America Becomes an Industrial Nation

Industrialization, Immigration and Unions
1870 - 1920

American Progress, by John Gast (1872)

After the Civil War (1865) the U.S. economy was mainly based on agriculture

Homestead Steel Plant - near Pittsburgh, PA

http://highered.mcgraw-hill.com/sites/dl/free/0073385492/664101/image14.jpg

By 1920, the U.S. was the leading industrial power in the world

The U.S. had ideal conditions for rapid industrial growth

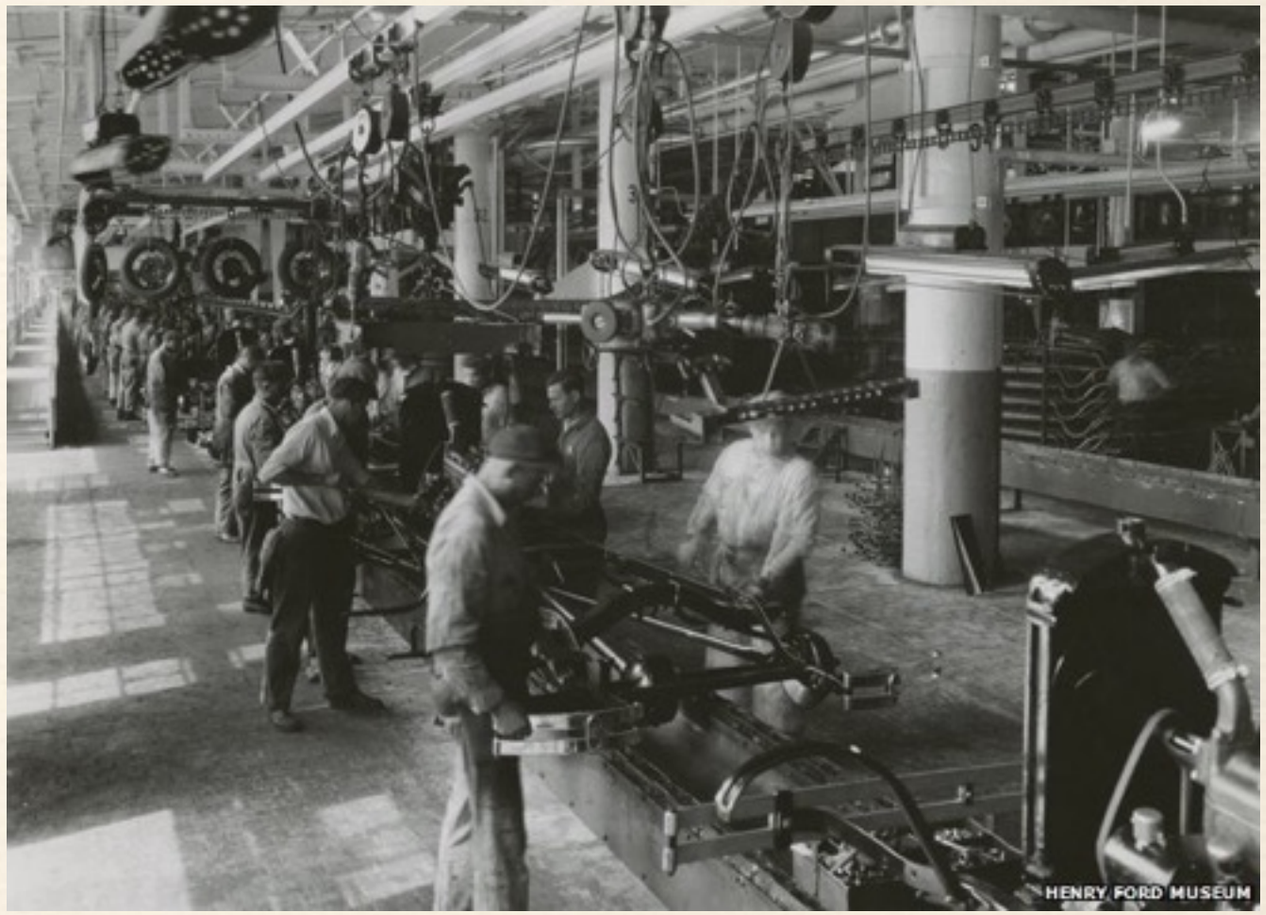
Talented entrepreneurs

Access to natural resources

Abundance of cheap labor

Efficient transportation system

Huge domestic market to sell goods



Black Gold!

In 1859, Edwin Drake used a steam engine to drill for oil

He established the first commercial oil well in the U.S.

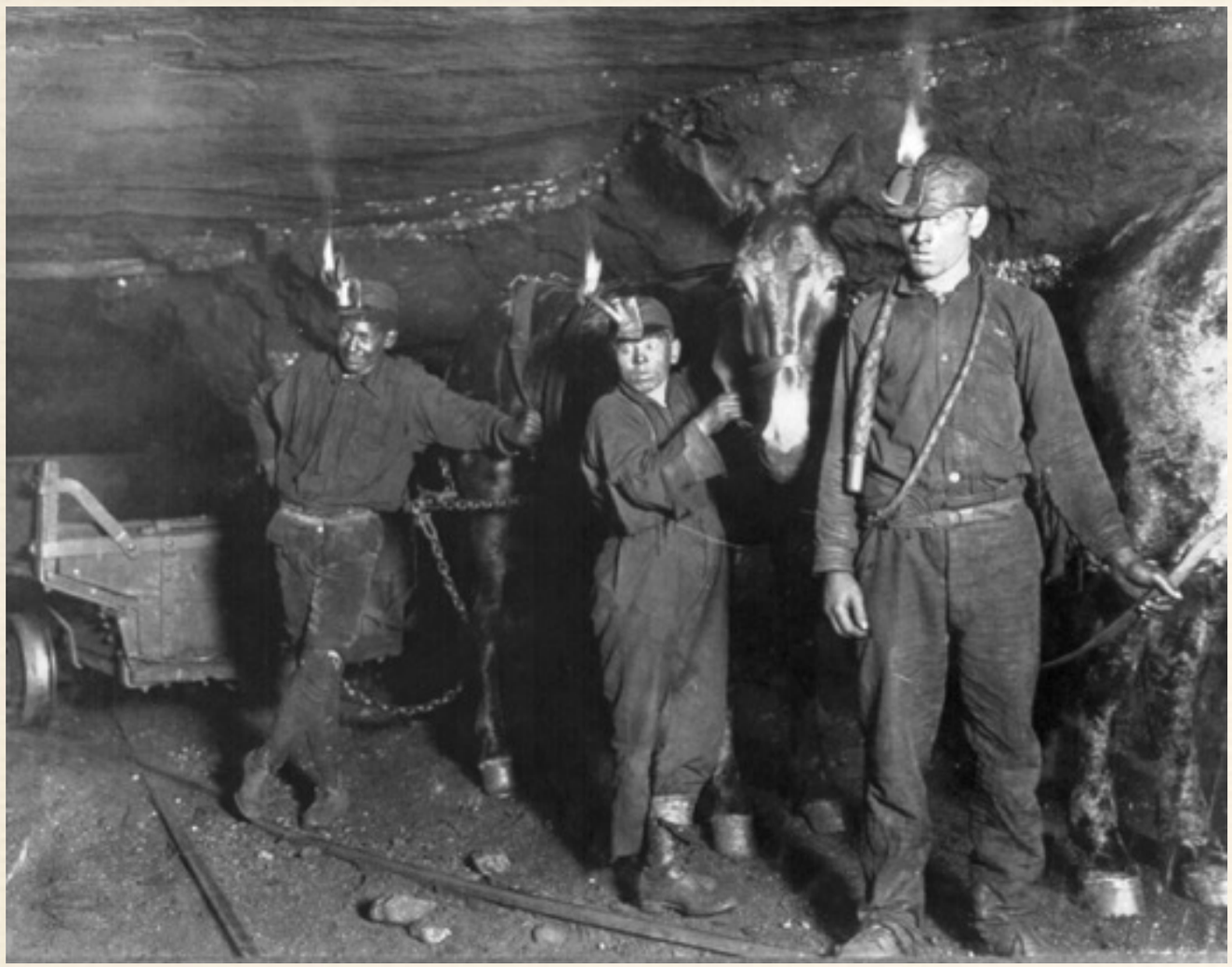
Initially, the oil was valuable because it was refined into kerosene.

Gasoline was a “waste product” of the refining process - often dumped in nearest river!

http://pabook.libraries.psu.edu/palitmap/DrakeWell.jpg

Drake’s Oil Well
Titusville, PA 1859

Coal & Iron Ore



http://upload.wikimedia.org/wikipedia/commons/4/4c/Child_coal_miners_%281908%29_crop.jpg

Coal Miners in West Virginia, 1908

America was rich with a variety of natural resources - including **coal** and **iron ore**

The **Bessemer Process** used coal to help convert iron into steel - a material that is lighter, stronger and more rust-resistant than iron

Steel was used to build America

Uses for Steel

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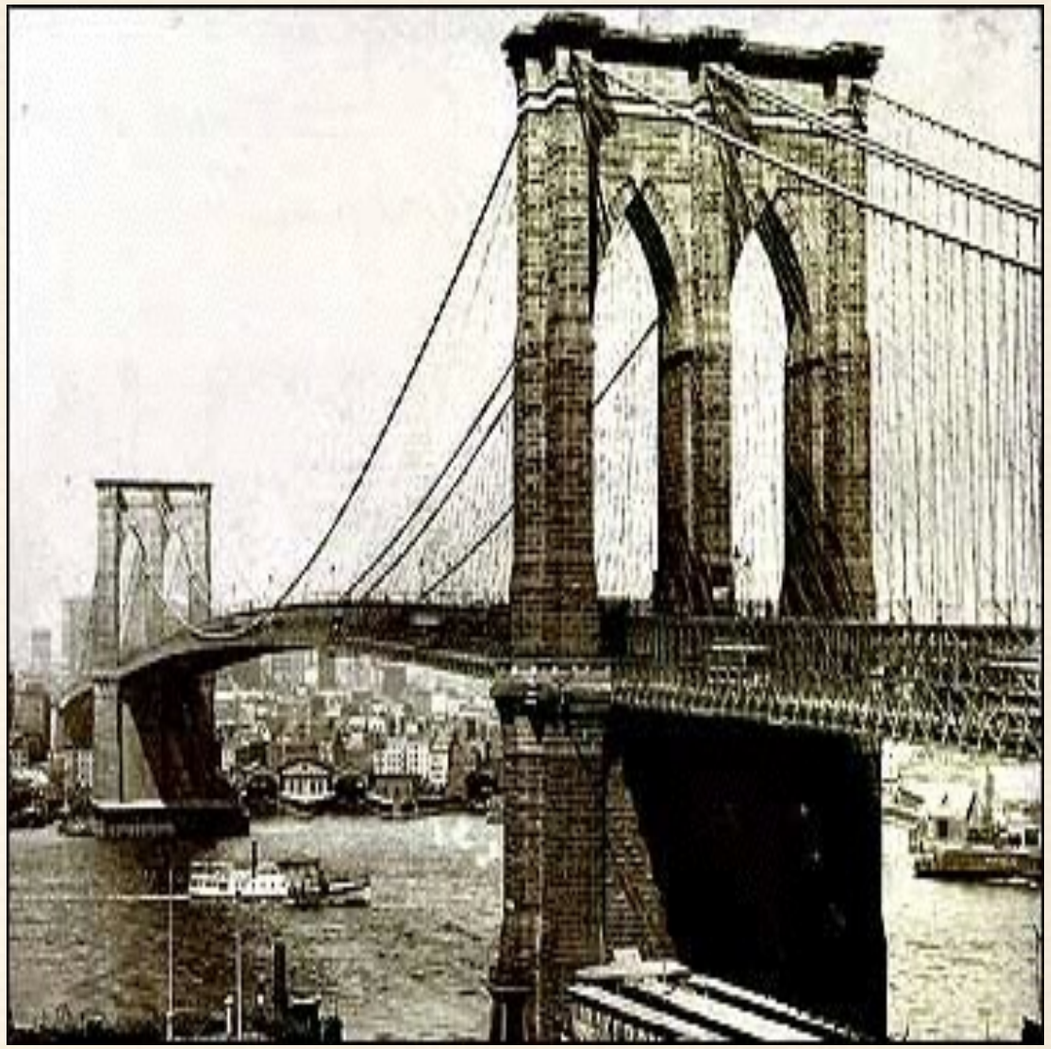
Completion of the
Transcontinental Railroad

Promonotory Point, Utah 1869



Brooklyn Bridge, 1883
Longest span 1,595 feet

Immigration

http://farm4.staticflickr.com/3211/3110156522_1a1c45eeeb_o.jpg

Main Hall at Ellis Island (circa 1902)

Between 1880 - 1920 approximately 20 million people immigrated into the United States

Immigrants were ambitious and looking for work

Immigrants were a source of inexpensive labor for America's factories

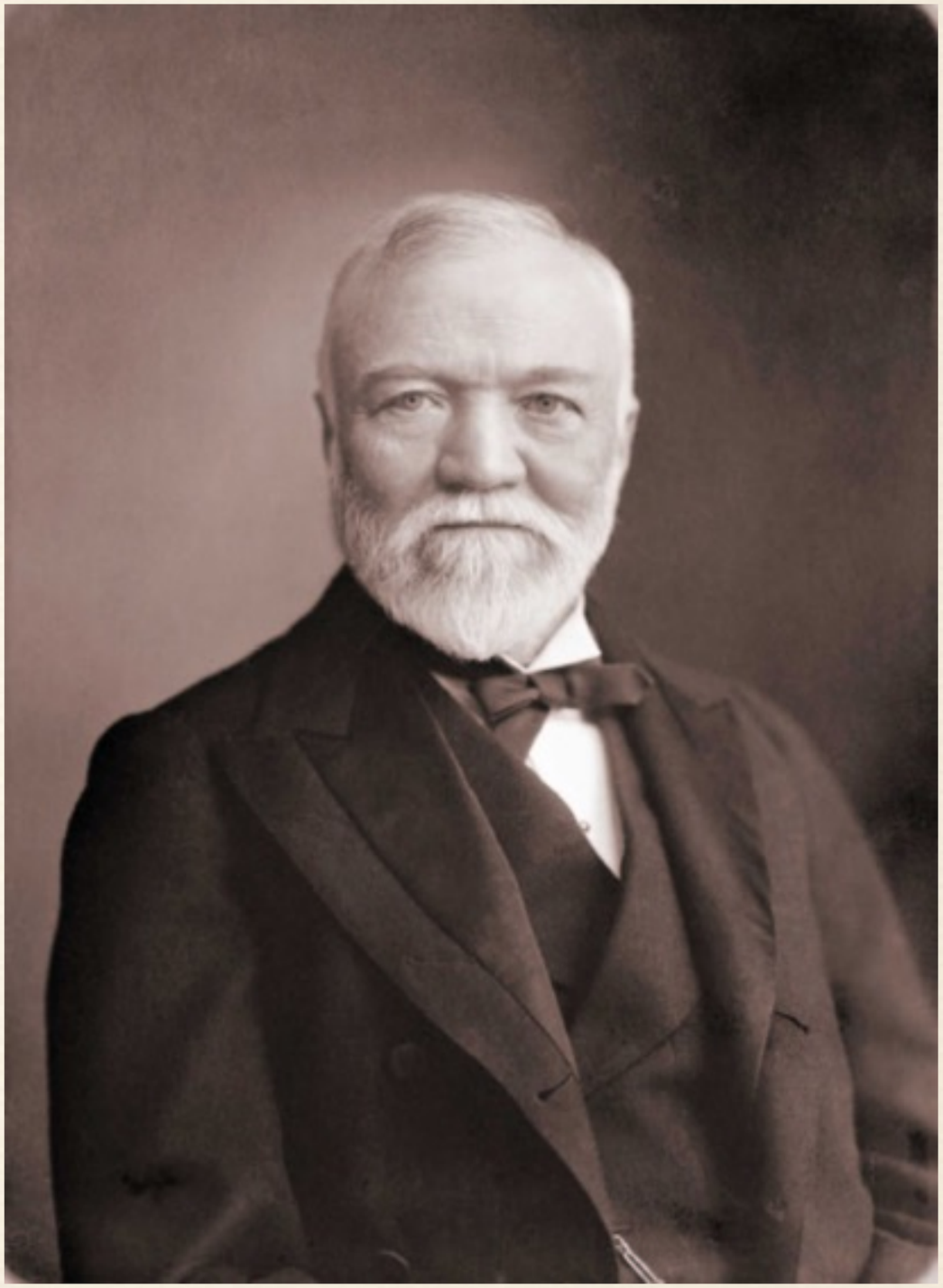
Business Leaders / Entrepreneurs

Andrew Carnegie
(1835 - 1919)

He was born in Scotland
Came to the U.S. at age 13

Most important for his role in the steel industry - Pittsburgh

His company, Carnegie Steel, controlled the industry - until he sold it to J.P. Morgan in 1901



http://explorepahistory.com/kora/files/1/2/1-2-A46-25-ExplorePAHistory-a0j4h5-a_349.jpg

Business Leaders / Entrepreneurs

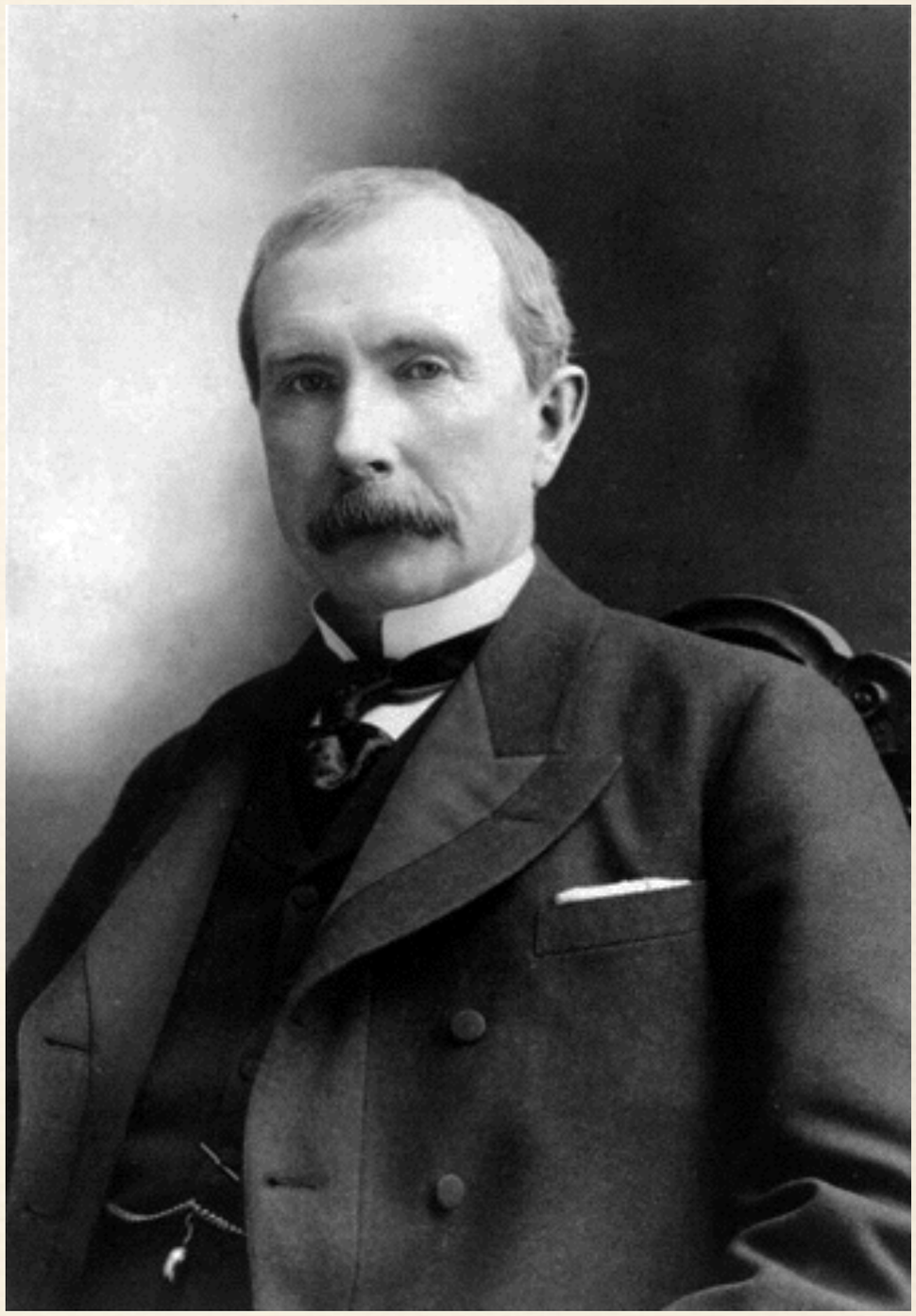
John D. Rockefeller
(1839 - 1937)

He was born in New York State
Moved to Cleveland at age 14

He got involved in the oil business
in 1867

In 1870, Standard Oil of Ohio
was formed

At one point, Standard Oil
controlled 90% of the refining
industry in the U.S.



http://upload.wikimedia.org/wikipedia/commons/6/6f/John_D._Rockefeller_1885.jpg

Business Leaders / Entrepreneurs

http://dealbreaker.com/uploads/2013/12/J.P._Morgan_cph.3a02120.jpg

J. P. Morgan
(1837 - 1913)

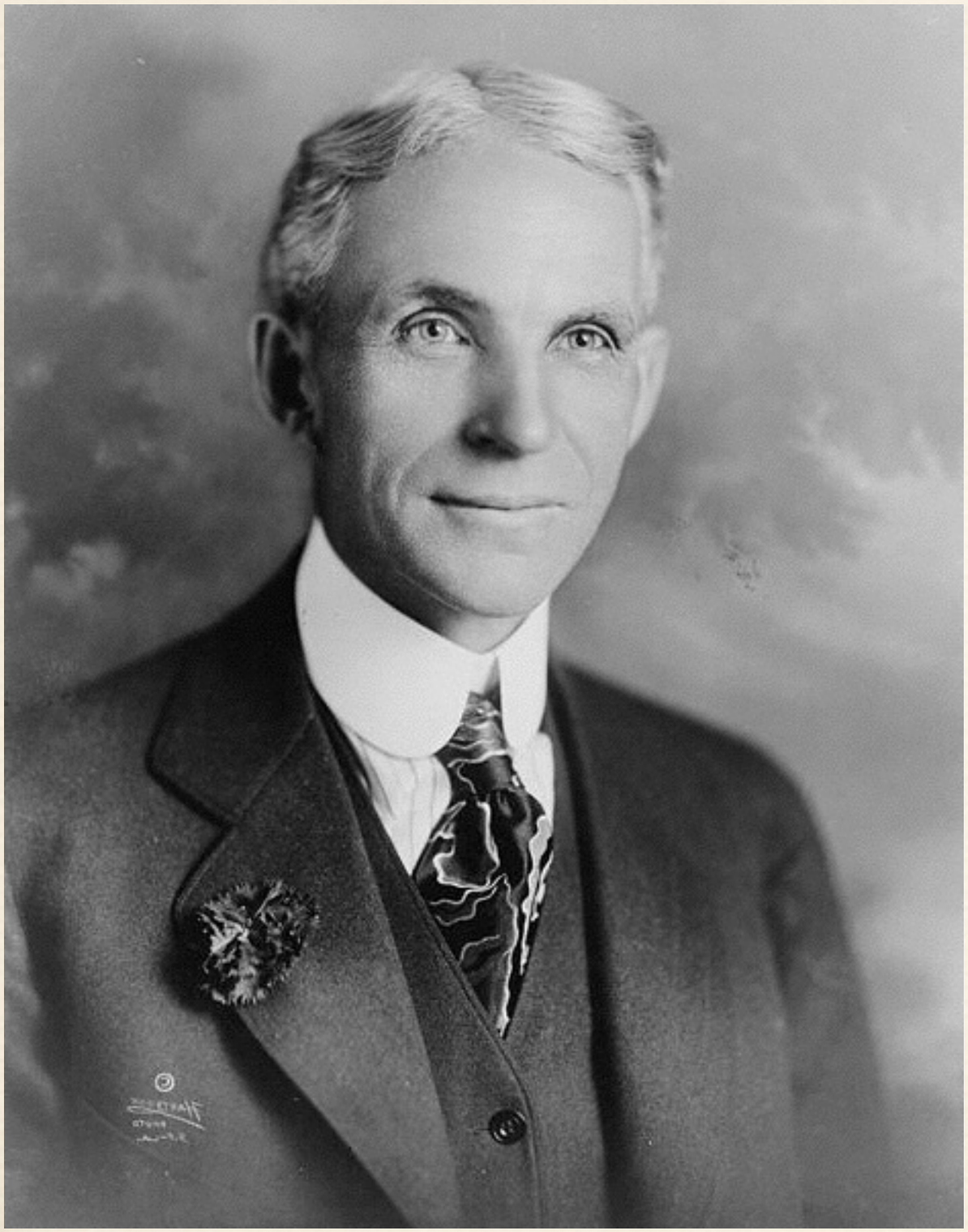
Born and raised in Hartford, CT.

Investments made by Morgan and his bank made possible the development of many industries

1882 - merged several companies to form General Electric

1901 - merged Carnegie Steel with several others to form U.S. Steel

Business Leaders / Entrepreneurs



http://www.americanautomove.com/wp-content/uploads/2013/03/henry_ford.jpg

Henry Ford
(1863 - 1947)

Born and raised in Michigan

Created his first self-propelled car (Ford Quadricycle) in 1896

Established Ford Motor Company in 1903

Used an assembly line & mass production to make cars affordable

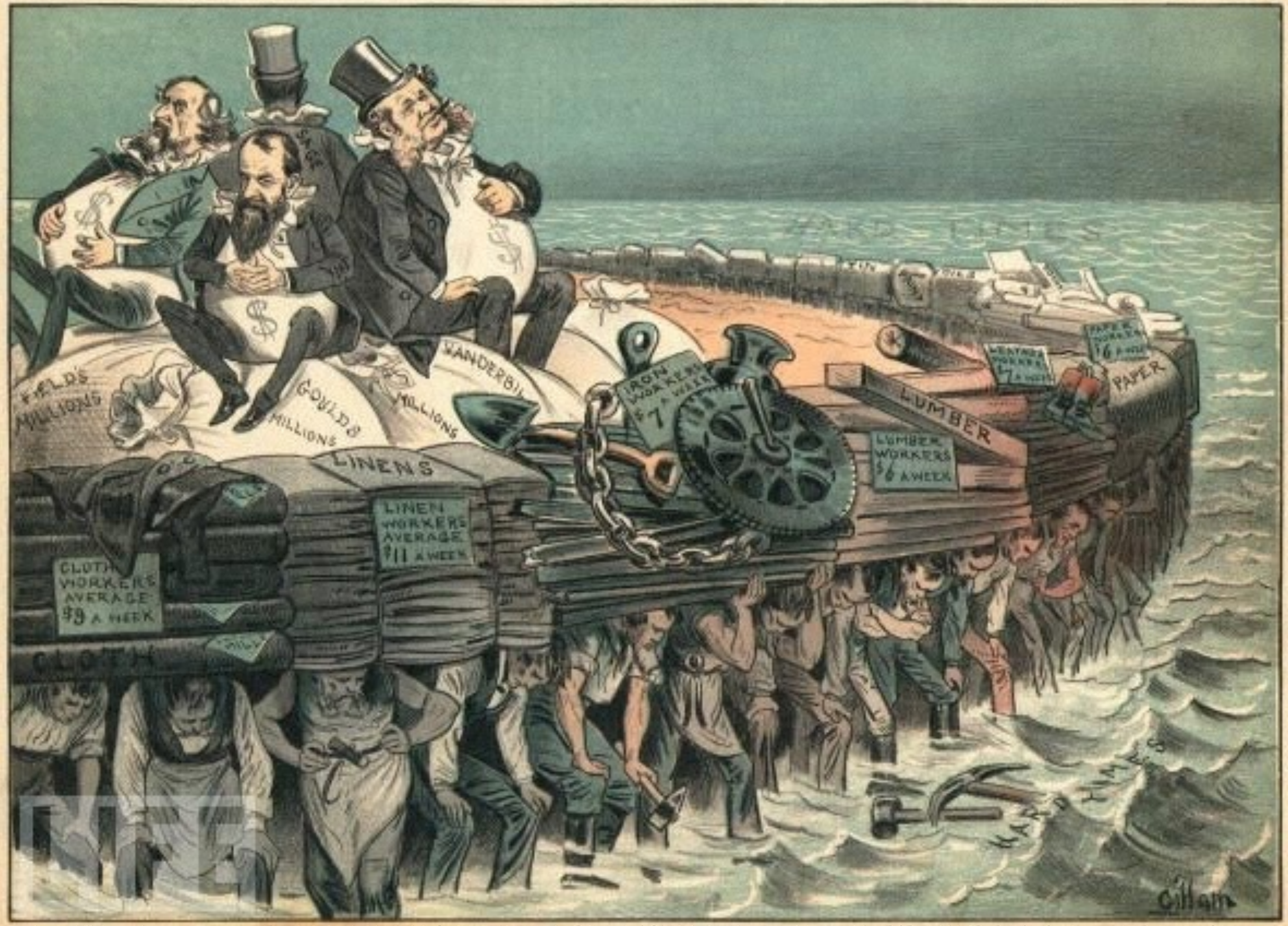
How should we view these men?

http://www.queensgallery.co.uk/library/McKean%202009/A%20captain%20of%20industry.jpg

"Captains of Industry"?

http://lewwaters.files.wordpress.com/2012/01/robber-baron-union-boss.png

"Robber Barons"?



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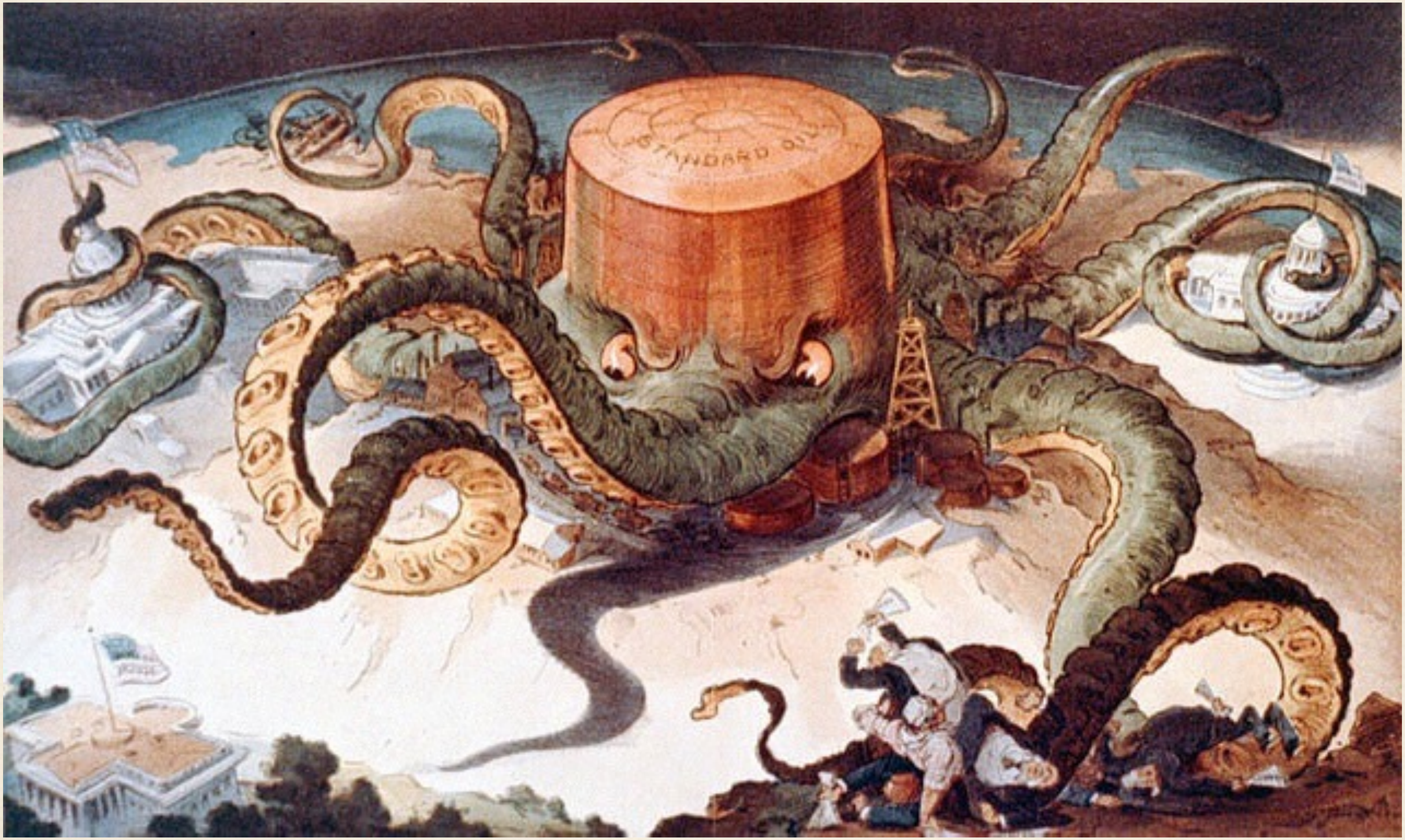

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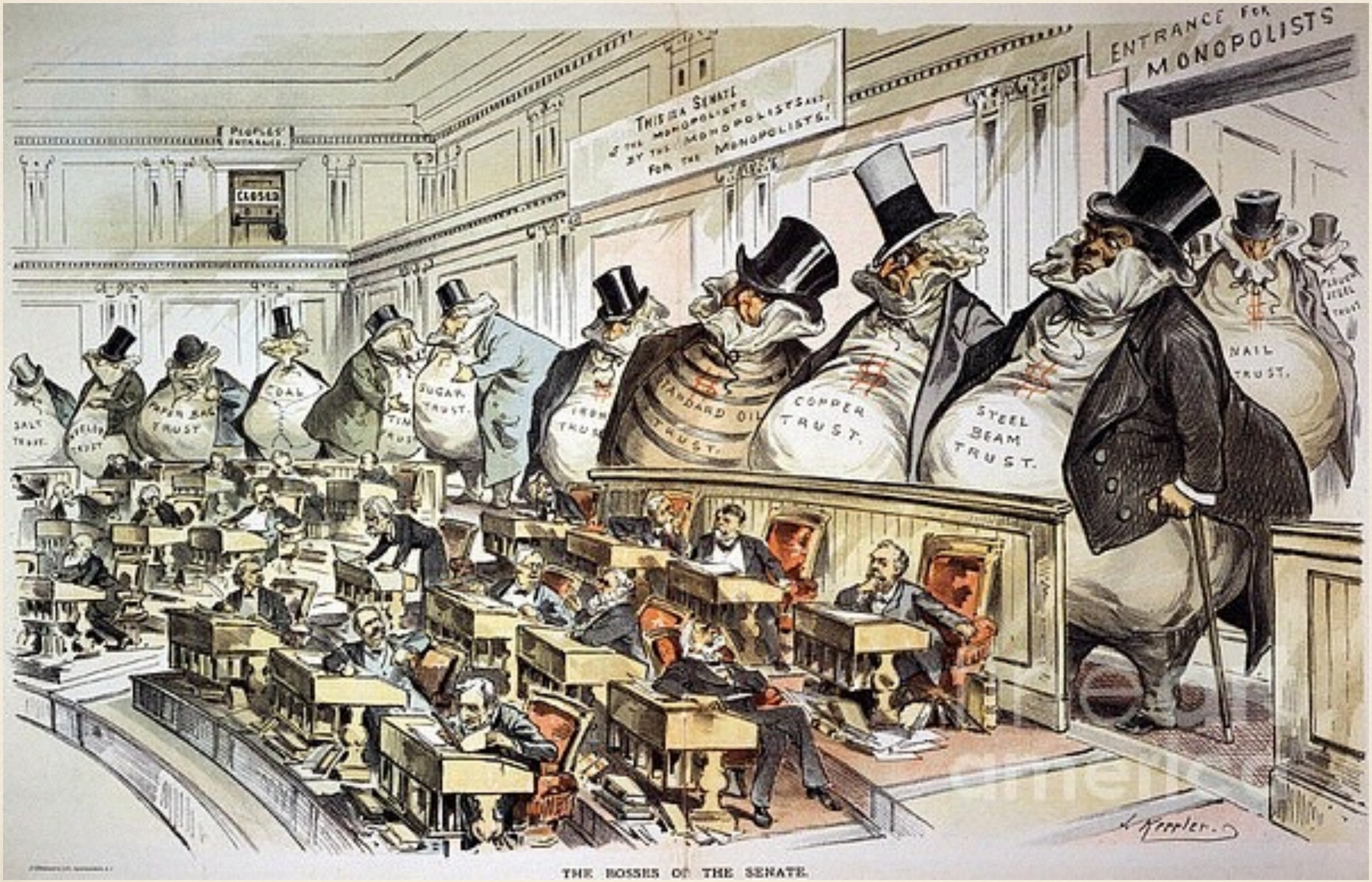


http://fineartamerica.com/images-medium/cartoon-anti-trust-1889-granger.jpg

Robber Barons were also Generous

Though often labeled as being greedy and self-centered, rich industrialists often had a generous side

Business leaders practiced ***philanthropy*** giving away large amounts of money

•Carnegie built libraries
•Rockefeller, Leland Stanford and Cornelius Vanderbilt built universities

Rockefeller Chapel, University of Chicago

New Ways of Doing Business

Rise of Corporations

www.pierce-arrow.org/contact/images/GenuineStockCertificate1.jpg

Corporations are businesses that are owned by people who buy stock in the company

Corporations as a business form make it possible to raise the huge amounts of money needed to build factories

New Ways of Doing Business

Monopolies

Mr. Monopoly

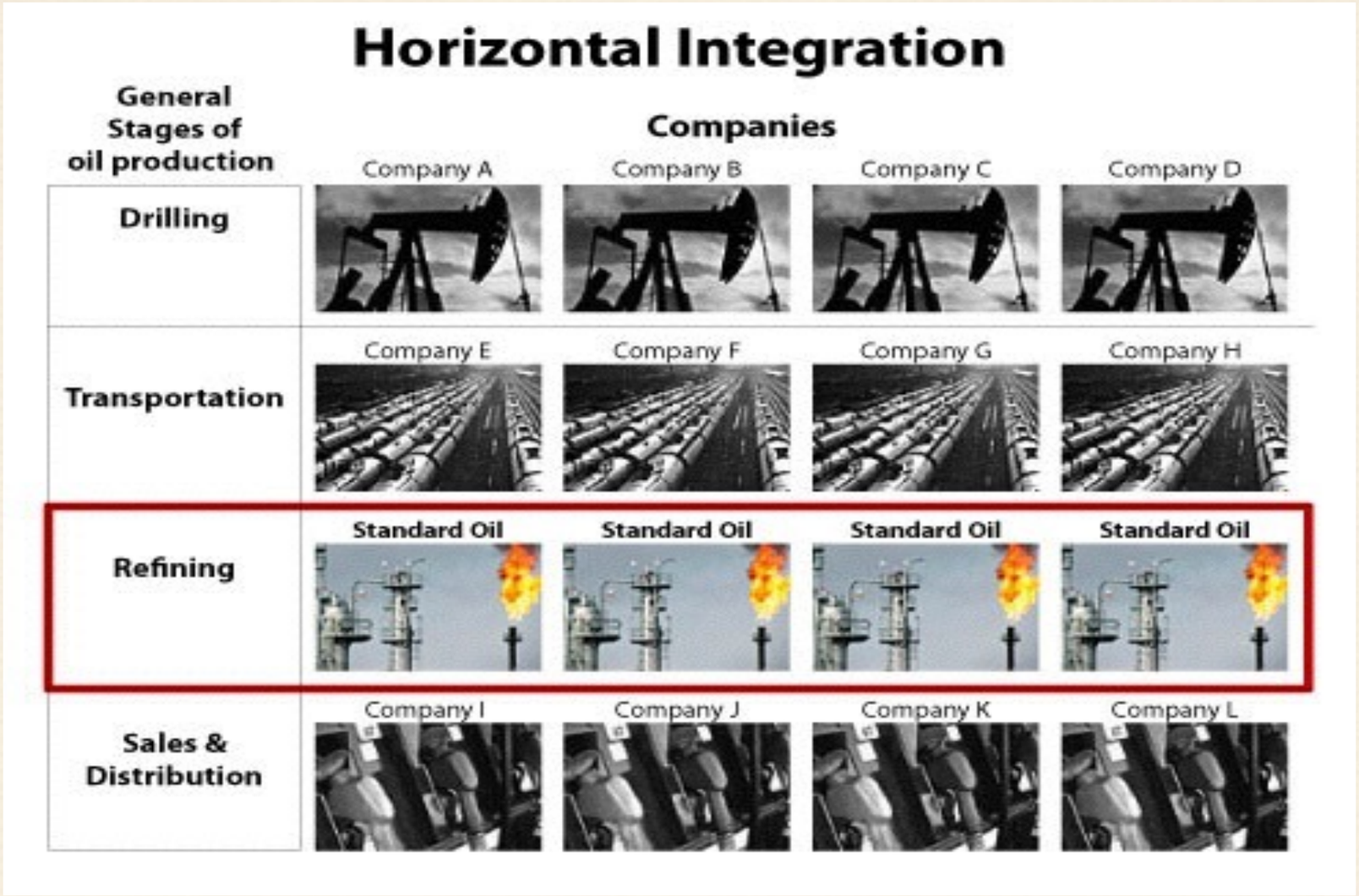
http://blogs.usatoday.com/photos/uncategorized/blogmonopoly.jpg

A monopoly exists when one company gains nearly complete control of an industry

There is little or no competition

The company with a monopoly is able to control the quality and price of the product

New Ways of Doing Business



<u>Horizontal Integration</u>: Combining two or more companies that are involved in the same industry

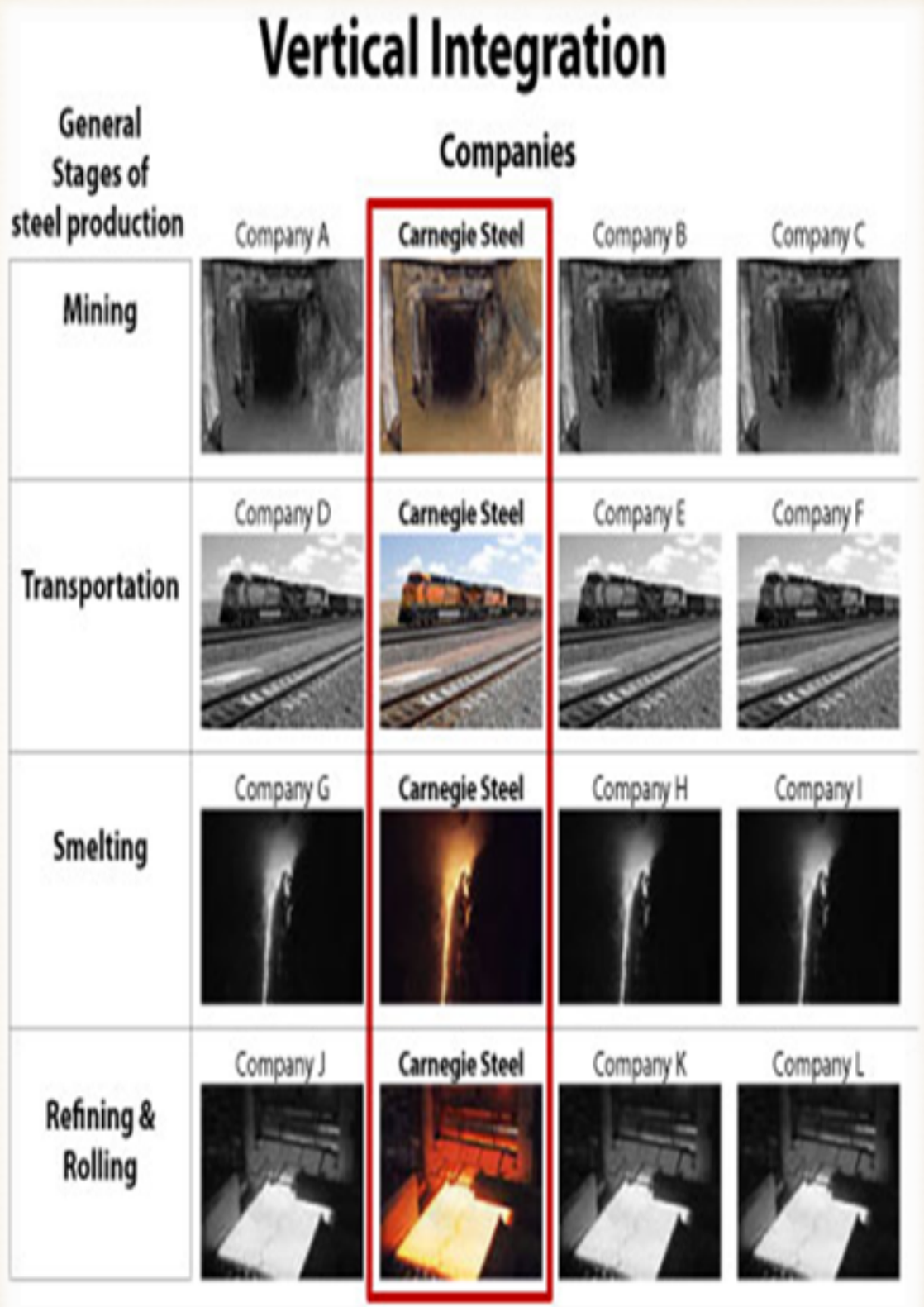
Example — If Coke and Pepsi would combine to create a single company

New Ways of Doing Business

Vertical Integration

When a single company - or a group of companies that are controlled by the same people, controls all aspects of producing a product

Carnegie Steel Corporation owned iron and limestone mines in Minnesota, coal mines in Pennsylvania and West Virginia, railroad lines from Cleveland and Erie Pa. to Pittsburgh, and barge companies on the Great Lakes and major rivers



Laissez Faire Economic Theory

http://www.biografiasyvidas.com/biografia/s/fotos/smith_adam.jpg

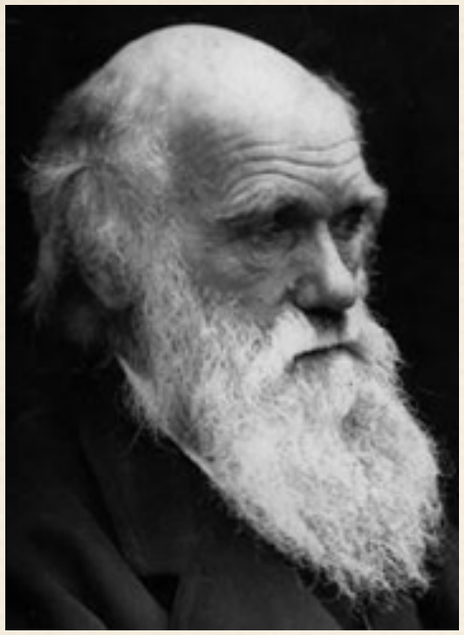
Adam Smith
1723 - 1790

In "***The Wealth of Nations***" (1776) Smith asserted that the economy is regulated [ruled] by the <u>invisible hand of supply and demand</u>

There is no reason for the government to be involved in the economy

Laissez-Faire: The government should keep its ***hands off*** the economy

Social Darwinism



Charles Darwin
1809 - 1882

The philosophy known as Social Darwinism has its origins in Darwin's theory of evolution

Darwin theorized that some individuals in a species flourish and pass on their traits, while others do not

Herbert Spencer developed the philosophy of Social Darwinism

Spencer believed that wealth was a sign of God's favor, and being poor was a sign of inferiority and laziness

Concentration of wealth in the hands of the "fittest" was a benefit to the human race as a whole

Herbert Spencer
1820 - 1903

Workers Faced Difficult Conditions

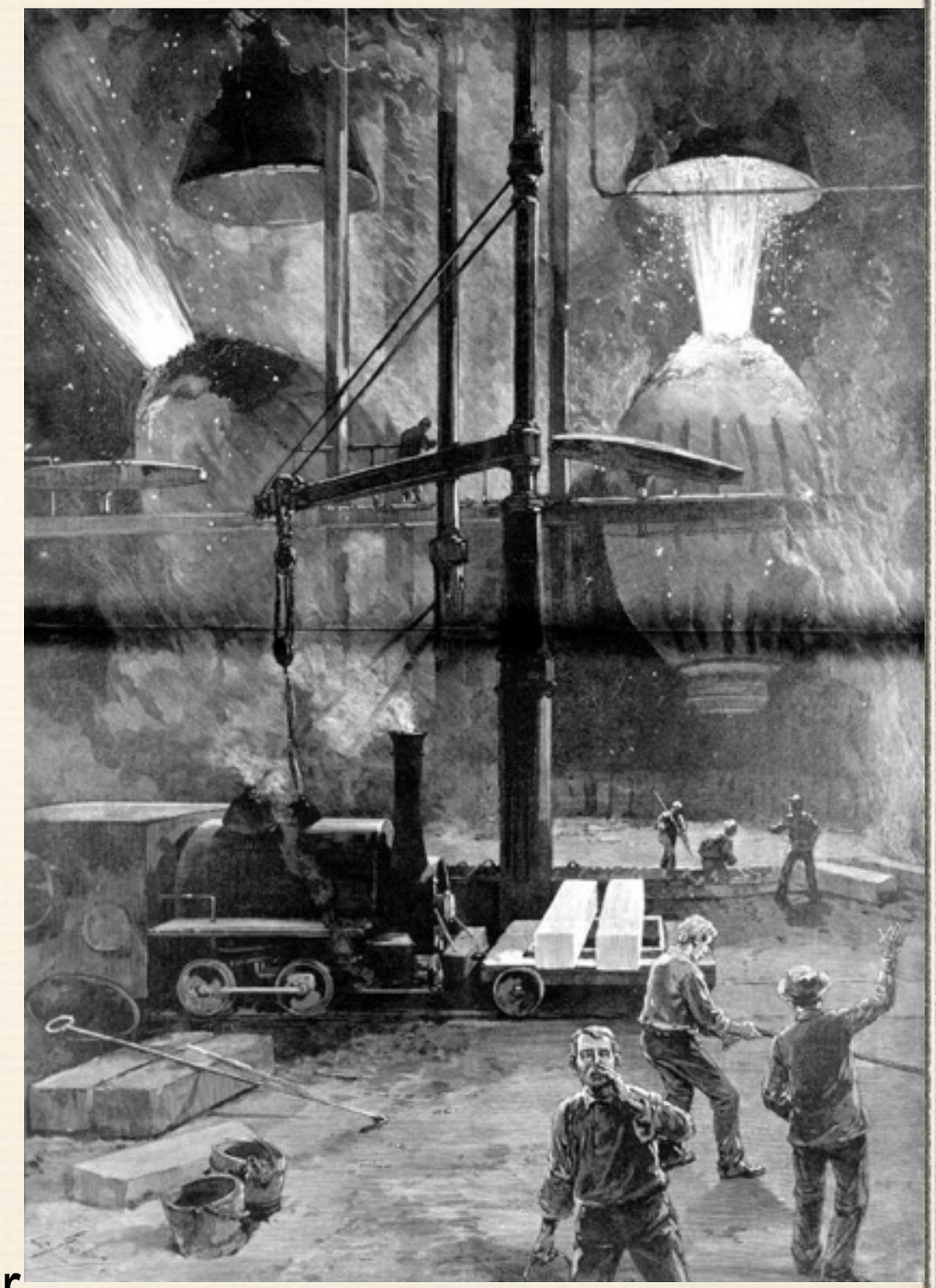
10 - 14 hour work days were common,
6 or 7 days each week

Fatigue and exhaustion led to poor health

Workplaces were often dangerous.
Many workers were injured or killed on the job

Employers rarely provided any compensation to families of injured workers

Individual workers had little power to bring about change - decided to use collective power



http://www.loc.gov/exhibits/british/images/vc153.jpg

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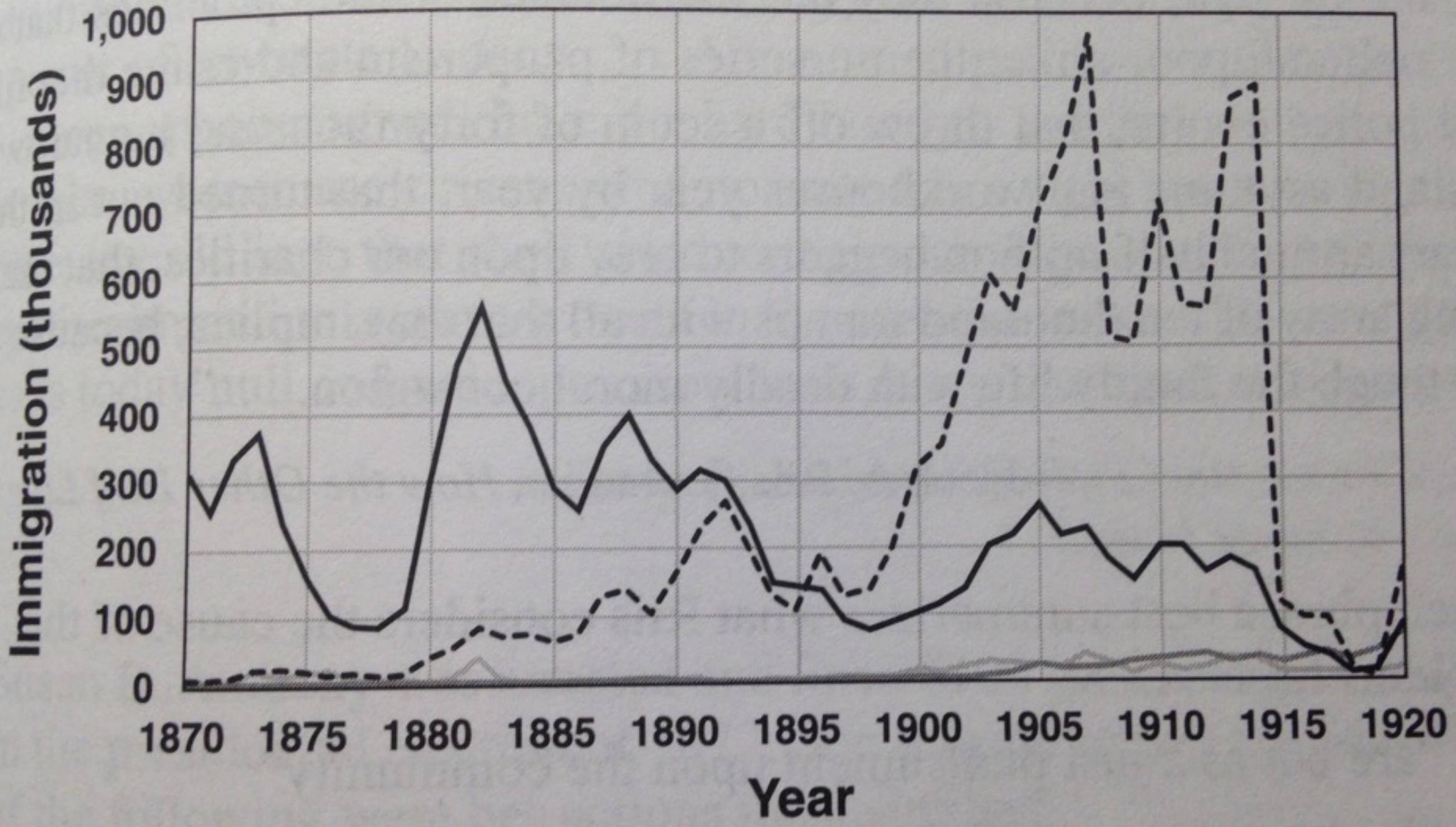
IMMIGRATION, 1870 to 1920



The "Old Immigrants"

The first settlers that came to the United States from Europe

They came mostly from Northern and Western Europe

These were the people who created America and its institutions

http://www.regentsprep.org/Regents/ushisgov/themes/immigration/old_immigration.htm

The "New Immigrants"

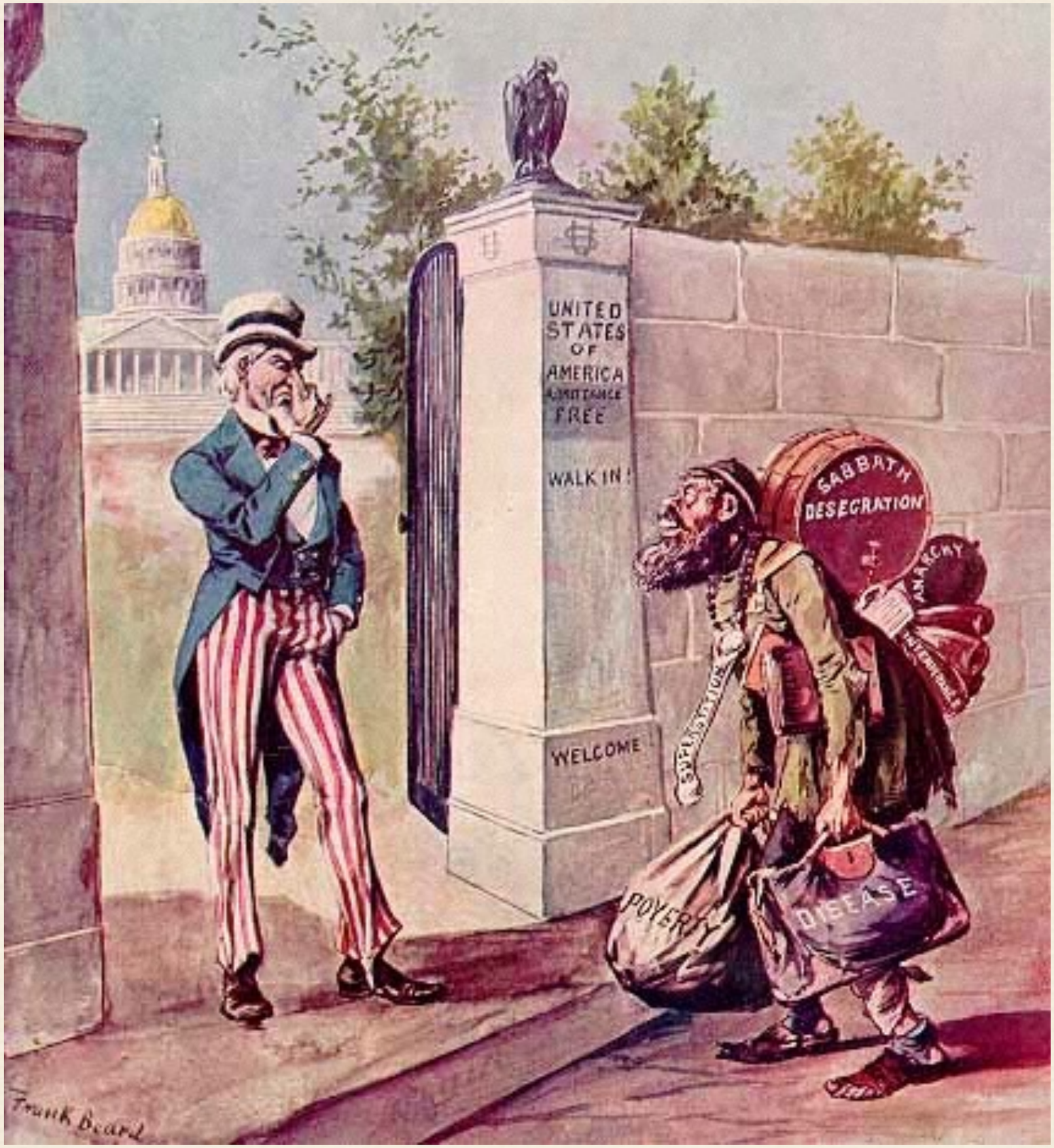
The "new" immigrants to America during the period 1870 - 1920

From Southern and Eastern Europe, and from Asia

Moved to cities / factory jobs

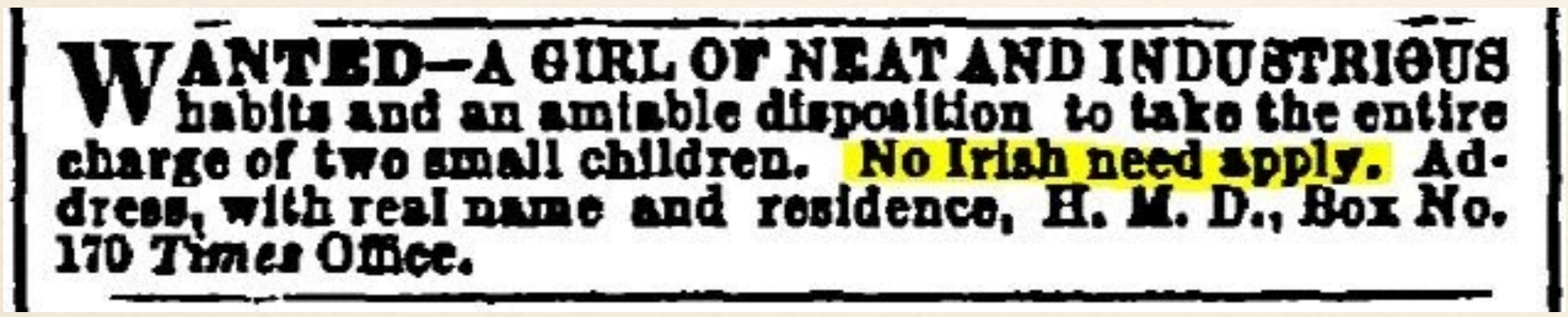
Not always "Welcomed"

http://teacher.scholastic.com/activities/immigration/tour/images/stop2/photo-a.jpg



http://apush-wiki-marlborough-school.wikispaces.com/file/view/anti-immigrant-cartoon-1896.jpg/70230163/anti-immigrant-cartoon-1896.jpg

http://upload.wikimedia.org/wikipedia/commons/thumb/8/8a/The_Great_Fear.jpg/300px-The_Great_Fear.jpg



WANTED—A GIRL OF NEAT AND INDUSTRIOUS habits and an amiable disposition to take the entire charge of two small children. No Irish need apply. Address, with real name and residence, H. M. D., Box No. 170 *Times* Office.

http://yesteryearsnews.files.wordpress.com/2011/03/no-irish-need-apply-the-new-york-times-10-may-1859.jpg

New York Times,
May 10, 1859

http://chineselaundry.files.wordpress.com/2013/04/chin-expulsion-jpg.png

http://historyproject.ucdavis.edu/marchandslides.bak/5023.jpg

Keppler, "Looking Backward" Puck (1893)

Labor Unions -

Workers Respond to the Hardships of Industrialization

A Labor unions is an organization of workers who unite in an effort to try to protect the rights of workers — gain better pay and working conditions

Between 1890 and 1910 . . . Twenty percent of the boys and 10 percent of the girls under age 15 held full-time jobs

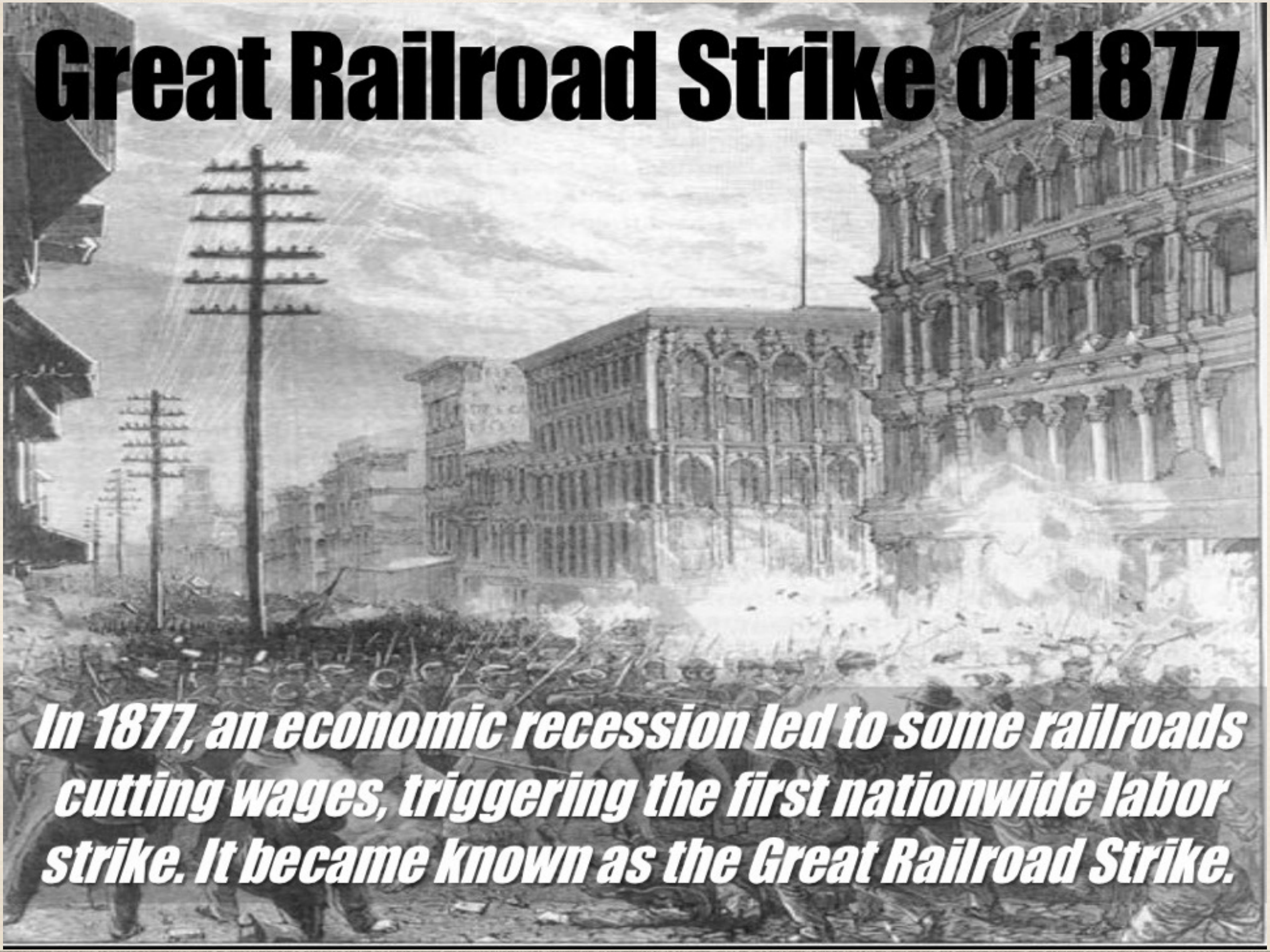
PHOTO COURTESY WYOMING HISTORICAL AND GEOLOGICAL SOCIETY

In 1882, an average of 675 laborers were killed in work-related accidents each week.

Source: *Holt McDougal*, The Americans, p 450

8 HOURS
8 HOURS
8 HOURS
UNION LABEL
8 HOURS
for WORK
for REST
for WHAT WE WILL

Great Railroad Strike of 1877



In 1877, an economic recession led to some railroads cutting wages, triggering the first nationwide labor strike. It became known as the Great Railroad Strike.

Great Railroad Strike of 1877

Some workers turned violent and numerous states had to call out their state militias to stop the violence.

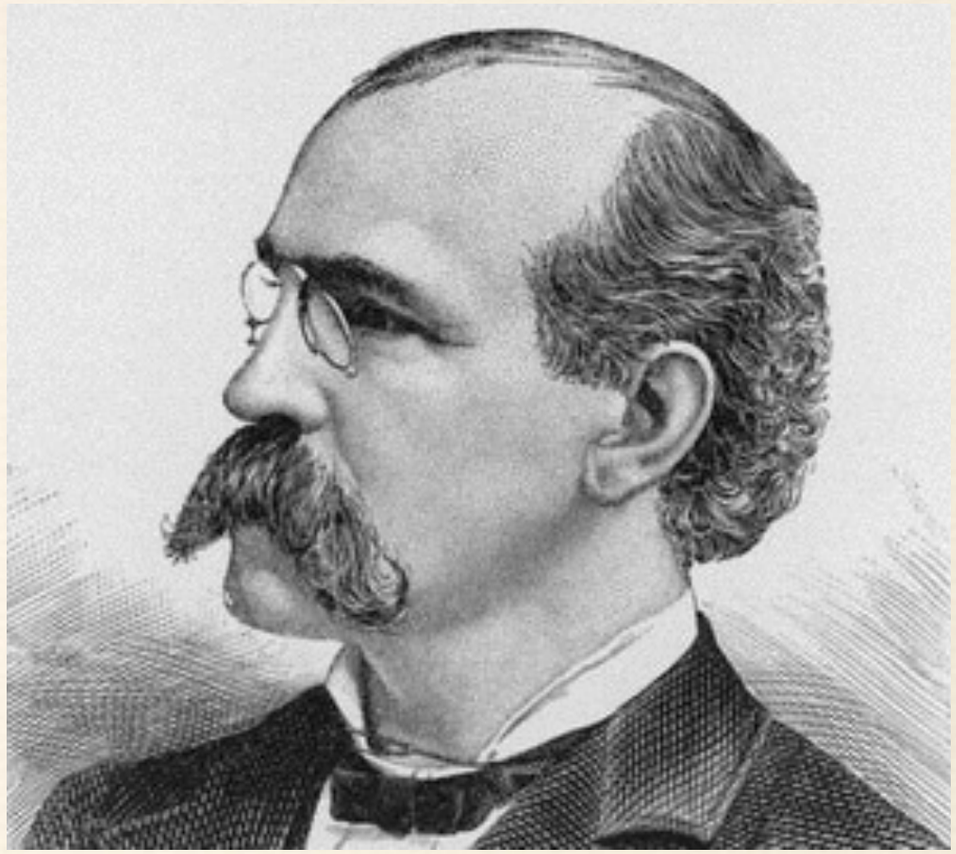
The Knights of Labor

First nationwide labor union

Formed in 1869
Claimed a membership of
700,000 people in 1886

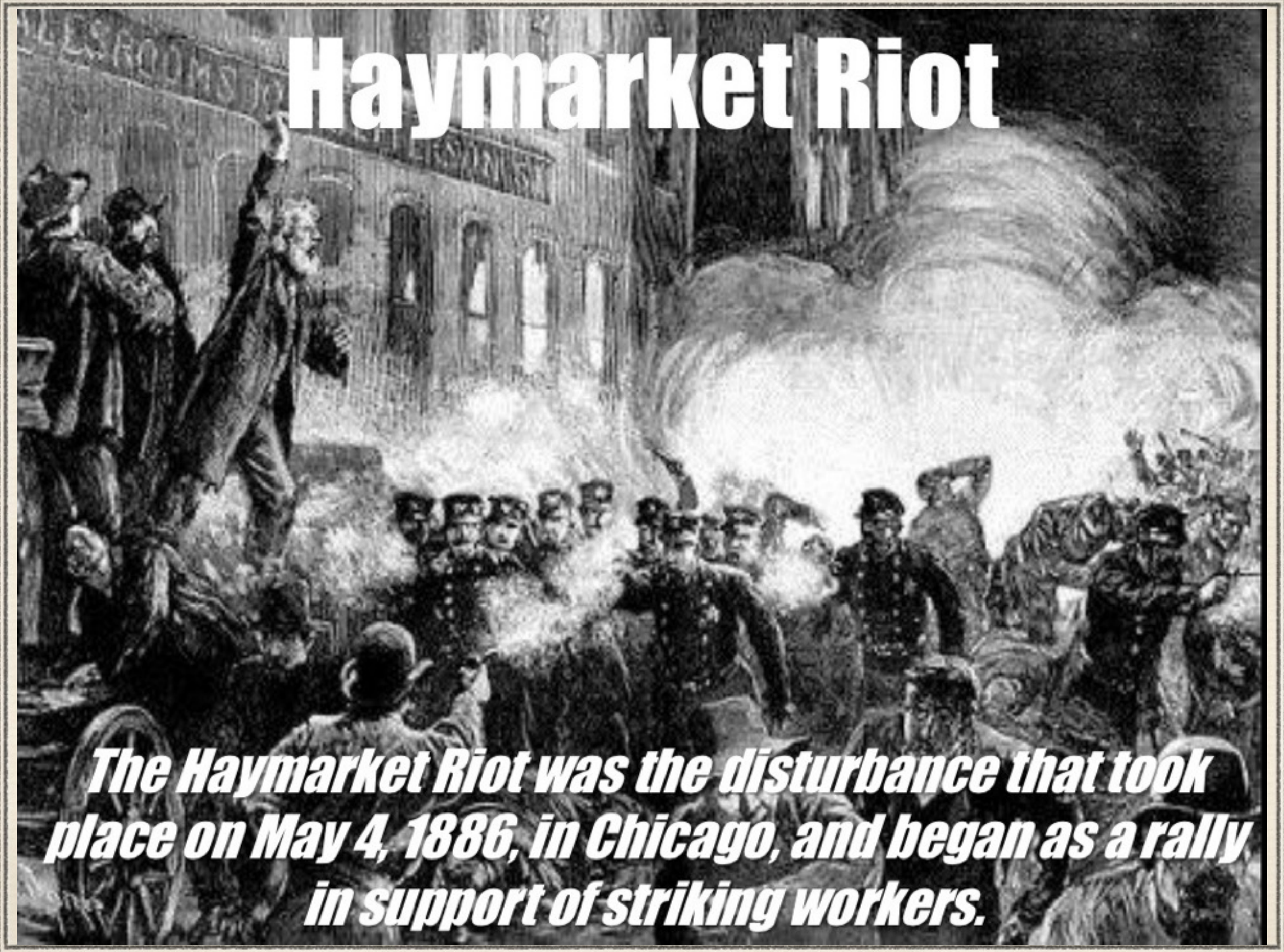
Union for ALL workers

Women and African Americans
were accepted as members



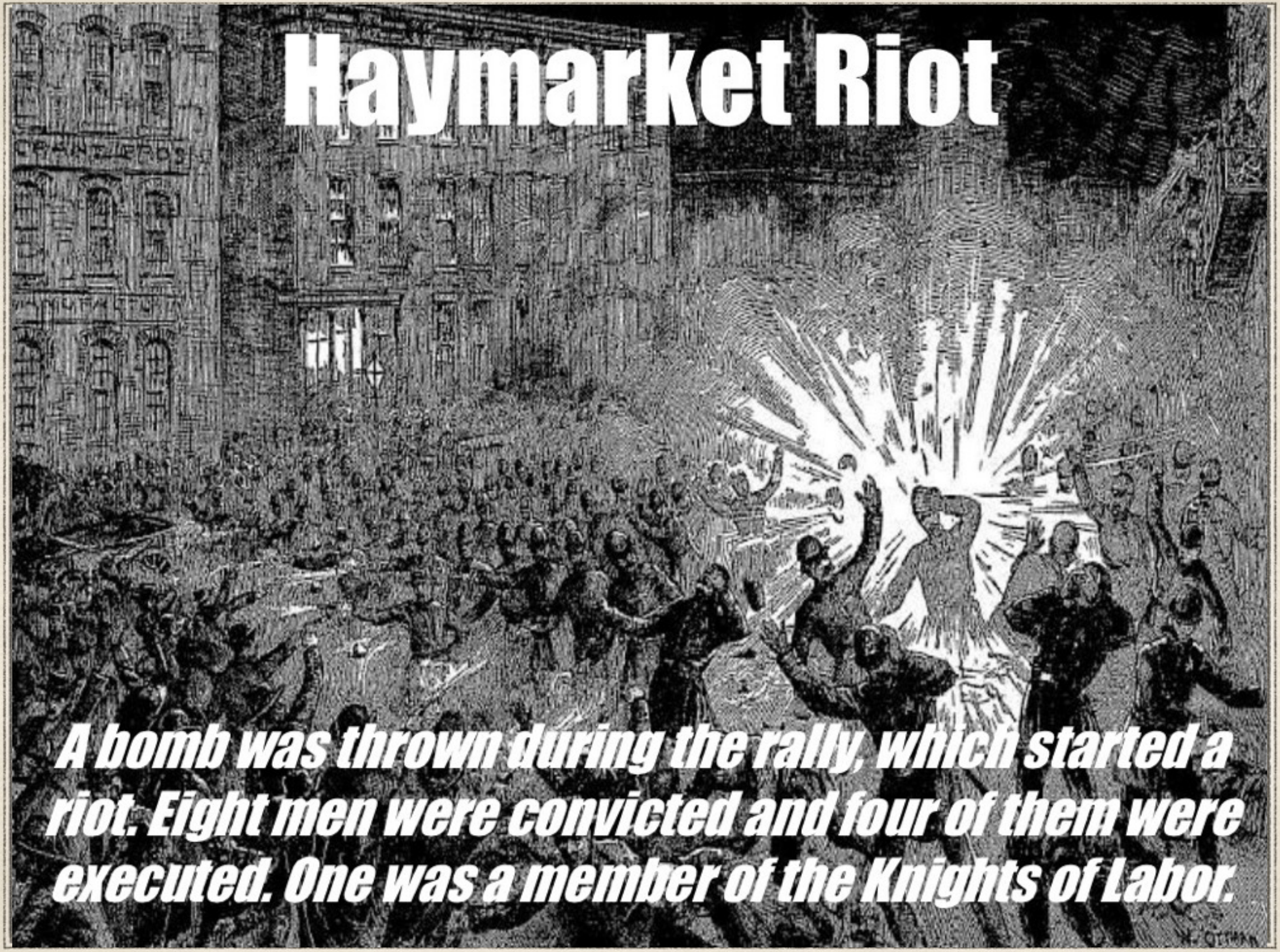
Terence Powderly
Leader of the
Knights of Labor,
1879 - 1893

Haymarket Riot



The Haymarket Riot was the disturbance that took place on May 4, 1886, in Chicago, and began as a rally in support of striking workers.

Haymarket Riot

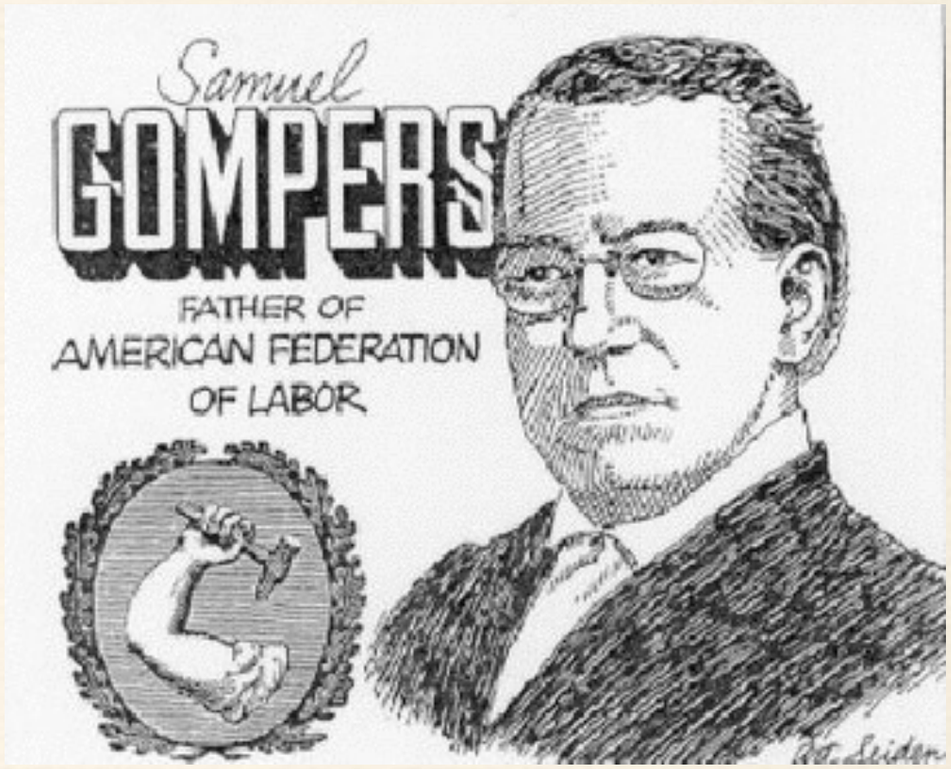


A bomb was thrown during the rally, which started a riot. Eight men were convicted and four of them were executed. One was a member of the Knights of Labor.

The American Federation of Labor

Founded in 1886 by Samuel Gompers

Work conquers all

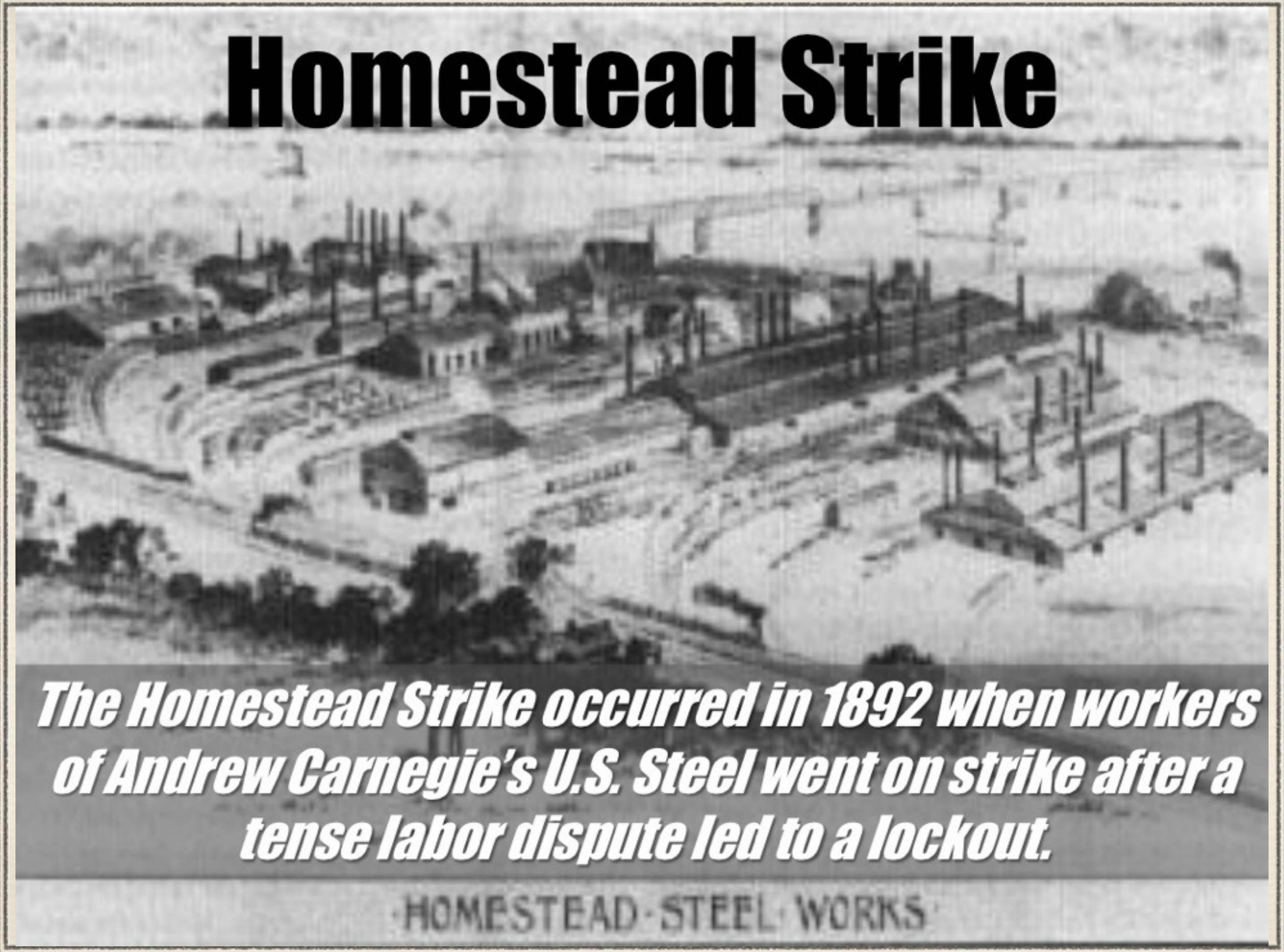


Focused on negotiations between labor and management to achieve goals

Members were skilled workers

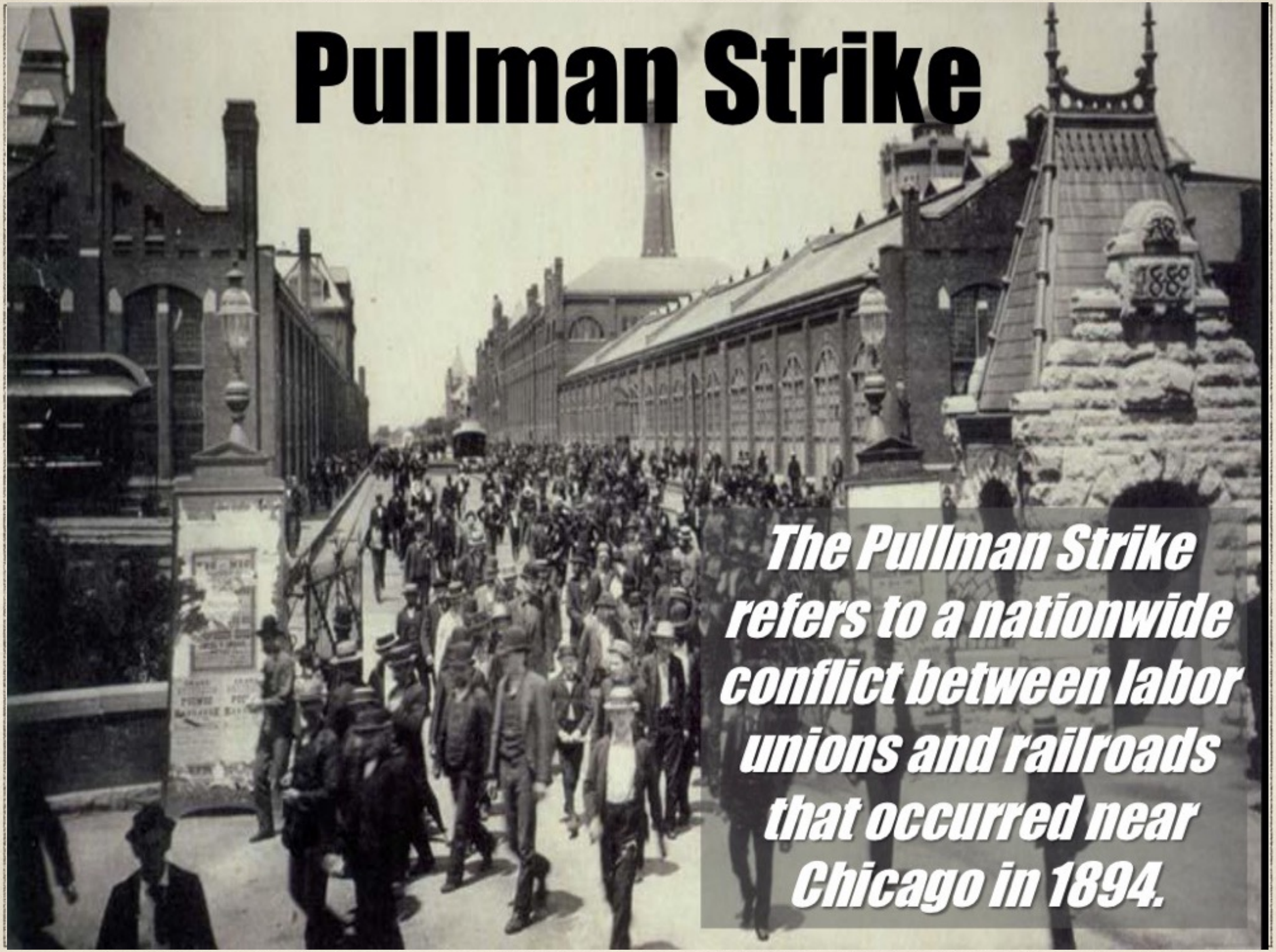
Between 1890 - 1915, the average workweek fell from 54.5 to 49 hours

Homestead Strike



The Homestead Strike occurred in 1892 when workers of Andrew Carnegie's U.S. Steel went on strike after a tense labor dispute led to a lockout.

Pullman Strike



The Pullman Strike refers to a nationwide conflict between labor unions and railroads that occurred near Chicago in 1894.

The Pullman Strike - Began May 11, 1894

Due to the Depression of 1893, wages for Pullman workers were cut by 25%.

Rent for houses owned by the company, where may workers lived, remained the same - despite the cut in pay

THE CONDITION OF THE LABORING MAN AT PULLMAN.—

The Pullman Strike - The Conclusion

National Guard troops fired on striking Pullman workers (July 7)
At least 4 strikers were killed (perhaps as many as 30)

http://www.kansasheritage.org/pullman/

The Pullman Strike - Why Significant?

<u>Showed the growing power of unions</u>

Other railroad workers joined the strike, shutting down the nation's rail system.

Showed that the federal government would take action to support capitalists in struggle against united workers

- Sent troops to put-down strike
- Arrested those responsible for leading the strike

The International Ladies' Garment Workers Union

Founded in New York City in 1900

Goal: Better conditions for workers in clothing industry

http://cinemaguild.com/mm5/graphics/00000002/HVNPROC1.jpg

IWW (Wobblies)

The International Workers of the World (IWW) is the union created in Chicago in 1905 that was made up primarily of socialists and anarchists

The IWW called for all workers to be united as a class and no wage system

Regulating the Trusts

Munn v. Illinois (1877)

Case involved a challenge to an Illinois law which regulated rates farmers were charged to store grain in grain elevators

Court ruled that states can regulate private property that affects "public interest"

Wabash, St. Louis and Pacific Railway v. Illinois (1886)

Court ruled that states cannot regulate interstate commerce (trade between states).
Only the federal government had the right to do so

Led to the creation of the Interstate Commerce Act (1887)

Interstate Commerce Act

1887 - Law passed by the Federal government to regulate the railroads

This law required railroad rates to be reasonable and just

The law created a federal agency, the Interstate Commerce Commission, which had the power to monitor railroads to ensure that they complied with the new rules

This was the first federal law to regulate private industry in the United States

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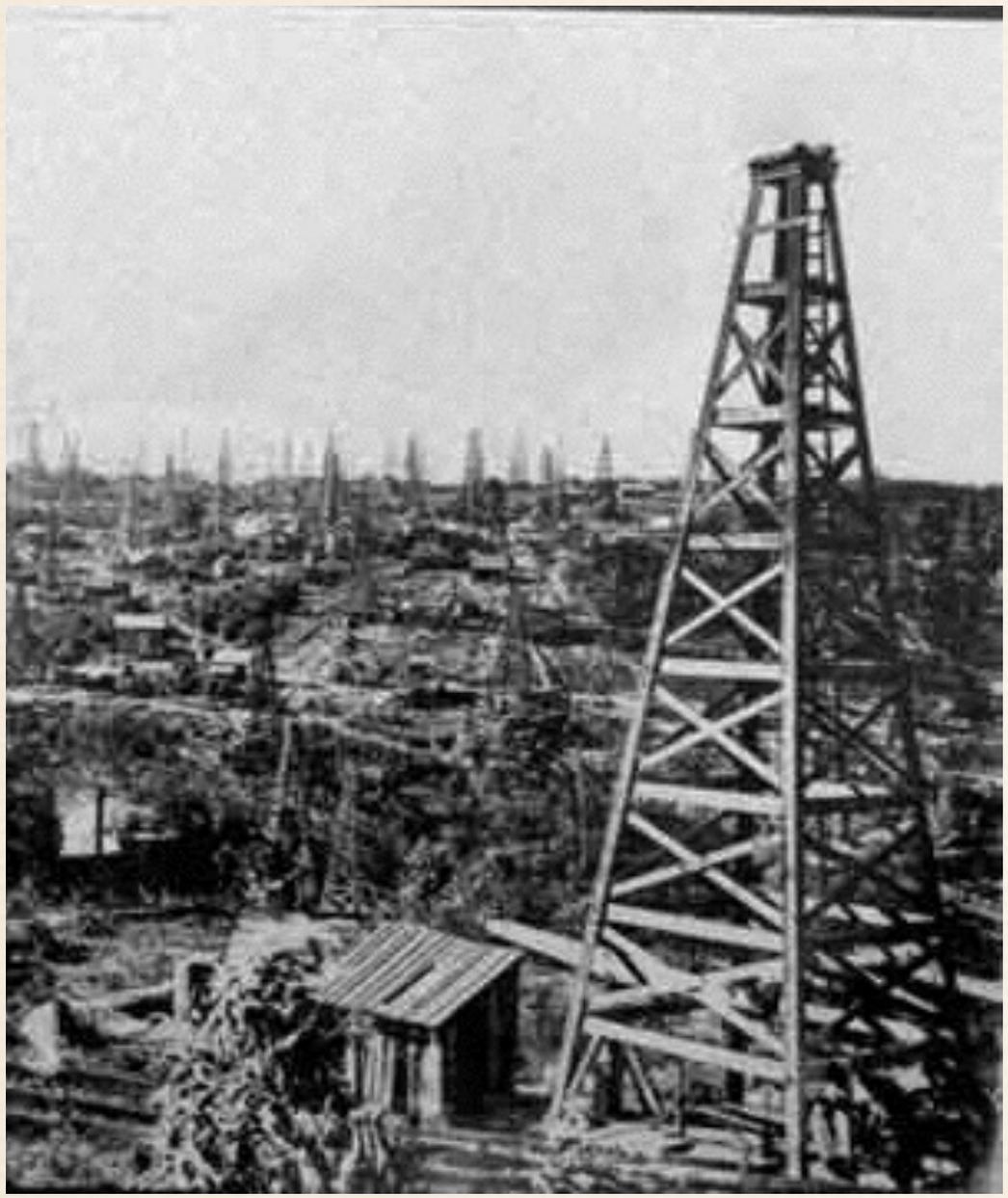
Sherman Anti-Trust Act



http://www.historycentral.com/Industrialage/ShermanAnti-TrustAct.jpg

1890 law - **prohibits monopolies (trusts)**

Any combination (of businesses) which "***is in restraint of trade or commerce***" is in violation of this law

Goal - to limit the growing power of companies like Standard Oil

United States v. E.C. Knight Company (1895)

By 1892, the Knight Company had gained control of 98% of the Sugar Industry in the U.S.

The federal government sued - arguing that the Knight Company was violating the Sherman Anti-Trust Act

http://mrspencer.info/wp-content/uploads/2012/05/ecknight.jpg

The Court ruled in favor of the Knight Company

Manufacturing was a local activity - not subject to government regulation of interstate commerce