boarders, and bringing in “home finishing” work, performed by women, such as sewing buttons on new shirts.

Compounding the precarious economic position of wage earners was the “boom and bust” character of the industrial economy. Severe depressions (1873–1877 and 1893–1897) and recessions interrupted periods of prosperity and economic growth. Each depression, or “bust” as it was called, involved a contraction of economic growth, widespread business failure, and high rates of unemployment lasting several years. The severe depression of the 1870s, for example, resulted in the loss of more than a million jobs and nearly fifty thousand businesses. Those who did keep their jobs often found their wages slashed and hours increased by employers desperate to remain solvent or ruthless enough to take advantage of rising job competition between the employed and the unemployed. The monotony of industrial work likewise added to the difficulties wage earners faced. Many did work that forced them to perform the same task repeatedly, such as pulling a lever on a metal stamping machine. Workers felt, in the words of one machinist in 1883, that they were



becoming “part of the machinery,” a state of affairs they found “very demoralizing.”

The industrial workplace was also extremely dangerous. Every year between 1880 and 1900, 35,000 workers (on average) were killed on the job and another 500,000 injured. This carnage resulted in part from the monotony of factory work, which led mind-numbed workers to make mistakes or fall asleep. But most injuries stemmed from the factory owners’ negligence. With no laws compelling them to make their workplaces less lethal, few industrialists were willing to incur the expense of installing safety devices or procedures. Not until the early twentieth century did most states begin enacting laws requiring compensation be paid to injured workers or the families of killed workers.

Another disturbing trend in this era was the sharp rise in child labor. Before the Industrial Revolution children of farmers and artisans performed all sorts of work that contributed to the family economy—but always under the supervision of a parent or relative. Children working in industry,

however, left their homes to work in factories and mines under the supervision of a manager rather than a parent. Between 1880 and 1900 the number of children younger than sixteen years of age working for wages—usually a fraction of those paid adults—skyrocketed from 180,000 to 1.7 million. Children as young as seven toiled long hours in dangerous conditions in mines and factories, working at jobs that exposed them to dangerous and unhealthful conditions. The boy in this photograph (16.10) lost his arm while operating a power saw in a box factory. Many states passed laws prohibiting child labor, but they rarely enforced them.

## Exploitation, Intimidation, and Conflict

Central to the transformation in the lives of workers ushered in by industrialization was the increasing power exercised by employers in the workplace. Since profit was their paramount goal, employers imposed strict discipline on their industrial workers. The clock came to dominate the workplace, as employers

“I make about three dollars a week, and my sister—she is only six years old—she does not make as much, sometimes a dollar a week, sometimes more.”

An eight-year-old child laborer,  
New York, 1871.

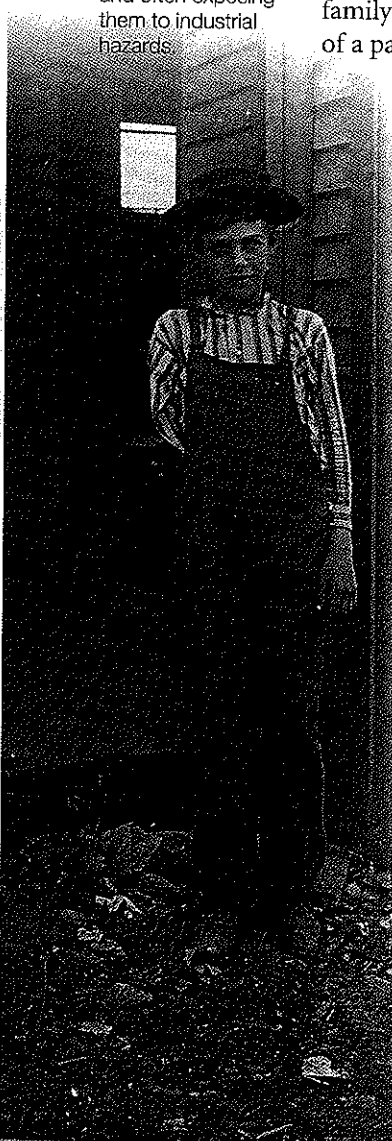
demanding workers begin and end their day (with a few short scheduled breaks) at precise times. Workers who arrived late or took unauthorized breaks were fined or fired. Some factories forbade workers to talk to one another—or worse, to whistle.

Enforcing these new rules was an increasingly important figure in the industrial workplace: the manager or foreman. In sharp contrast to the early nineteenth-century preindustrial economy, few workers now ever saw, let alone spoke to, their employer. Instead, they dealt with managers or foremen hired to run a factory as efficiently and profitably as possible. This meant pushing workers to meet production goals and firing those who were unable to keep up or who caused trouble. Many foremen came from working-class backgrounds and treated workers fairly, but others could be abusive, especially those overseeing workers of a different ethnic background. Female workers were particularly vulnerable to abuse. In this drawing from 1888, the foreman in a garment factory shakes his fist at a weary female worker, urging her to work faster (16.11). In the larger inset, the overworked woman sprawls on a bed in a dingy tenement. That this image ran under the sensational title *The Female Slaves of New York* in a popular newspaper that often expressed hostility toward workers indicates the notoriety the foreman had achieved in the garment industry by the late nineteenth century.

Workers also found it difficult to organize labor unions. The first major effort to build a national labor movement after the Civil War began in 1866 when William Sylvis, a charismatic iron molder, founded the National Labor Union (NLU). A federation of independent craft unions, the NLU sought to unite skilled workers nationwide to secure demands such as a federal law establishing the eight-hour day and a federal department of labor. Its membership topped 300,000 (nearly all native-born white men in skilled trades) by 1869. But Sylvis’s

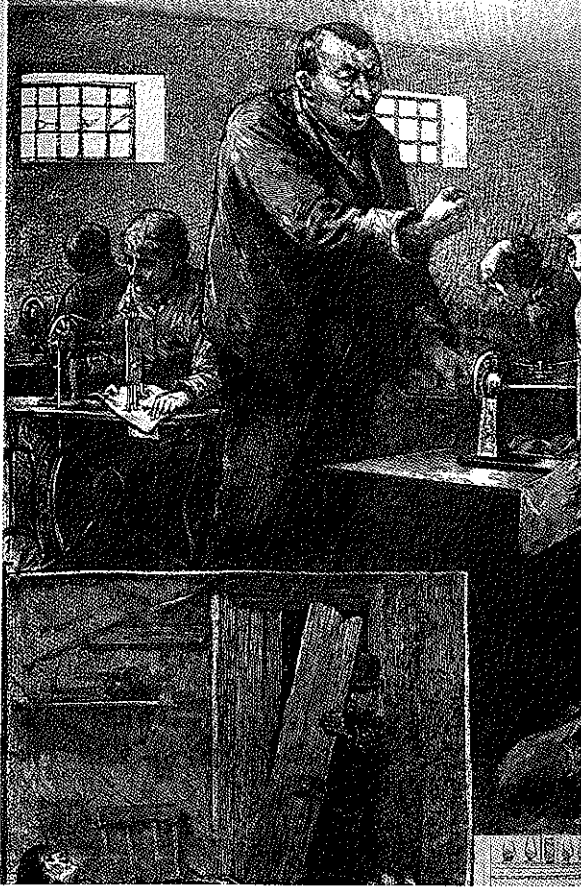
### 16.10 The Price of Child Labor

Because they could pay children less than one-half the wages of an adult, employers hired increasing numbers of child laborers in the late nineteenth century, depriving them of education and often exposing them to industrial hazards.



**16.11 Exploiting Female Workers**

Shop floor foremen and managers became increasingly important as the size of workplaces grew. As demands for greater productivity grew, female workers were especially vulnerable to abusive foremen. The threat of overwork to the health of women is emphasized in the two insets. One depicts workers carrying heavy bundles of work home while another shows an exhausted laborer collapsed on her bed.



attested, “have had nothing to combat capital with except their empty stomachs, while the capitalists have had unlimited financial resources and have been able to starve the workingmen into submission.”

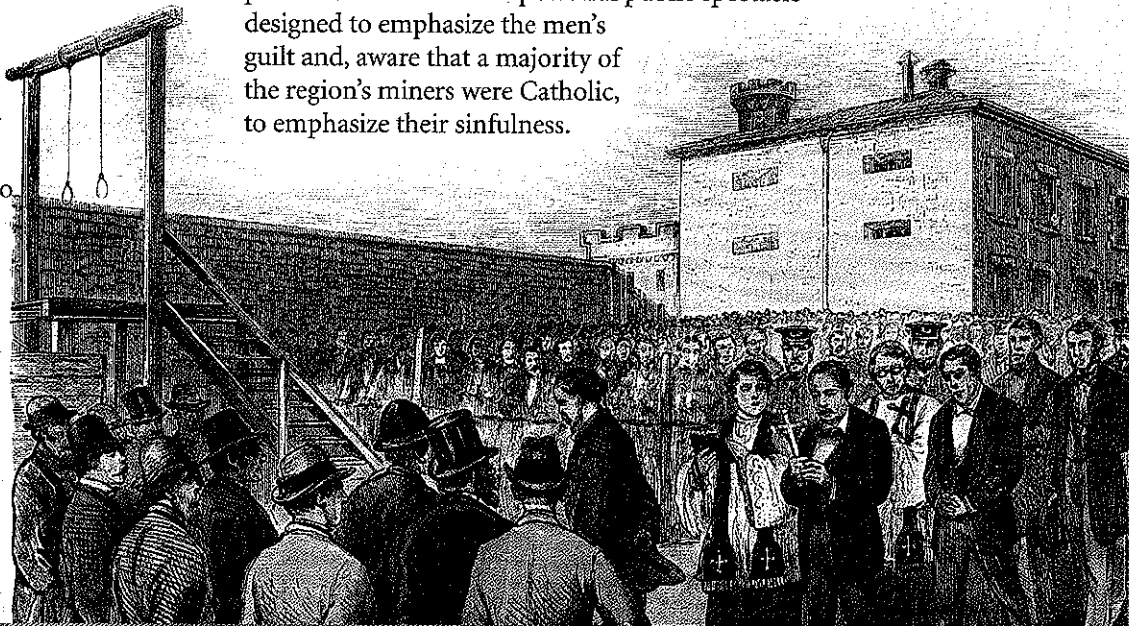
Not surprisingly, rising worker frustration and anger led to an increasing number of strikes and violence. Between 1881 and 1905 American workers staged 36,757 strikes that involved more than six million workers. One particularly bitter incident took place in Pennsylvania. In response to the abusive labor policies of coal mine bosses in the 1860s, miners had formed a union called the Workingmen’s Benevolent Association (WBA). Many of its members were Irish immigrants some of whom, drawing on the tradition of secret societies that resisted oppressive landlords in Ireland, formed a clandestine labor organization known as the Molly Maguires that carried out acts of intimidation, vandalism, violence, and occasionally, murder against foremen and managers. In 1874 mining interests set out to destroy the WBA by convincing the public that it was one and the same as the Molly Maguires. Within a year this campaign resulted in more than fifty arrests and numerous convictions—many on questionable testimony and with little or no evidence. In all, twenty alleged Molly Maguires were hanged for murder, including ten on a single day, June 21, 1877. Note how in this drawing (16.12) public officials created a powerful public spectacle designed to emphasize the men’s guilt and, aware that a majority of the region’s miners were Catholic, to emphasize their sinfulness.

**16.12 The Pageantry of Execution**

On June 21, 1877, “Black Thursday,” Pennsylvania officials staged carefully planned executions of ten convicted miners known as Molly Maguires.

sudden death that year weakened the NLU, and the depression of the 1870s wiped it out completely.

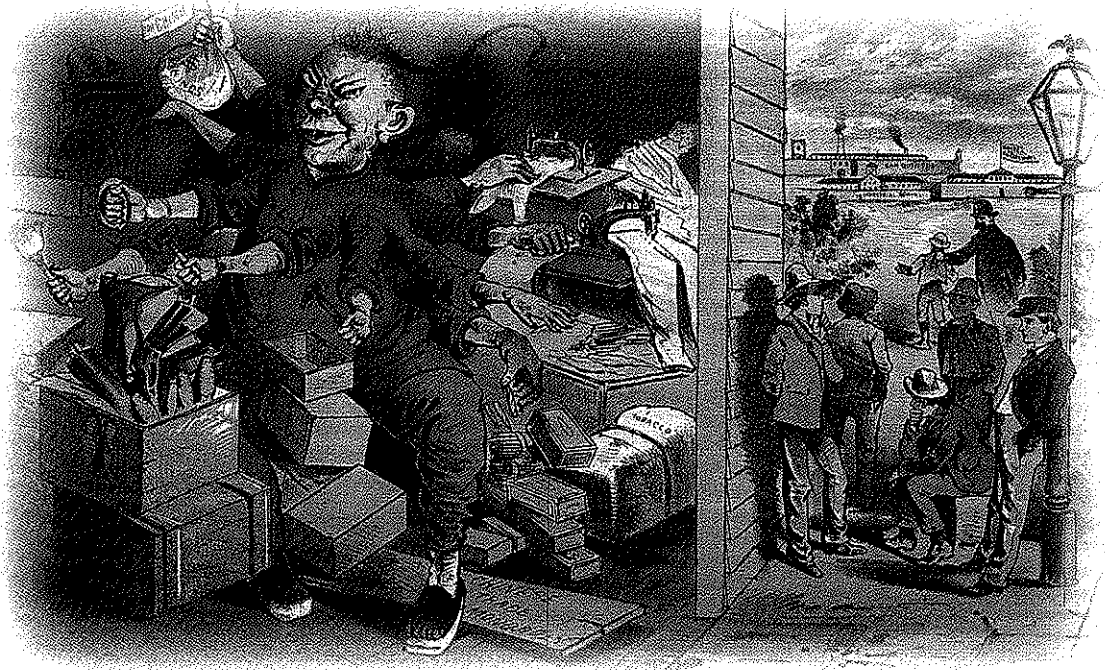
Most employers saw unions as threats to their profits and freedom to run their businesses as they wanted. Many hired spies to expose labor organizers so they could fire them and put them on blacklists, lists of workers that employers in a particular town or industry refused to hire because they were considered trouble-makers. During strikes, employers routinely resorted to replacement workers. In this effort they usually enjoyed the cooperation of local officials, who ordered policemen to drive away or arrest pickets gathered outside a workplace. If a labor dispute went to court, an employer could more often than not count on a favorable ruling by a judge or jury. On top of all this, workers faced one over-riding problem—few unions had the financial resources to support striking workers for more than a few weeks. Strikers, one worker



Why were employers so hostile to labor unions?

### 16.13 Hard Times Fuel Anti-Chinese Racism

During the depression of 1873–1878, workers blamed high levels of unemployment on Chinese immigrants, whom they accused of working long shifts for low wages.



Three weeks later, on July 14, 1877, the largest strike in the world in the nineteenth century erupted. The “Great Uprising” of railroad workers began in Martinsburg, West Virginia, and quickly spread to Baltimore, Philadelphia, Pittsburgh, St. Louis, Chicago, and other cities. The strike involved thousands of workers, and violence emanated from both sides. In Pittsburgh, for example, soldiers opened fire on striking workers and their families, killing twenty and wounding twenty-nine. Enraged by the killings, strikers and their supporters attacked the troops and the Pennsylvania Railroad stockyards, resulting in the destruction of all the terminal’s buildings and other property.

The mainstream press expressed some criticism of the railroads for slashing workers’ wages, but most dismissed labor activism as illegal, ill-informed, and un-American. (See *Competing Visions: The Legitimacy of Unions*.)

While workers in this period faced hostility from employers, politicians, and journalists, they also had to contend with animosity within the ranks of labor that often hindered their ability to organize. Deep hostility often existed between skilled and unskilled workers, who frequently viewed each other as having little in common. Workers were also riven by disputes arising from different ideologies, including several varieties of socialism, a theory that rejected capitalism and advocated common ownership of private property and greater social and economic equality. They also argued the persistent question of whether workers’ interests were best served by

pressuring the major political parties or by forming an independent labor party.

Perhaps the most significant divisions among workers centered on race and ethnicity. A rising tide of immigration in the late nineteenth century brought greater ethnic, racial, and religious diversity to an already diverse workforce, making more difficult the task of uniting them in common cause. For example, when hard times hit during the depression of the 1870s, anti-Chinese sentiment among American workers soared, ultimately leading to the Chinese Exclusion Act, a law enacted in 1882 barring Chinese immigration to the United States. As the cartoon (16.13) from *The Wasp* demonstrates, Chinese workers were blamed for taking jobs from Americans. The artist depicts a twelve-armed Chinese worker, drawn in racist caricature, laboring maniacally at a dozen tasks while young American-born workers stand idly near a factory. One of the workers is being hauled away by a policeman, implying that unemployment has led him to a life of crime.

African American workers also faced racist hostility from white workers, especially as they began moving to Northern cities in increasing numbers in the 1890s. Much of this hostility stemmed from the widely held racist beliefs of the day that told white workers they were superior to blacks. But it also emanated from the fear that African Americans would take jobs from white workers—a fear exacerbated when employers occasionally used black workers as strikebreakers.

# Competing Visions

## THE LEGITIMACY OF UNIONS

While conflict between workers and their employers often centered on wages and hours, it also occurred over the legitimacy of labor unions. Many Americans denounced unions as illegal, foolish, and un-American. The editor of *Scribner's Monthly*, writing in the aftermath of the 1877 Great Uprising of railroad workers, reflects this view as does the accompanying image from *Puck*. Workers and their advocates like John Swinton, editor of a pro-labor newspaper in New York, offered a very different vision of labor unions as vital organizations that protected workers from the most extreme forms of exploitation. Why did employers find unions so objectionable, even dangerous? What benefits did workers see in unions?

### *Scribner's Monthly* (October 1877)

And now that it is over, it is a good time to ask once more what good has come from this strike, and what good has come of any strike. The laws of nature which, after all, govern the laws of trade ... can never be overcome or circumvented by a strike. Labor will always command its value—no more, no less. ... Strikes are always mistakes; they are often crimes.

The day of the inauguration of trades unions and labor organizations in this country was a day the blackest and fullest of menace to the popular prosperity and peace that ever dawned upon the nation. They have been an unmitigated curse to employers and employed alike. The nature and purpose of these organizations are simply outrageous. They have been despotic toward their own members, oppressive toward the class in whose interest they pretend to have been established, impertinent and intermeddling. They have assumed the right to control property and business in which they had no more right than if they lived in the moon. There should be in the good sense of the great mass of laborers a reaction against this wretched crime, and this stupendous foolishness.

### *John Swinton's Paper* (January 27, 1884)

There are many who cannot understand why Trades Unions exist here. They have heard them described as alien to the American craftsman, causing strikes, and raising ill-feeling generally between... employer and employe[e].

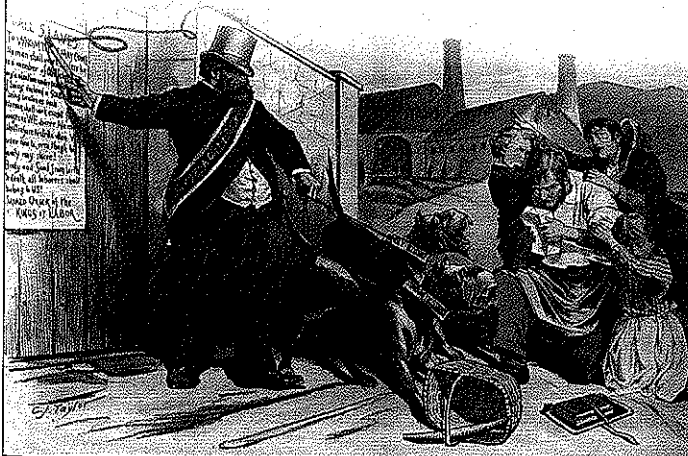
In the present state of industry, Trade Unions are a necessity, recognized as such by the great majority of intelligent workmen, ... and securing for their members a partial degree of protection without which they would sink into depths as yet unfathomed.

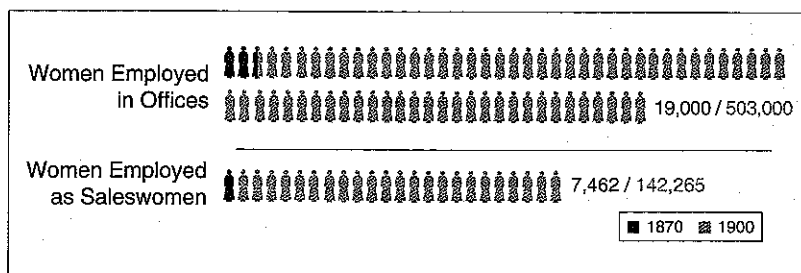
There is a hue and cry against the Unions as agencies that provoke strikes. In nine cases out of ten, strikes are made necessary by circumstances over which the Unions have no control whatever; sometimes they are a protest against unendurable reductions in wages ... sometimes by unjust conduct on the part of bosses or corporations. No Union to-day orders a strike that can be avoided by reasonable means; no Union orders a strike without full consideration of the subject and after a fair vote. ...

But we are told that no strike ever brings any advantage to the strikers ... This is a mistake that cannot be made by any one who has observed the results of strikes either in the United States or in any other country. ...

But strikes often fail,—yes, it is true. Capital often triumphs in the conflict with labor,—true again. Yet capital would be even harsher and more exacting than it is, if it were not for the protest of the strike, and the warning that it gives. The wages which, in many industries, are but little above the living point, would be put down and kept down to the starvation point, if the men accepted with submissive spirit every reduction of wages, and all the severe terms that capital tries to enforce.

**This Puck magazine cartoon from the mid-1880s portrayed labor union officials as tyrants who hurt the interests of workers**





**16.14** Rising Numbers of Women in the Paid Workforce  
Economic necessity and a desire for greater independence brought millions of women into jobs outside the home.

## New Roles and Opportunities for Women

Economic necessity brought millions of women into the paid workforce. Whereas just 13 percent of women worked outside the home in 1870, 20 percent did so by 1900. Nearly all these women were single and younger than twenty-five years of age. Domestic service (cooking, cleaning, and childcare in the homes of middle- and upper-class families) remained the leading occupation for wage-earning women in this period, but increasing numbers also took on factory work, especially in the garment and textile industries. Like their male counterparts, these women factory workers labored at repetitive tasks for long hours and in unsafe conditions—but for only half (or less) the wages of men. Employers justified this disparity by claiming women worked merely for extra money whereas men worked to support whole families and therefore deserved higher pay. In fact, many working-class families depended for their survival on the earnings of their sixteen- to twenty-five-year-old daughters. Factory owners simply paid them less because women were powerless to prevent it.

While increasing numbers of women took jobs in factories, the Industrial Revolution also produced a vast array of other kinds of jobs that women came to fill. The emergence of modern corporations

requiring armies of secretaries, clerks, and stenographers, combined with the invention of the telephone, adding machine, and typewriter, created new opportunities for educated, native-born, white women (16.14). Teaching, social work, and, as indicated in the graduation photograph of the Philadelphia School for Nurses (16.15), nursing emerged in the late nineteenth century as an almost exclusively female professions. These fields, even though they represented new opportunities for women, were deemed appropriate because they drew on what was widely believed to be women's "natural" role as nurturers. The pageantry evident in this photograph, especially the bright white and highly professional uniforms, the elegant setting of the Philadelphia Academy of Music, and the presence of Red Cross founder Clara Barton (seated at center), indicates the high reputation the profession had achieved by the turn of the century.

Regardless of the level of work, social custom dictated that women leave the paid workforce soon after they married (only 5 percent of married women worked outside the home in 1900). Of necessity, working-class women continued to earn money to support their families. Only now they did so from within the home by taking in boarders, laundry, and "piece work," which paid by the piece rather than by the hour.

Far larger numbers of African American women, more out of economic necessity than custom, remained in the paid workforce even after marriage. In urban areas in both the North and South, many worked as domestic servants in white middle- and upper-class homes, providing cooking, cleaning, laundry, and childcare services. These jobs required long hours and paid low wages, but racist hiring policies in industry and other sectors of the economy left African American women with few options.

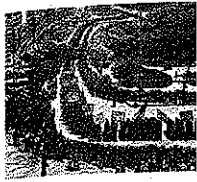
### 16.15 Women Find Opportunities in Nursing

These graduates of the Philadelphia School for Nurses, with Red Cross founder Clara Barton at center, were among the thousands of young women in the late nineteenth century who flocked to the nursing profession.



What factors explain the surge in the numbers of women entering the paid workforce?

# Conflicting Visions of Industrial Capitalism



As the Industrial Revolution unfolded in the late nineteenth century, Americans of all classes, occupations, and regions felt its impact. For many it was an age of wonder, marked by a steady succession of new inventions, ideas, and possibilities. Yet one did not have to look far for signs of anxiety, fear, and discontent. Numerous critics in the last decades of the nineteenth century offered a different vision of society, emphasizing the growing poverty, gaps between the rich and poor, and inequality.

## Capitalism Championed

The late nineteenth century witnessed an enthusiastic celebration of industrial capitalism and the many benefits it brought to American life. Proponents noted that every year American industry produced more consumer goods, ranging from inexpensive clothing in a dizzying array of colors and styles to exciting new products like phonographs and bicycles. It also generated new forms of transportation that allowed people, including the poor, to travel to new and different places. The introduction of industrial technology to farming led to stupendous annual harvests, falling food prices, and a more varied diet for the average American, who saw life expectancy rise from a mere 38.3 years for white men in 1850 to 50 years by 1910. Industrial technology such as the telegraph, telephone, and steam-powered printing press allowed for the unprecedented spread of information and literacy (aided by an expanded public school system). And in spite of unrest, depressions, and strikes, real wages for the average worker rose 50 percent between 1860 and 1900 (74 percent for skilled workers and 31 percent for unskilled). To these optimists industrial capitalism meant progress.

Of the enthusiastic champions of the new industrial order, none was more fervent and influential than Andrew Carnegie. He offset his hard-driving corporate style with a carefully constructed public image designed to set him apart from many of his fellow industrialists who angered the public with arrogant pronouncements. William K. Vanderbilt, for example, once brushed aside the suggestion that his business practices violated the law by saying, "Law! What do I care about the law? Hain't I got the power?"

In countless speeches and in articles in prominent magazines, the nation's most famous industrialist defended the status quo and emphasized its virtues. He argued that men of industry like him were not, as critics charged, greedy, abusive monopolists. Rather they were visionaries who built key industries that brought immeasurable benefits to Americans, including thousands of jobs for workers and countless products that improved the quality of life. Granted, Carnegie explained in what he came to call the "Gospel of Wealth," he and other entrepreneurs had grown fabulously rich, but this was a necessary and beneficial result of a free economy. Without the hope of future riches, business leaders would not have the incentive to seek new opportunities, take risks, and develop new products.

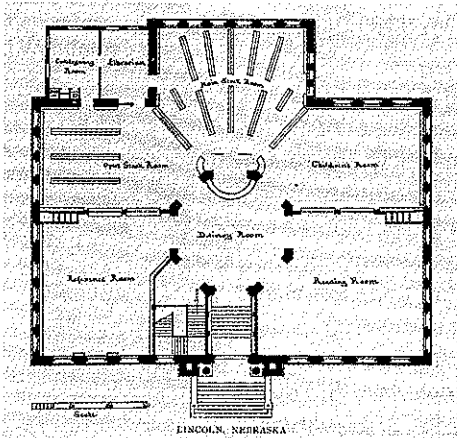
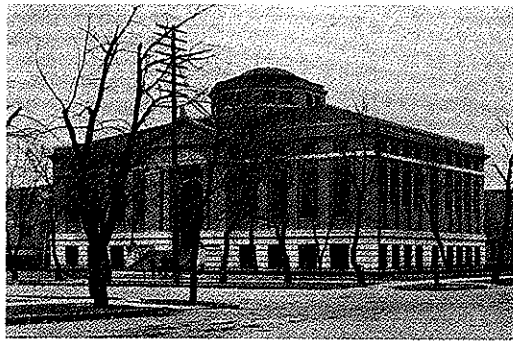
---

**"I can hire one half of  
the working class to kill  
the other half."**

Financier and railroad magnate  
**JAY GOULD**

---

Carnegie and other champions of big business also emphasized that industrial fortunes could be—and increasingly were—used to fund philanthropic projects such as schools and libraries. Carnegie was already the nation's most ostentatious philanthropist in 1901, the year he sold his steel empire to financier J. P. Morgan for \$400 million. He donated millions to various causes, but most famously to his program of funding public libraries. For a man who was both conservative and optimistic, libraries appeared the perfect form of charity because they provided the



**16.16 The Carnegie Library and Floor Plan in Lincoln, Nebraska**  
As a symbol of the virtue of industrial capitalism and the spirit of individual uplift, steel magnate Andrew Carnegie funded nearly 1,700 public libraries in America. The exterior designs reflected the popularity of classical styles circa 1900. The design of the interiors emphasized the industrial values of order and efficiency.

that stressed efficiency and order—similar to the values reflected in the design of his steel factories. Note how the floor plan allowed for a single centrally located librarian (seated at the curved desk in the center) to monitor all the neatly organized spaces devoted to reading, children, reference, and stacks.

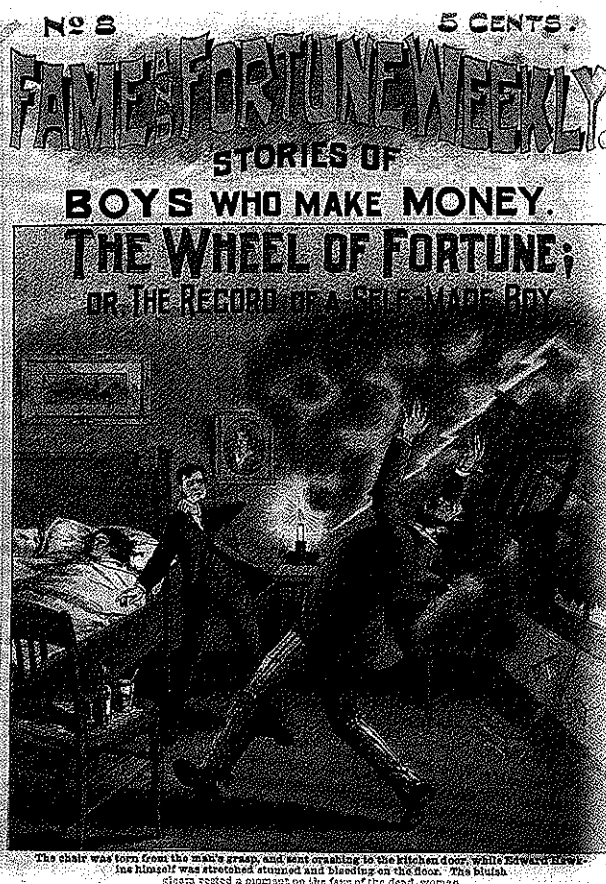
When Carnegie and other defenders of industrial capitalism were asked about the growing problem of poverty amid such progress, they pointed to what they claimed was the greatest virtue of a capitalist economy: the idea of the self-made man. As Carnegie's own life story seemed to attest, anyone, regardless of birthplace, family, education, or poverty, could rise up the ladder of success. Success was by no means guaranteed, noted Carnegie. But for those who possessed self-discipline, intelligence, frugality, and diligence and who avoided liquor, and debt, the future was bright.

Aiding Andrew Carnegie and other optimists in spreading this ideal of the self-made man was Horatio Alger. A former minister, Alger wrote more than one hundred young-adult books, beginning with *Ragged Dick* in 1868, all with similar plotlines, featuring a young boy, often a bootblack or a delivery boy, who lived a life of poverty and irresponsibility on the mean streets of a big city. Through the intervention of a “respectable” man, the

ambitious, hard-working, and intelligent not with a handout, but rather an opportunity to better themselves. This Carnegie library (16.16), built in Lincoln, Nebraska, in 1901, typified the more than 2,500 (1,689 in the United States) libraries funded by Carnegie between 1886 and 1929. Communities awarded a library were allowed pick their own architectural style. Most, like Lincoln, opted for some variation on the widely popular neoclassical style. But Carnegie and his staff that oversaw the program insisted that library interiors follow a general design

boy eventually discovers that he need only end his prodigal ways and pursue education and opportunity to enjoy the good life. Alger sold millions of books and his success inspired imitators who churned out similar books and magazines, including the popular *Fame and Fortune* magazine (16.17). As this cover shows, each weekly installment offered dramatic “stories of boys who make money” by exhibiting honesty, diligence, and courage.

Not all conservative defenders of industrial capitalism shared Alger's rosy vision of a society where anyone willing to work hard, save money, and avoid liquor could find success. They subscribed to a theory known as social Darwinism, a corruption of British naturalist Charles Darwin's theory of natural selection (later termed “evolution”). Popularized by British philosopher and sociologist Herbert Spencer, he took Darwin's central idea that in evolution, plants and animals that are able to adapt to changing conditions survive while others become extinct,



**16.17 The Promise of Success**

Taking their cue from the success of Horatio Alger's success in writing scores of young adult novels, many imitators published similar books and magazines preaching that reward and respectability could be had if only one worked hard, told the truth, and helped the less fortunate.

tailoring it to fit his idea of modern industrial society as "survival of the fittest." The wealthy and powerful in society were the "fittest," people endowed with innate characteristics of intelligence, strength, and the adaptability that enabled them to succeed in the competitive world of business. And the poor? They were the "unfit," men and women consigned by nature to failure, misery, and early death. To impose government regulation on corporations, proponents argued, was both immoral and impractical, an affront to the laws of nature and God. Equally important, social Darwinism argued against any initiatives public or private to alleviate the plight of the poor, which would lead to the survival and growth of the unfit population with devastating consequences for society.

"What a blessing to let  
the unreformed drunkard  
and his children die, and not  
increase them above all others.  
.. How wise to let those of  
weak digestion from gluttony  
die, and the temperate live.  
What benevolence to let  
the lawless perish, and  
the prudent survive."

*The Christian Advocate* (N.Y.), 1879

## Capitalism Criticized

Despite these confident assertions on the morality and virtue of laissez-faire industrial capitalism, a host of critics decried the widening chasm between the rich and poor. While some four thousand had become "millionaires" by the early 1890s, millions of Americans lived in poverty, or perilously close to it. A tour of any city provided ample evidence of what some called the "haves and the have nots," people who dwelled in "sunshine and shadow." This cover drawing for Mathew Hale Smith's popular book of the same name from 1869 contrasts the two extremes found in New York City: merchant A. T. Stewart's Fifth Avenue mansion, and a brewery-turned-mission in the notorious Five Points district downtown (16.18).

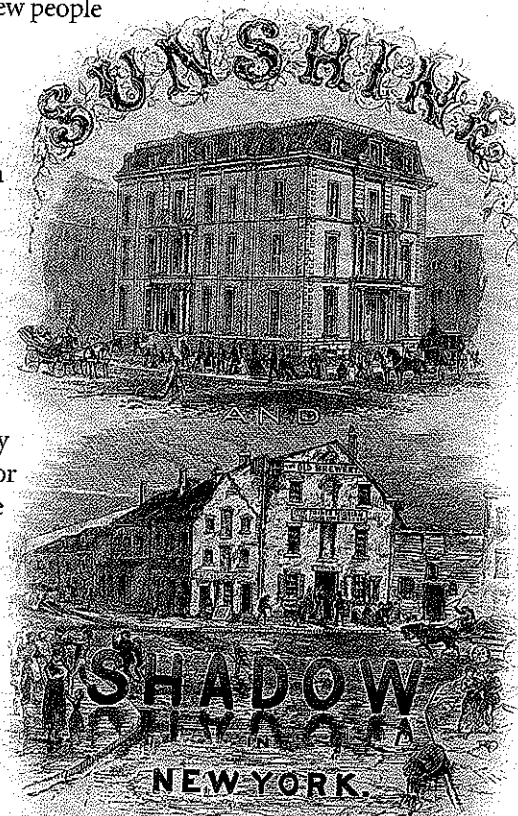
In the former neighborhood were the homes of the Stewarts as well as the Vanderbilts, Astors, Morgans, and Carnegies. They attended opera at the opulent Metropolitan Opera House, entertained each other at lavish balls and dinners, and summered in their fifty-room "cottages" in coastal retreats like Newport, Rhode Island. A few miles downtown in Five Points and the surrounding Lower East Side district, nearly one million people lived in tiny, airless tenement apartments with no running water or toilets. Their neighborhoods had no parks, and their streets were filled with filth due to irregular street cleaning in poor neighborhoods.

A growing number of reformers, ministers, and social critics began to question whether American democracy, with its ideals of equal rights and individual freedom, could endure under such conditions of inequality and enslaving poverty. A self-taught political economist named Henry George, troubled by the growing social inequality and rising class conflict in the mid-1870s, wrote an influential book, *Progress and Poverty*. As the title suggested, George addressed one of the central questions of the age: Must increased poverty accompany industrial and technological progress? If so, he warned, American democracy was doomed. George claimed that the monopolization of resources, especially of land, by powerful elites was to blame for the looming social crisis. Few people understood or supported George's unorthodox solution (a "single tax" on land values), but his vivid diagnosis of the rising clash between labor and capital and his vision of a more equitable social order gained him an enormous following in the 1880s and turned *Progress and Poverty* into a bestseller. In 1886 the United Labor Party nominated George to run for mayor of New York City. He lost the contest but polled 68,000 votes—in an era when labor candidates typically only received a few hundred.

Edward Bellamy achieved a similar level of fame as a critic of laissez-faire capitalism with his

### 16.18 The Growing Gap between the Haves and Have-Nots

The cover of Matthew Hale Smith's book about New York City, *Sunshine and Shadow*, captured the fascination and the fear with which Americans regarded growing poverty amid rising levels of wealth.





novel *Looking Backward, 2000–1887*. Published in 1887, it told the story of Julian West who, like Rip Van Winkle in another era, falls asleep in 1887 and awakens in the year 2000. To his astonishment he finds American society transformed into a socialist utopia. The class conflict, poverty, and economic inequality of the late nineteenth century are gone. The government controlled the economy, eliminating destructive competition and providing a comfortable living for all citizens. Bellamy's book became a bestseller and his largely middle-class followers established nearly five hundred clubs to spread its message.

## Power in Numbers: Organized Labor

Less famous, but in many ways far more influential than critics like George and Bellamy, were the protests of those most buffeted by the Industrial Revolution: workers. Through the pages of labor newspapers and in speeches at worker rallies—and in actions such as strikes—American workers articulated a sharp critique of the new industrial order. A small percentage were socialists, but most supported the broad ideals of a free market economy. Their protest stemmed from the growing conviction that greedy monopolists, in league with unscrupulous politicians, had seized control of the economy and bent it toward their own advantage. As a result, argued workers, they received a shrinking portion of the wealth they created, while working longer hours in increasingly inhumane conditions. Try as they might, these workers claimed, the upward mobility celebrated by Andrew Carnegie and Horatio Alger was less and less attainable.

Unsettled and angered by their declining power in the face of big business, American workers

renewed their efforts to organize labor unions. In 1869 a small group of Philadelphia garment cutters met to form The Noble and Holy Order of the **Knights of Labor (KOL)**, a labor organization that in the 1880s accepted workers of all trades and backgrounds to become the world's largest industrial union. It called for many of the same reforms as the NLU, but added a long list of radical, even utopian, goals. For example it advocated the replacement of the existing competitive industrial system with an economy based on cooperation. In addition unlike the NLU's emphasis on craft workers, the KOL was an industrial union open to all workers, including unskilled wage earners, immigrants, and eventually women and African Americans. Leaders of the KOL believed that fundamental change in the industrial order was impossible unless this broad spectrum of workers joined forces.

To ensure success in the face of employer hostility, the organization adopted a policy of strict secrecy that necessitated holding meetings in clandestine locations. This requirement, however, combined with the severe economic depression of 1873–1877, hindered its growth. By 1879 it counted just ten thousand members, most in Pennsylvania. Two key developments that year soon propelled the KOL into the national spotlight as the world's largest industrial union. First the national economy recovered from the depression of the mid-1870s, providing wage earners with a measure of economic security that allowed them to form and join local unions in huge numbers. Second, a young machinist named Terence Powderly became the KOL's leader, or Grandmaster Workman. Powderly was a superb organizer and gifted orator who in 1882 abolished the KOL's secrecy rule, a decision that made it possible to recruit thousands of new members and fend off accusations from employers, politicians, and religious leaders that the KOL was a sinister and conspiratorial organization.

Membership soared from 10,000 in 1879 to 42,000 in 1882 (on its way to an eventual peak of more than 700,000 in late 1886). What drew many workers to the organization was the KOL's sharp critique of laissez-faire capitalism and emphasis on economic justice and democracy. Its constitution decried, "the recent alarming development and aggression of aggregated wealth" by industrialists, bankers, and stock speculators, warning that it would soon lead "to the pauperization and hopeless degradation of the toiling masses."

These sentiments and spirit of protest inspired workers in New York City, many of them KOL members, to establish the Labor Day holiday in

### 16.19 Establishing Labor Day

In 1882 workers in New York City held the first Labor Day celebration. It soon became a national holiday.



Why did so many workers find the Knights of Labor so appealing?

September 1882. The organizers took great care to present workers as orderly and dignified, marching in almost military fashion (16.19). Yet they also held aloft signs voicing their grievances (“Abolish Contract Labor” and “8 Hours to Constitute A Day’s Work”) and announcing their intent to reclaim their influence in the political system (“Vote for the Labor Ticket”). Others proclaimed the importance of workers (“Labor Creates All Wealth” and “Labor Pays All Taxes”) and in an age of growing economic inequality, reminded the spectators of key American principles (“All Men Are Created Equal”). The annual Labor Day holiday quickly gained popularity. By 1886 it was a national event, and in 1894 President Grover Cleveland signed into law a measure establishing Labor Day as a holiday for all federal workers.

Another significant aspect of the KOL’s vision, albeit one that was not embraced in every part of the country, especially the South, was its inclusion of African American workers as members. Many in the KOL’s leadership argued that the union must include all workers, including blacks, because employers would inevitably use them against organized labor to break strikes and lower wages. This same argument for inclusion led the KOL to allow women members. As a result, in an era when labor unions were almost exclusively the domain of white men, the KOL garnered a membership by 1886 that was 10 percent women and 10 percent African American.

Many workers also joined the KOL because of its emphasis on practical goals. Its constitution called for the eight-hour workday, equal pay for men and women, the establishment of state bureaus of labor, and the prohibition of child and convict labor. The KOL also gained enormous support among workers for their successful leadership in strikes. But the decision to strike was difficult and carried great risks. (See *Choices and Consequences: To Strike or Not to Strike?*, page 494).

Most strikes in this period were small and local like the one at Mundell, but on several occasions the Knights of Labor enjoyed success on a grand scale. In 1885 railroad workers affiliated with the KOL won a strike against the Wabash Railroad, owned by financier Jay Gould, a man widely despised and feared by workers. Elsewhere the KOL popularized the boycott, the organized effort to discourage customers from patronizing a business engaged in anti-labor activity, as a very effective labor tactic less costly and risky than a strike.

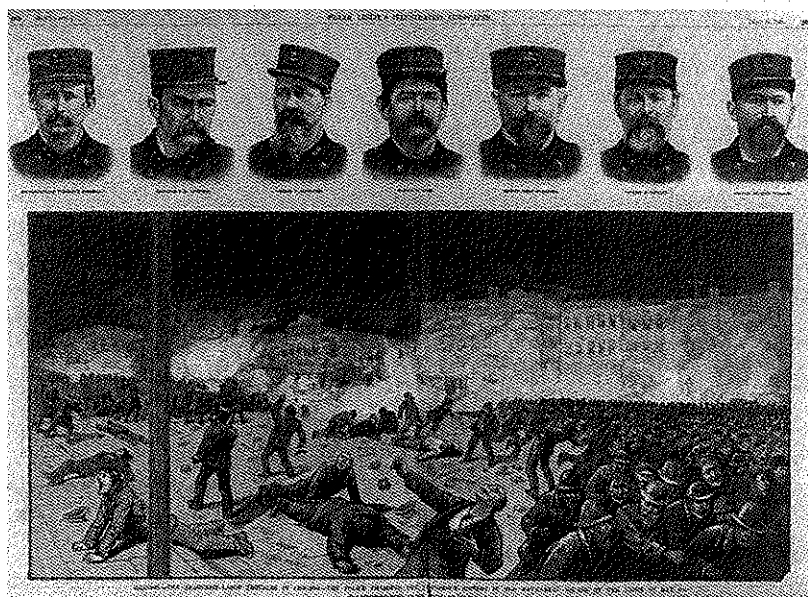
As the Knights of Labor grew larger in membership and influence in the mid-1880s, it alarmed

employers, politicians, and conservatives, who feared its radical rhetoric of class conflict and demands for economic reform. They denounced Powderly and other KOL leaders as radical socialists bent on promoting violence and class warfare. Although neither accusation was true, they made many Americans, including many wage earners, leery of the KOL union and organized labor in general.

## The Great Upheaval of 1886

Fear of the KOL in particular and the labor movement in general peaked in 1886. On May 1, 340,000 workers across the country staged a one-day work stoppage to bring attention to their demand for the eight-hour day. Three days later a far more serious incident occurred that would negatively affect the labor movement for years to come. Outraged by the killing of a striking worker outside the McCormick Reaper Works in Chicago, the city’s radical labor leaders called for a mass meeting in Haymarket Square on May 4. When three hundred Chicago policemen moved in to violently disperse the crowd, a bomb exploded amid their ranks. The enraged police attacked the crowd with guns and batons. In less than twenty minutes, seven policemen lay dead (most, an investigation would show, from shots fired by fellow police officers) along with four workers. The press quickly dubbed the incident the **Haymarket Incident**, and especially when accompanied by images such as this one (16.20), stoked vehement opposition to organized labor. Note the placement of the dead policemen in a sort of martyrs’ pantheon above a riot scene depicting “murderous rioters” being gunned down.

**16.20** The Haymarket Incident, 1886  
The Haymarket incident sparked a nationwide backlash against organized labor. Newspapers ran images like this one, in which martyred policemen hover over a scene where, “murderous rioters” are gunned down.



# Choices and Consequences

## TO STRIKE OR NOT TO STRIKE?

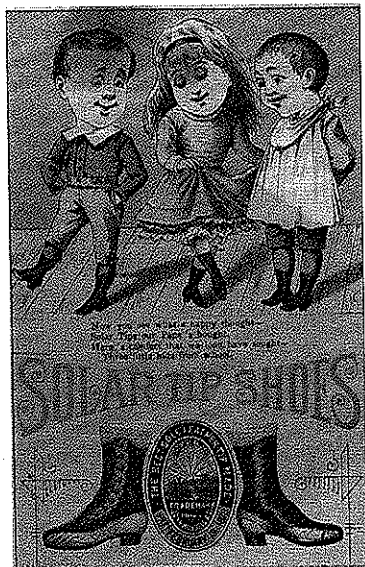
Most strikes in the late nineteenth century failed, but the surge in labor activism and the emergence of the Knights of Labor in the 1880s boosted confidence among workers that strikes could succeed. In the summer of 1881, the hundreds of male shoemakers in the Knights Local Assembly 64 successfully opposed a wage reduction by the Mundell Company in Philadelphia. Management then imposed a rate cut on its female shoemakers. One of the workers, Mary Stirling, urged the workers, men and women, to strike until the company rescinded the wage cut. The workers at the Mundell Company considered essentially three major options:

### Choices

1 Fearing for their jobs male and female workers refuse to strike.

2 Seeking to protect their recent victory, the men remain on the job while the women walk out.

3 Recognizing their mutual interests in opposing wage cuts for all workers, the male and female workers agree to strike together.



The Mundell Shoe Company was one of the nation's leading manufacturers of footwear in the late nineteenth century.

### Decision

Inspired by the Knights of Labor motto, "an injury to one is an injury to all," the seven hundred men and women of the Mundell factory decided on option 3, walking out at Mary Stirling's urging. The strike lasted several weeks, during which time the female workers formed their own KOL local assembly—even though the union did not yet allow for female members. Strikers organized pickets, rallies, and fundraisers to help pay for food and rent.

### Consequences

The Mundell Company, facing lost profits and pressure to settle from other factory owners who feared worker unrest, rescinded the wage cut. The victory boosted the confidence of the workers and the reputation of the Knights of Labor locally. Within three years the shoe industry alone had eleven local assemblies that managed to win many struggles with employers over wages, firings, and work rules. Even more important, later in 1881 Mary Stirling attended the national convention of the KOL and convinced the organization to admit women. By 1887, 10 percent of the KOL's 700,000 members would be women.

## Continuing Controversies

*How should organized labor deal with the rising number of women in the workforce?*

The admission of women into the KOL did not end the longstanding opposition of many American workers to the rights of women to work and to join unions. They continued to argue that keeping women out of the workforce would

open up jobs for men and raise overall wages. When the KOL fell apart in the 1890s, so did the status of women in the labor movement. The American Federation of Labor, the organization that succeeded the KOL, admitted few female members until well into the twentieth century.

The next day, as hysterical headlines across the nation proclaimed that revolution was at hand, Chicago police arrested eight men, all self-proclaimed anarchists, and charged them with murder. After a hasty trial in which even the prosecution conceded that no one had seen the men throw a bomb, all were convicted. Seven were sentenced to death and one to life imprisonment. Four were subsequently hanged, a fifth committed suicide in his cell. In 1893 Illinois elected a pro-labor governor who pardoned the remaining three, declaring they had not received a fair trial. Haymarket created a climate of fear and provided justification for public officials across the nation to crack down on the labor movement. Throughout the spring and summer of 1886, hundreds of labor activists were arrested—one hundred alone in New York City. In response workers in cities and towns across the nation formed labor parties and ran candidates for offices ranging from city councilor to governor. Most candidates lacked the money or experience to win, but there were some notable surprises. For example Chicago's United Labor Party polled 25,000 votes (of 92,000 cast) and elected a state senator and seven state assemblymen. In Milwaukee, the People's Party elected a mayor, a state senator, six state assemblymen, and one congressman. In one of the most widely watched contests, Henry George, the reformer and author of *Progress and Poverty*, finished a close second in the mayor's race in New York City—out polling Republican Theodore Roosevelt, who finished a distant third.

Several divisive developments, however, soon overwhelmed the unity and hope expressed by workers at the polls in November 1886. First the tumult of

1886 brought to the fore the dissatisfaction of many skilled workers within the KOL. Deeming the organization too strike prone and too influenced by socialists and radicals (who after Haymarket brought organized labor unwanted criticism), twenty-five unions of skilled workers convened in Columbus, Ohio, in December 1886 and founded the American Federation of Labor (AFL). At the same time the more radical activists within the KOL grew dissatisfied with the leadership of Powderly, decrying his growing opposition to strikes and political action. Further weakening the labor movement was a continued atmosphere of anti-labor hysteria in the press and legal repression following Haymarket. Membership dwindled rapidly, falling from its high of 700,000 in 1886 to only 100,000 by 1890.

National leadership of the labor movement after 1886 fell to the newly formed AFL. Comprised exclusively of unions of skilled workers and led by cigar-maker Samuel Gompers, the AFL shunned the KOL's idealistic vision of cooperation. Instead it accepted capitalism and the wage system and focused on what it termed "pure and simple" goals: higher wages, shorter hours, and job security.

The AFL also rejected the idea of organizing unskilled workers, arguing that they were too weak and unreliable. They similarly excluded (with a few exceptions) women, African Americans, and recent immigrants. The AFL would grow to 1.6 million members by 1904. However its narrowed vision and conservative approach to the labor question would leave the growing numbers of less skilled industrial workers without a national voice until the 1930s.

## Conclusion

The United States industrialized at a rapid pace after 1865, becoming the world's most formidable industrial power by 1900. For many Americans, especially those who prospered as a result of this transformation, industrial capitalism ushered in an era of progress. But others, especially workers struggling in dangerous factories for long hours and meager wages, industrialization raised troubling questions about economic justice, social equality, and democracy. Thousands joined labor unions and

participated in an unprecedented number of strikes. Many middle- and upper-class Americans also worried about the growing gap between the rich and poor and expressed anxiety over the future prospects of America's republican traditions. As a result, this period of industrialization touched off a debate over the proper role of government in regulating the economy and protecting the rights and well-being of its most vulnerable citizens—a debate that would continue into the twenty-first century.