

America Becomes an Industrial Nation



Industrialization, Immigration and Unions
1870 - 1920

*Mr. Sean McAtee
Iroquois High School, Elma, NY
February, 2017*



American Progress, by John Gast (1872)

Before 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

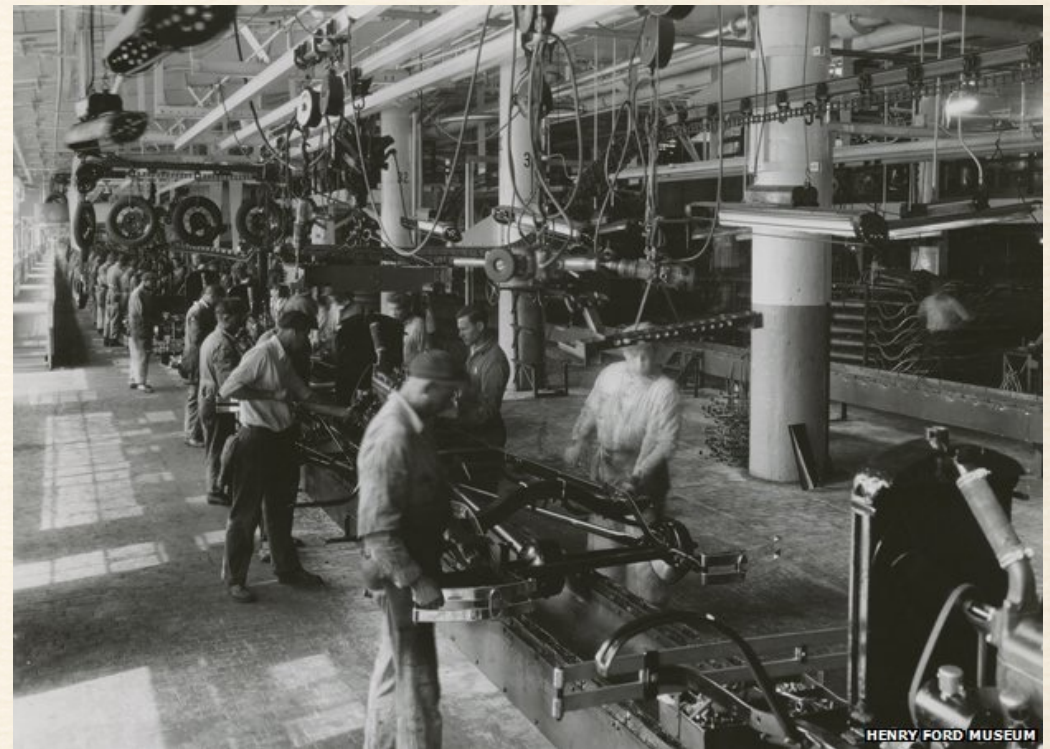
Talented entrepreneurs

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.

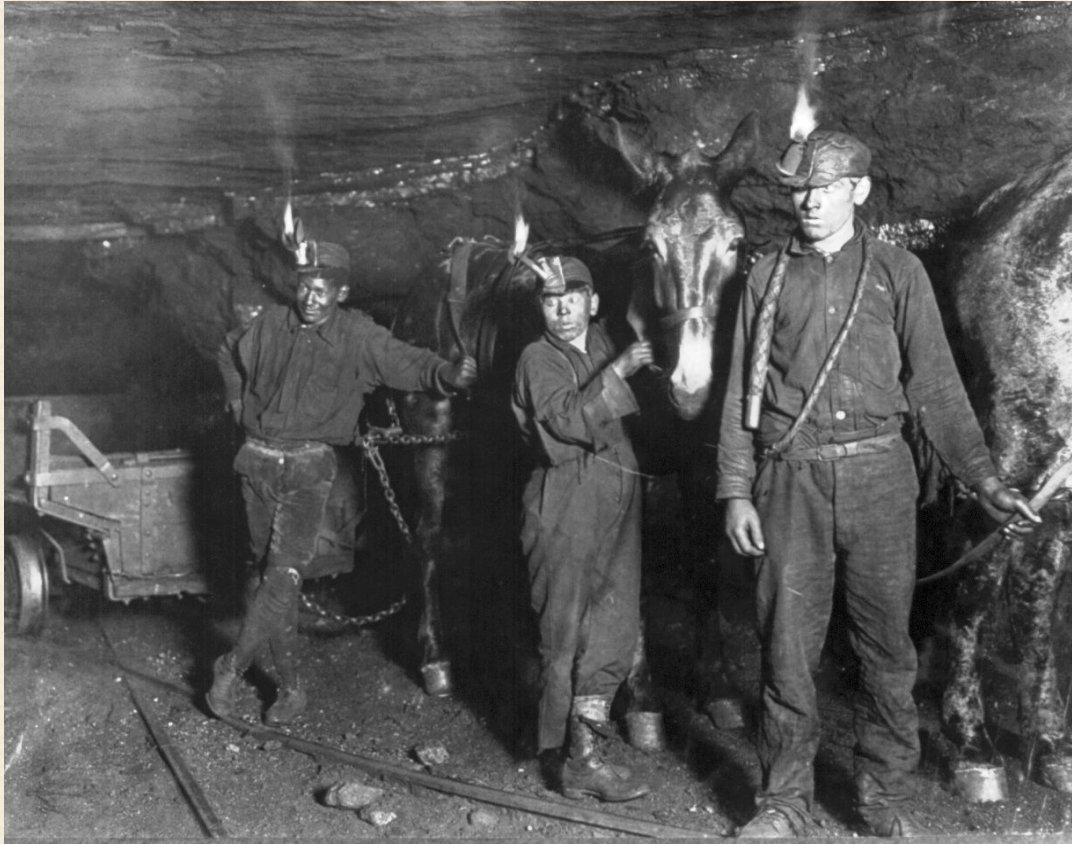
Gasoline was a “waste product” of the refining process - often dumped in nearest river!



<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



<http://static.ddmcdn.com/gif/transcontinental-railroad-2.jpg>

Completion of the
Transcontinental Railroad
Promontory Point, Utah 1869



Brooklyn Bridge, 1883
Longest span 1,595 feet

The Transcontinental Railroad

Pacific Railway Act 1862

Federal government gave railway companies over 200 million acres of land as “payment” for building the railroad

Railway ran from Omaha, Nebraska to Sacramento, California

Union Pacific RR laid track Westward from Omaha

Central Pacific RR laid track Eastward from Sacramento



Leland Stanford
President, California Pacific RR

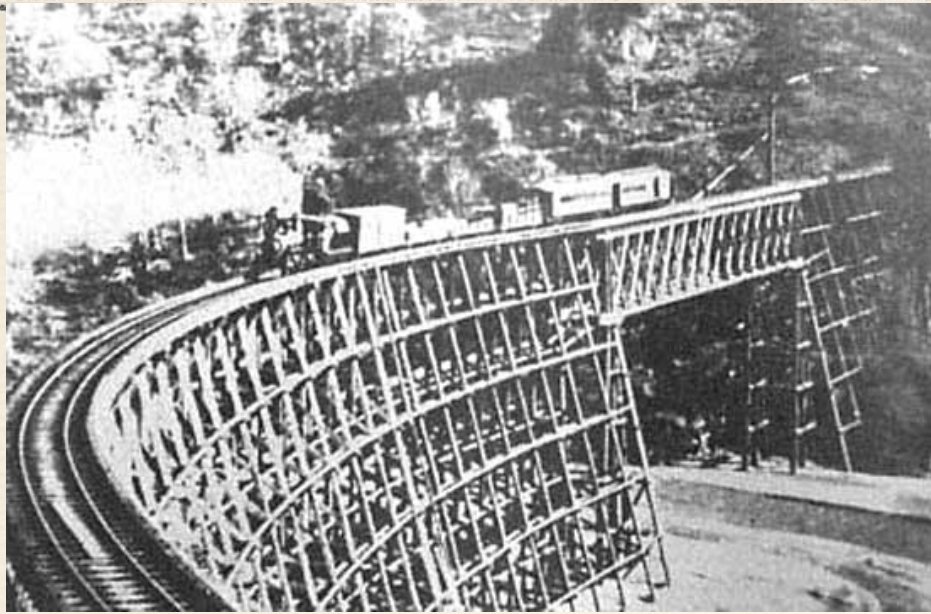
Transcontinental Railroad

Promontory Point

Omaha

Sacramento















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

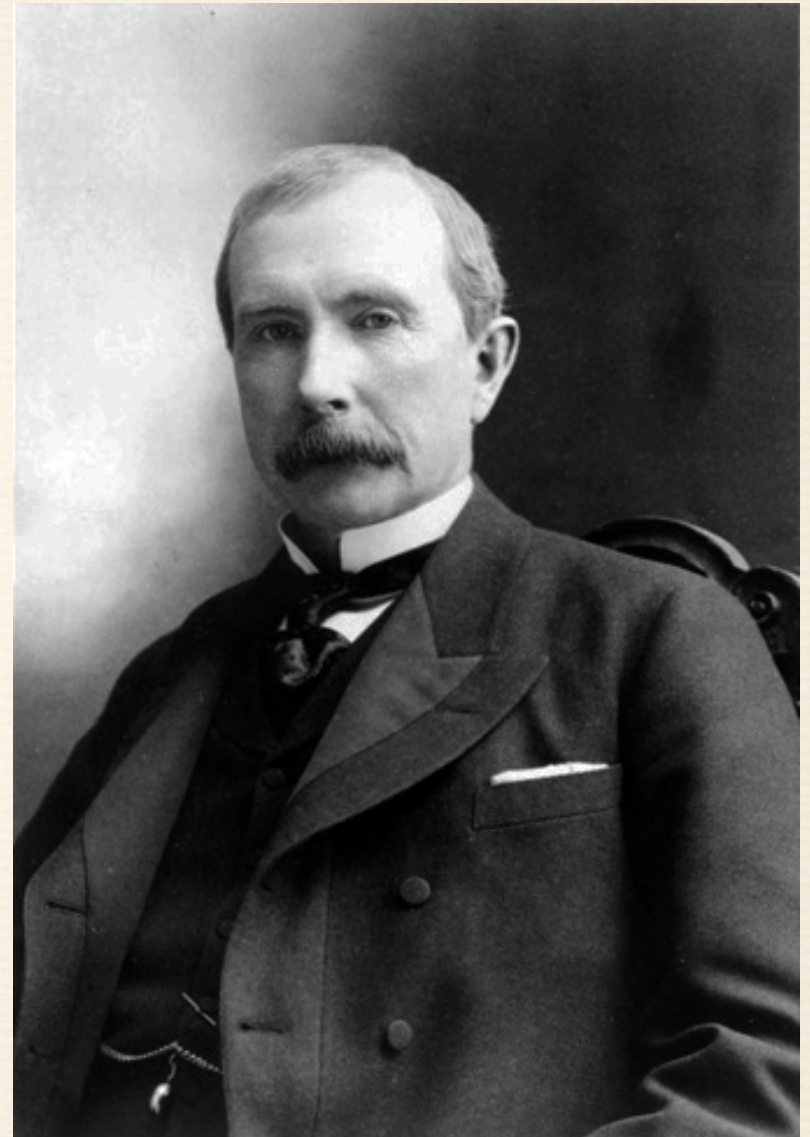
John D. Rockefeller (1839 - 1937)

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

Business Leaders / Entrepreneurs

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

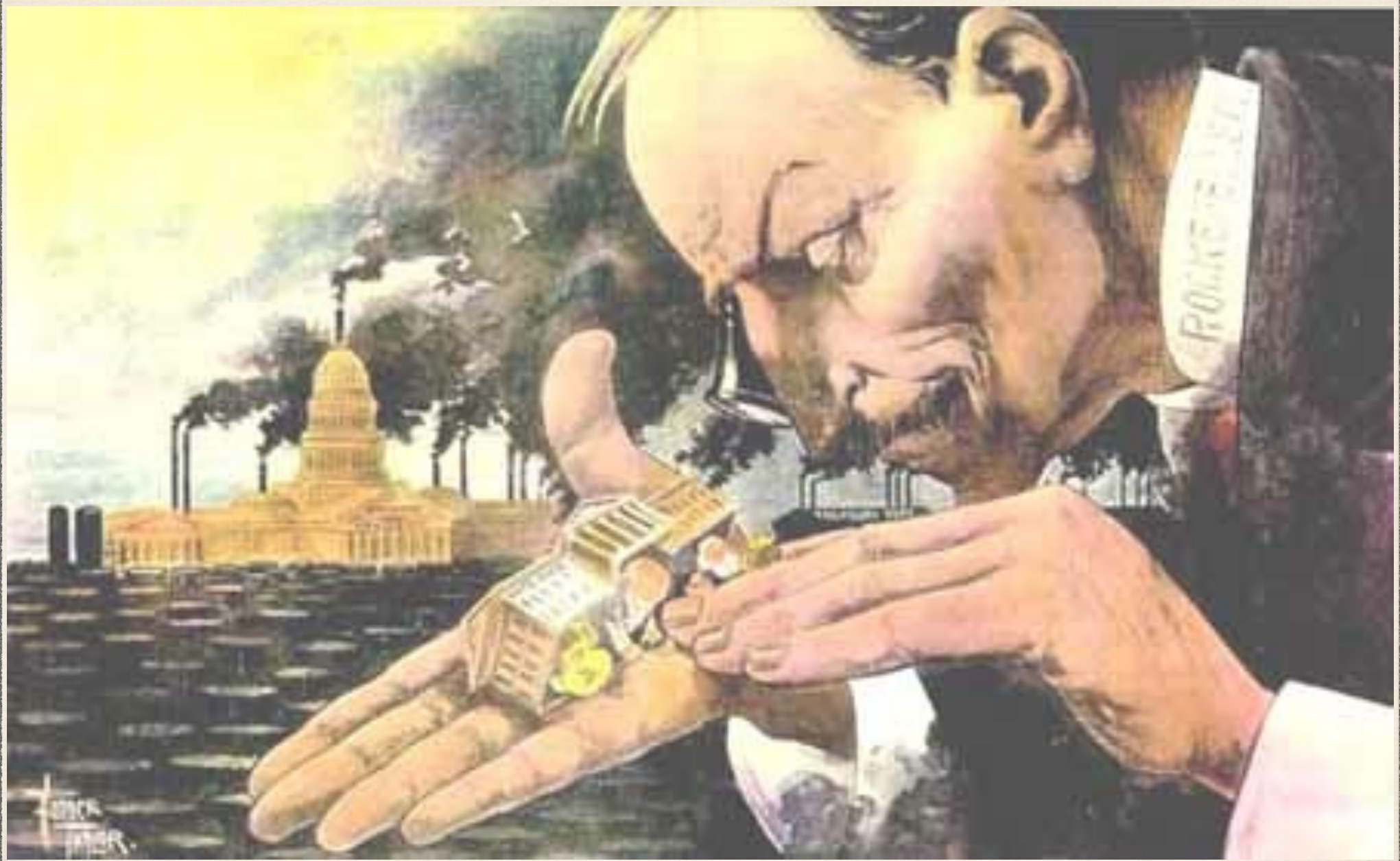


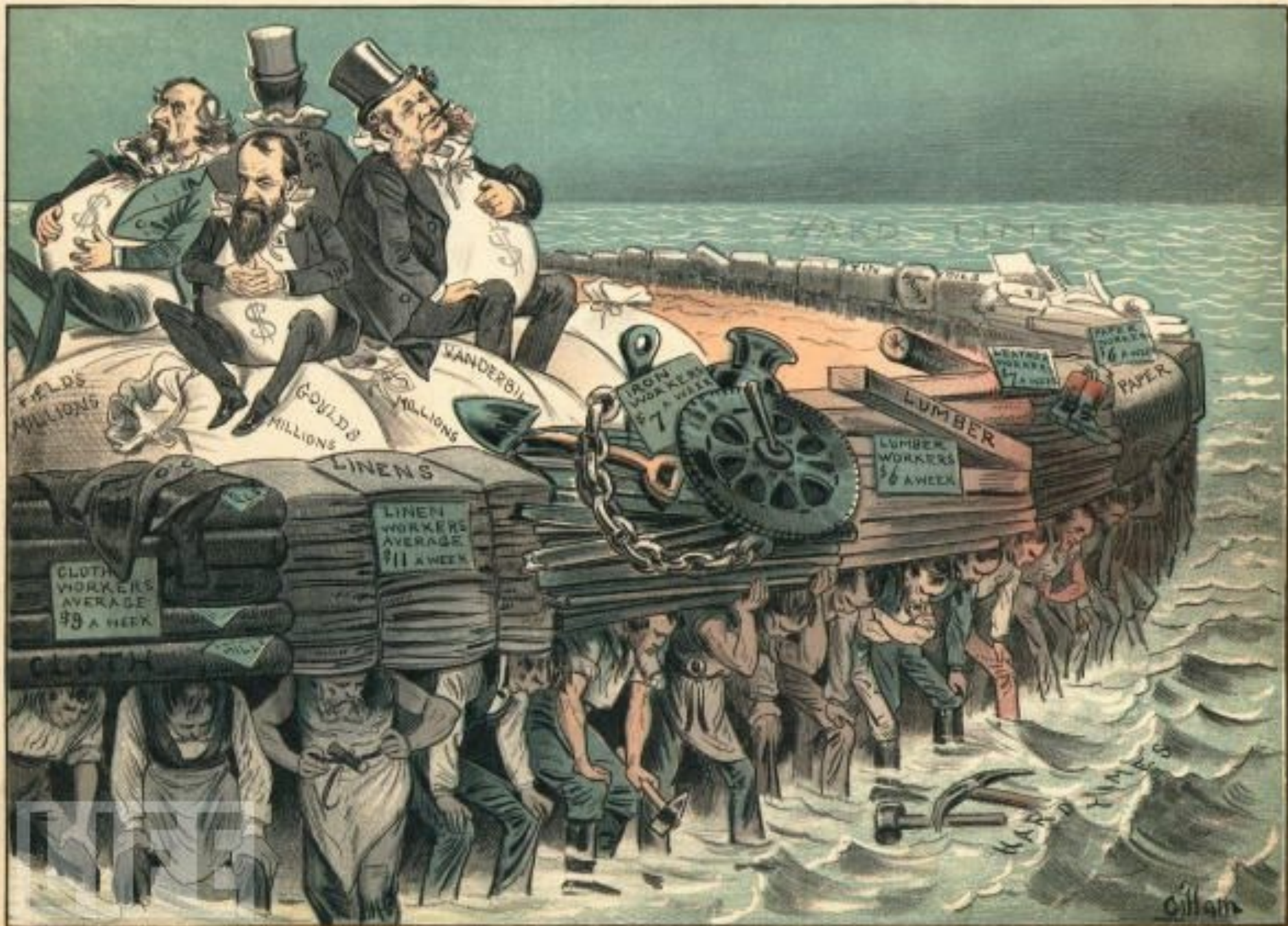
Henry Ford
(1863 - 1947)

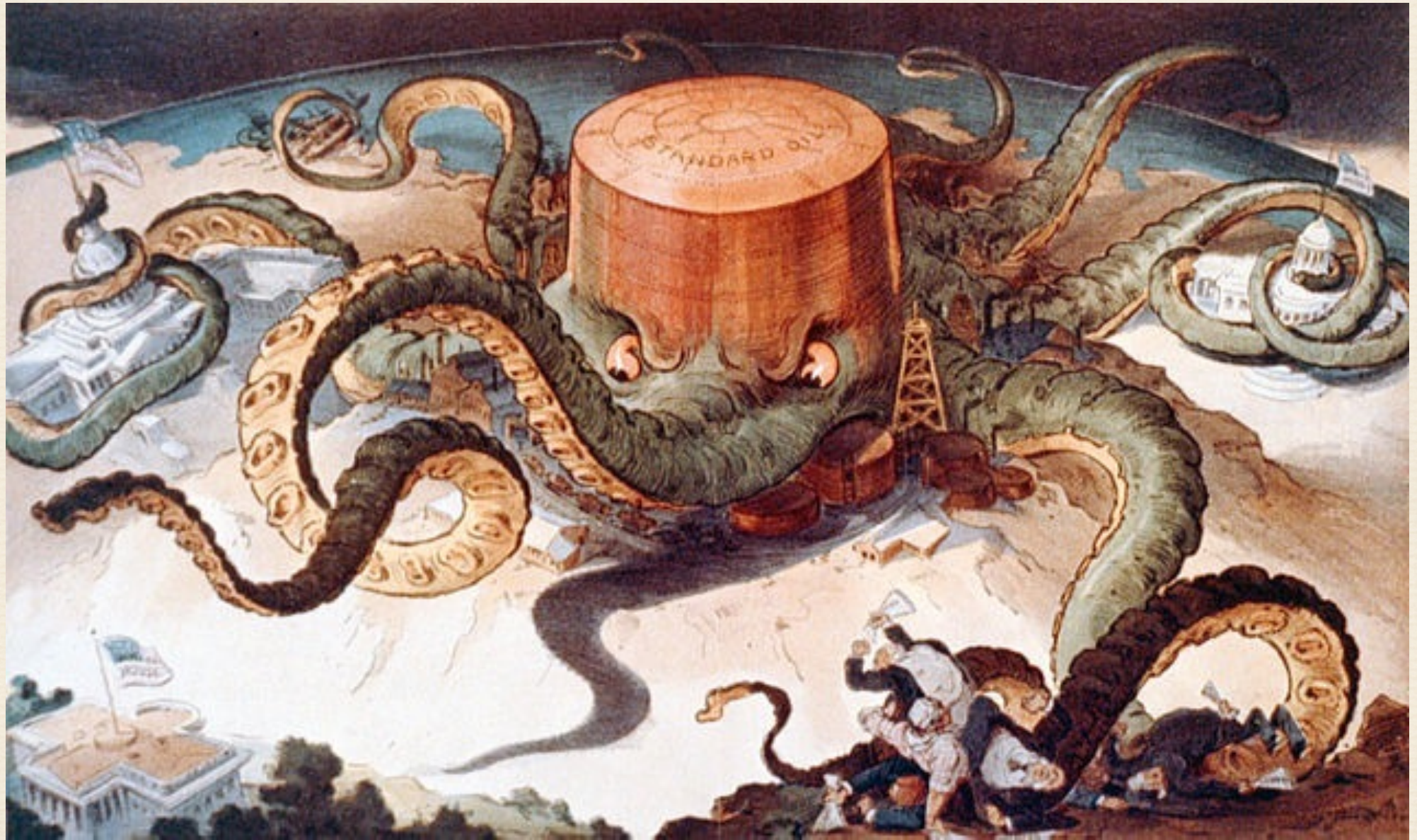
Born and raised in Michigan

Established Ford Motor
Company in 1903

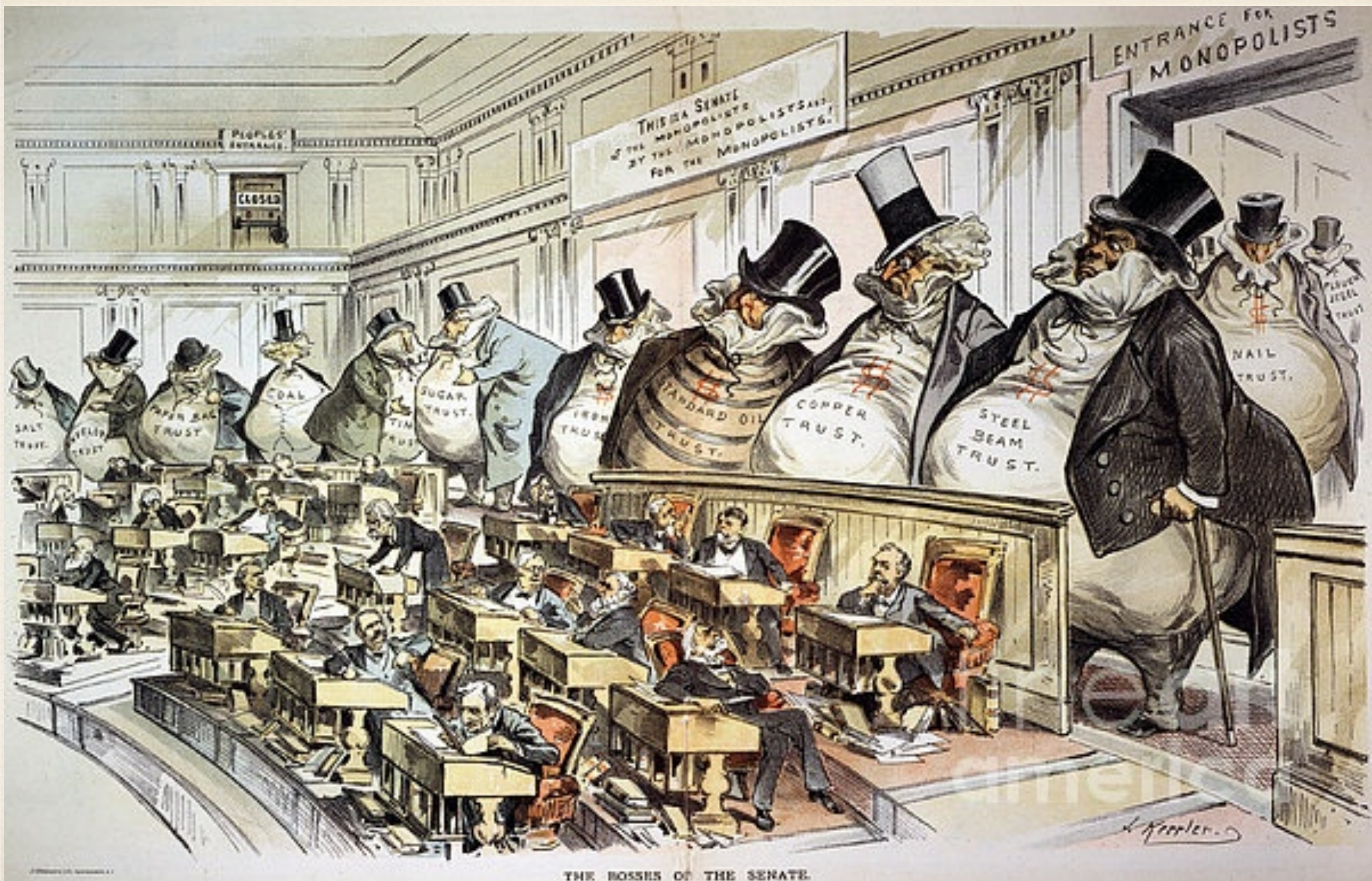
Used an assembly line &
mass production to make
cars affordable







http://upload.wikimedia.org/wikipedia/commons/thumb/a/a0/Standard_oil_octopus_loc_color.jpg/640px-Standard_oil_octopus_loc_color.jpg



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”?

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

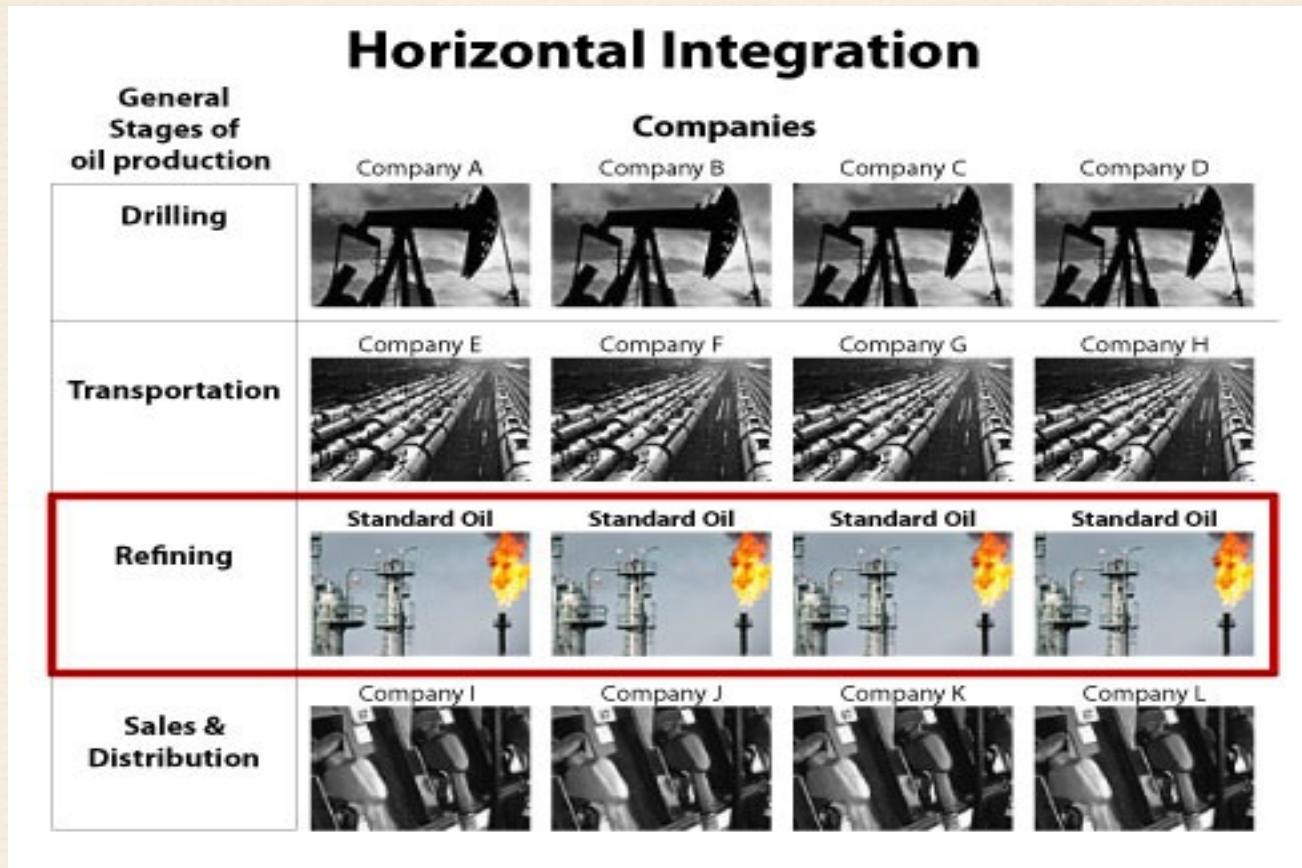
<http://blogs.usatoday.com/photos/uncategorized/blogmonopoly.jpg>

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



Horizontal Integration: 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

Vertical Integration				
General Stages of steel production	Companies			
Mining	Company A	Carnegie Steel	Company B	Company C
				
	Company D	Carnegie Steel	Company E	Company F
				
Smelting	Company G	Carnegie Steel	Company H	Company I
				
	Company J	Carnegie Steel	Company K	Company L
				

Laissez Faire Economic Theory



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

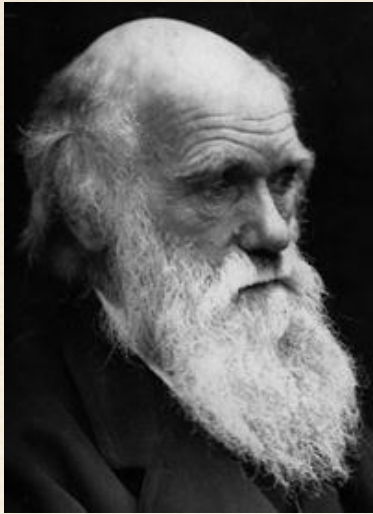
Adam Smith
1723 - 1790

In “*The Wealth of Nations*” (1776)
Smith asserted that the economy is
regulated [ruled] by the invisible
hand of supply and demand

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

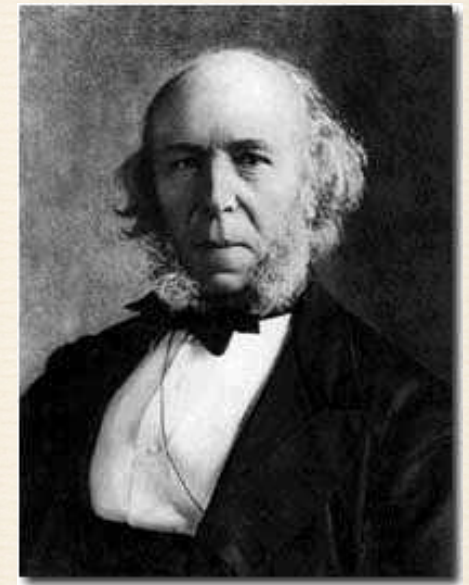
The philosophy known as Social Darwinism has its origins in Darwin's theory of evolution

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

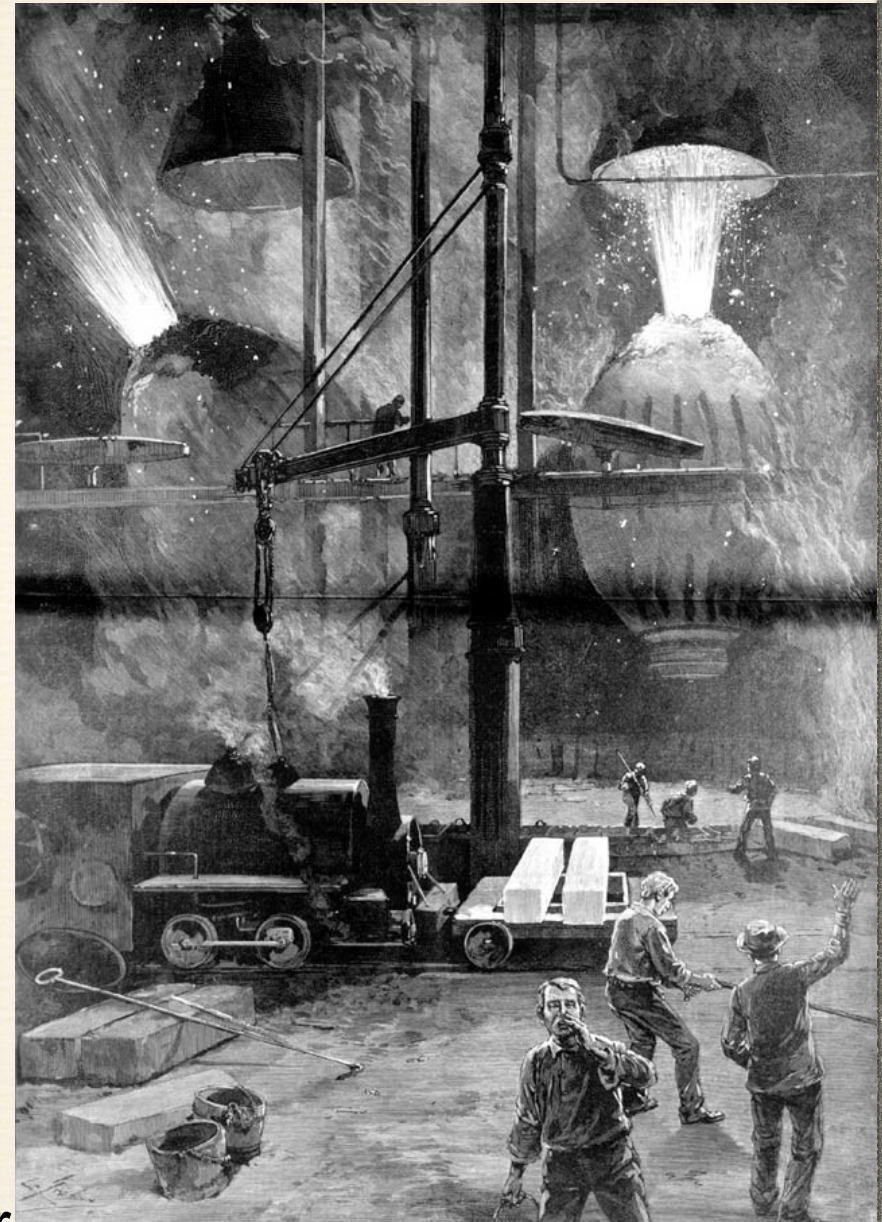
10 - 14 hour work days were common,
6 or 7 days each week

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





Immigration



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

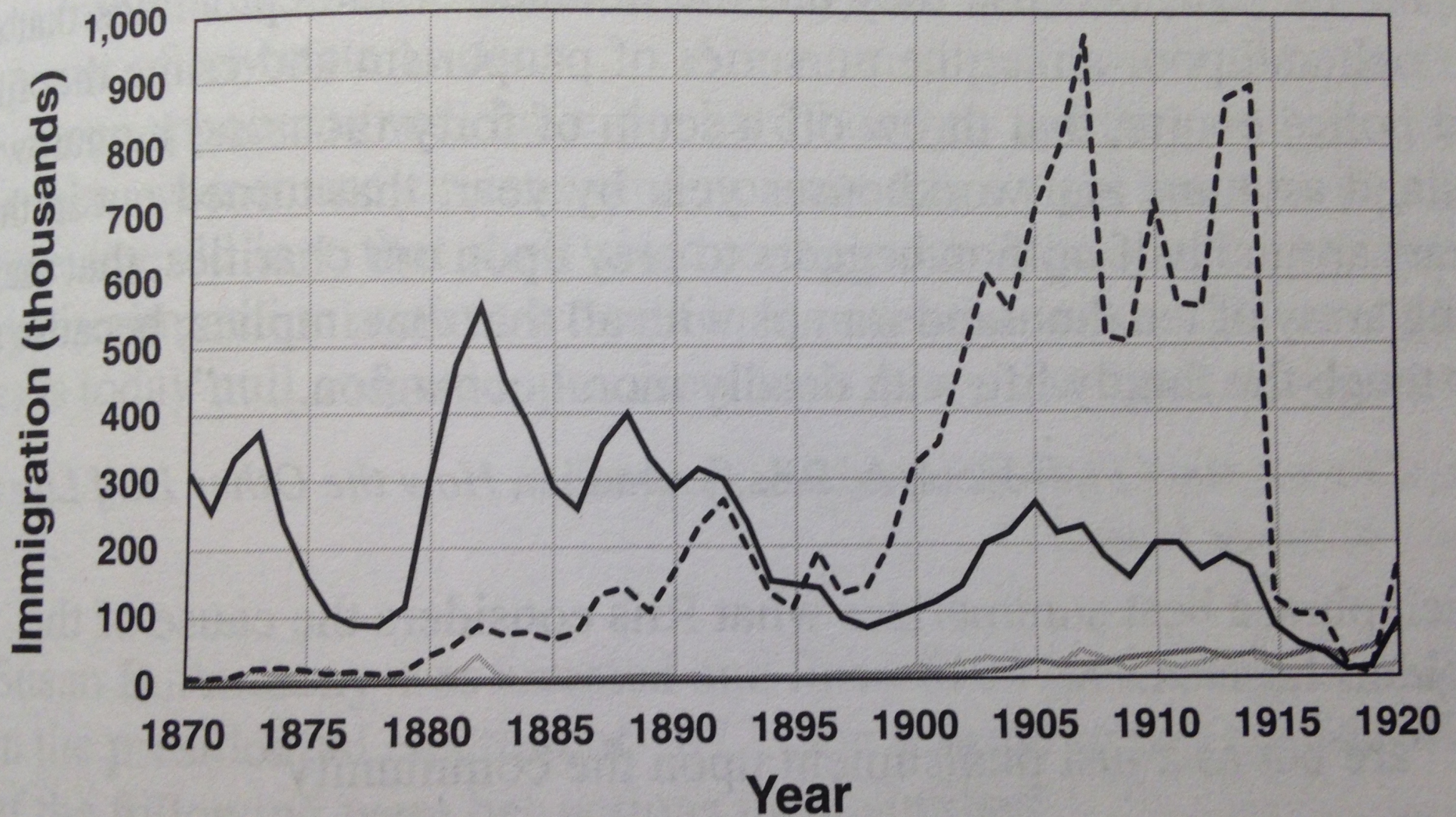
Main Hall at Ellis Island (circa 1902)

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

IMMIGRATION, 1870 to 1920



- Immigrants from northern and western Europe
- - - Immigrants from southern and eastern Europe
- /// Immigrants from Latin America
- Immigrants from Asia

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

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



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

Not always “Welcomed”





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.** Ad-
 dress, with real name and residence, H. M. D., Box No.
 170 Times Office.

New York Times,
 May 10, 1859

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

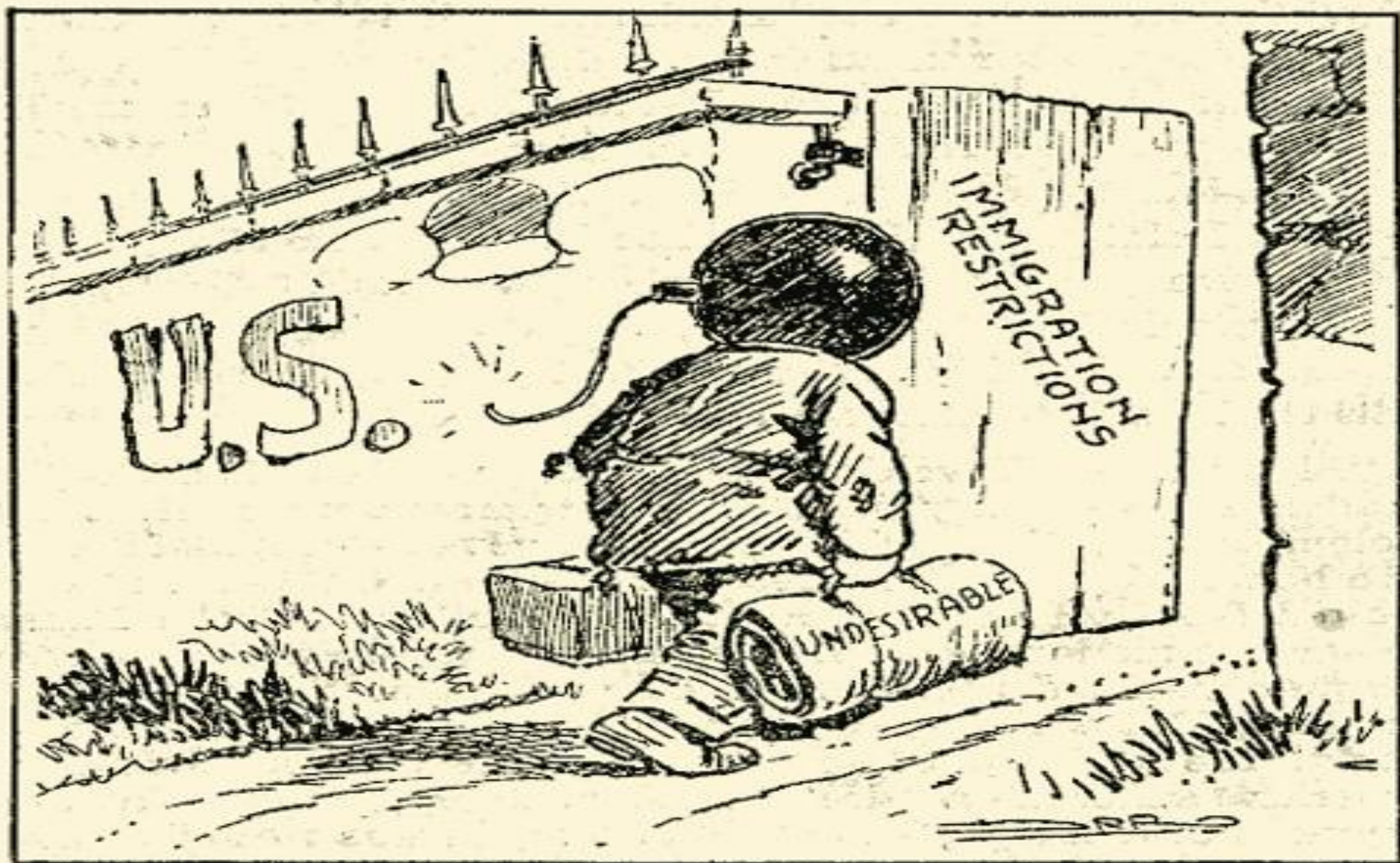


<http://chineselaundry.files.wordpress.com/2013/04/chin-expulsion-jpg.png>



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

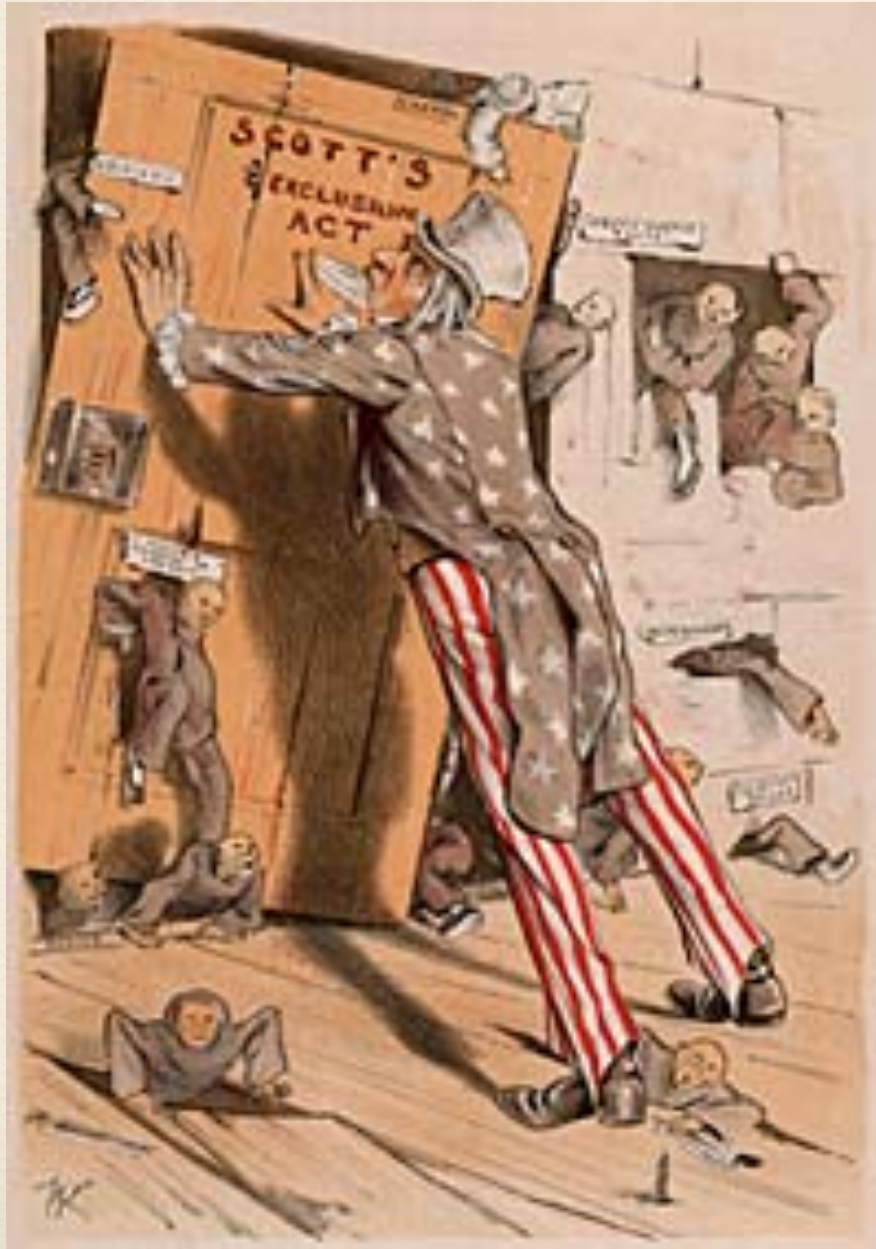
Keppler, "Looking Backward" Puck (1893)



CLOSE THE GATE.

—Orr in the *Chicago Tribune*.

The Chinese Exclusion Act (1882)



Law placed a 10-year ban on the immigration of Chinese workers (skilled and non-skilled) into the United States

Law also prohibited Chinese from becoming American citizens

Law enacted in response to economic fears - Americans blamed unemployment and low wages on Chinese workers

Law was extended in 1892, and made permanent in 1902

Emergency Quota Act 1921

Goal - Temporarily limit number of people immigrating to the US by placing immigration quotas based on country of birth

Annual quotas for each country set at 3% of the total number of foreign-born persons from that country living in the US in 1910

Immigration Act of 1924 (National Origins Act)

Allowed unlimited immigration from Northern
and Western Europe

Annual quotas for people from other countries
set at 2% of the total population of that
nationality living in the US in 1890

ANDREW CARNEGIE

THE UNITED STATES STEEL INDUSTRY

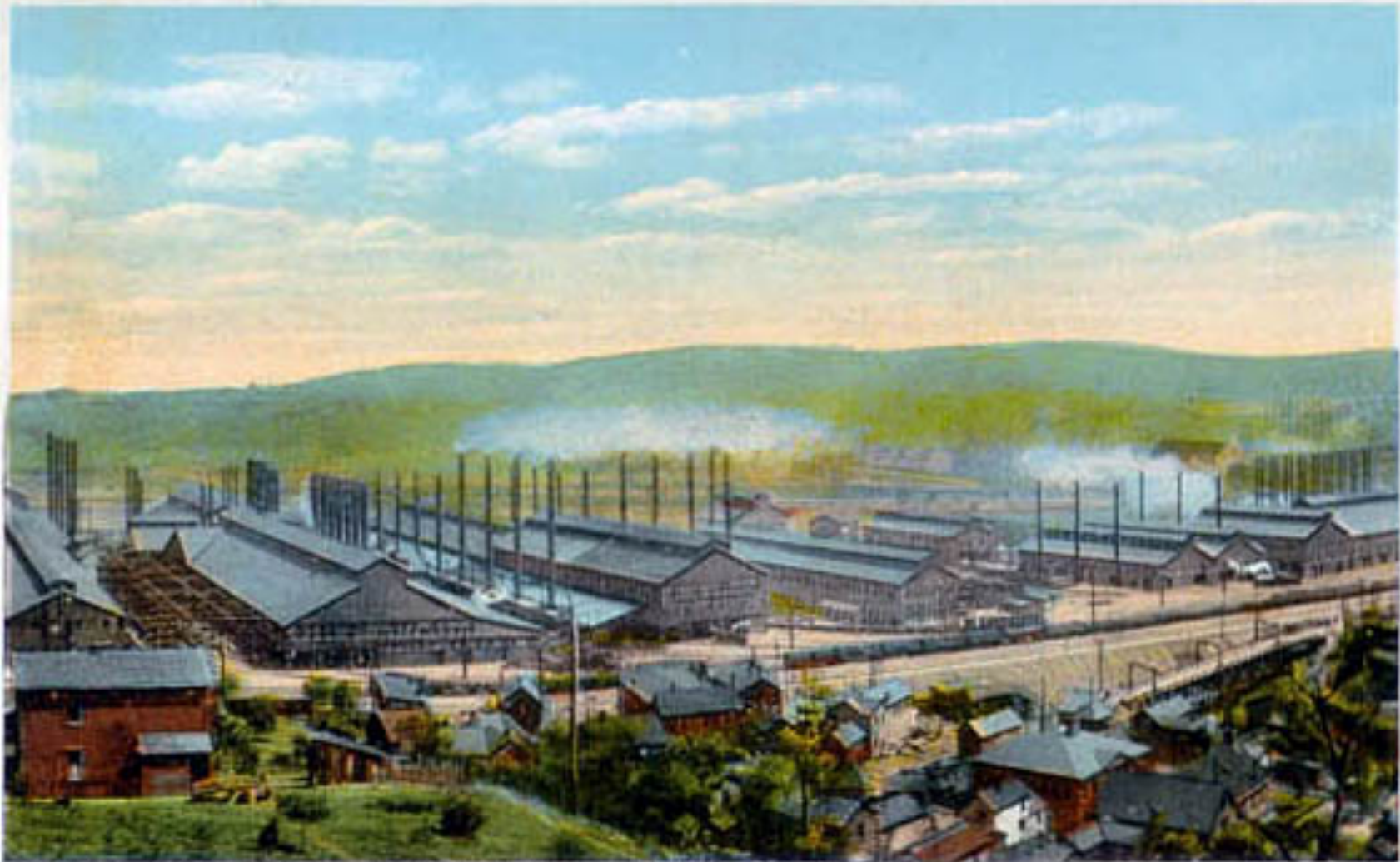




CARNEGIE'S HOME IN
NEW YORK CITY

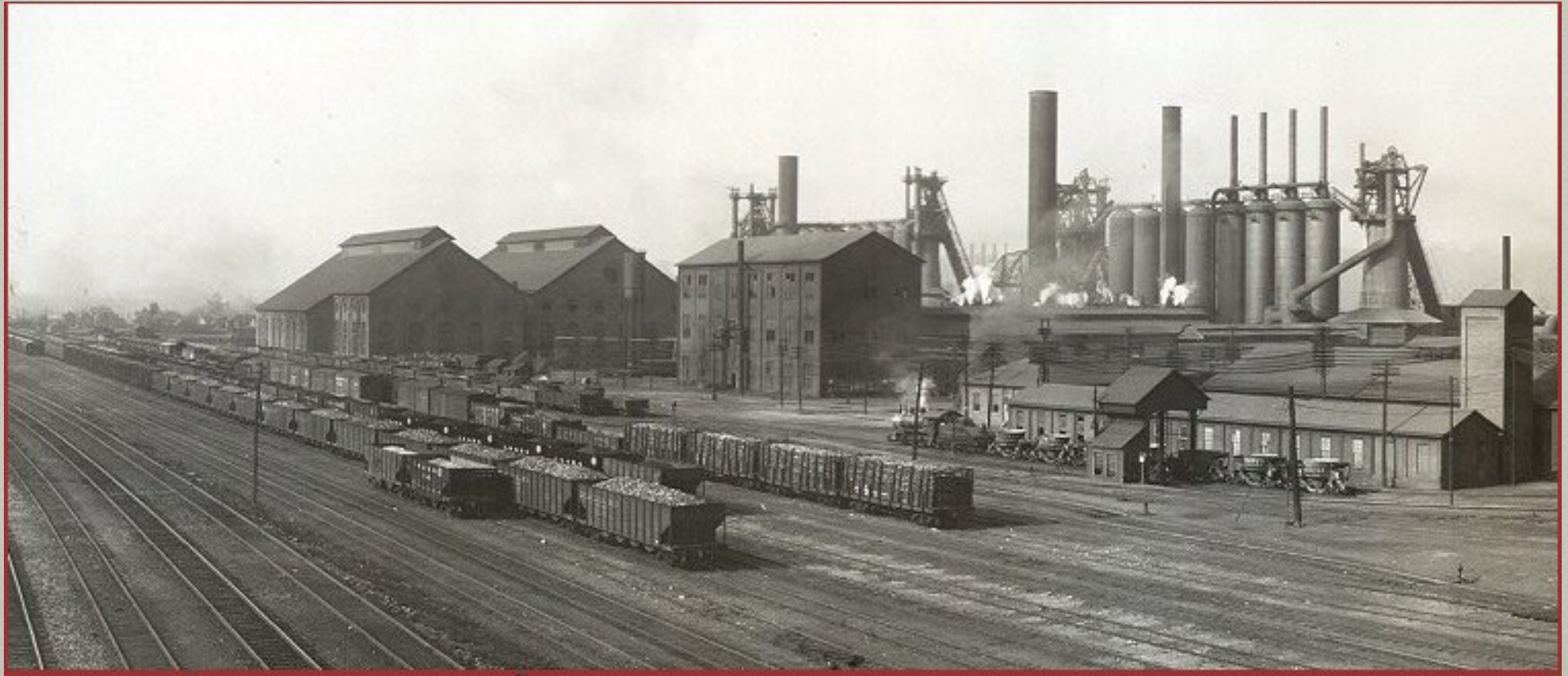


SKIBO CASTLE
CARNEGIE'S HOME IN SCOTLAND

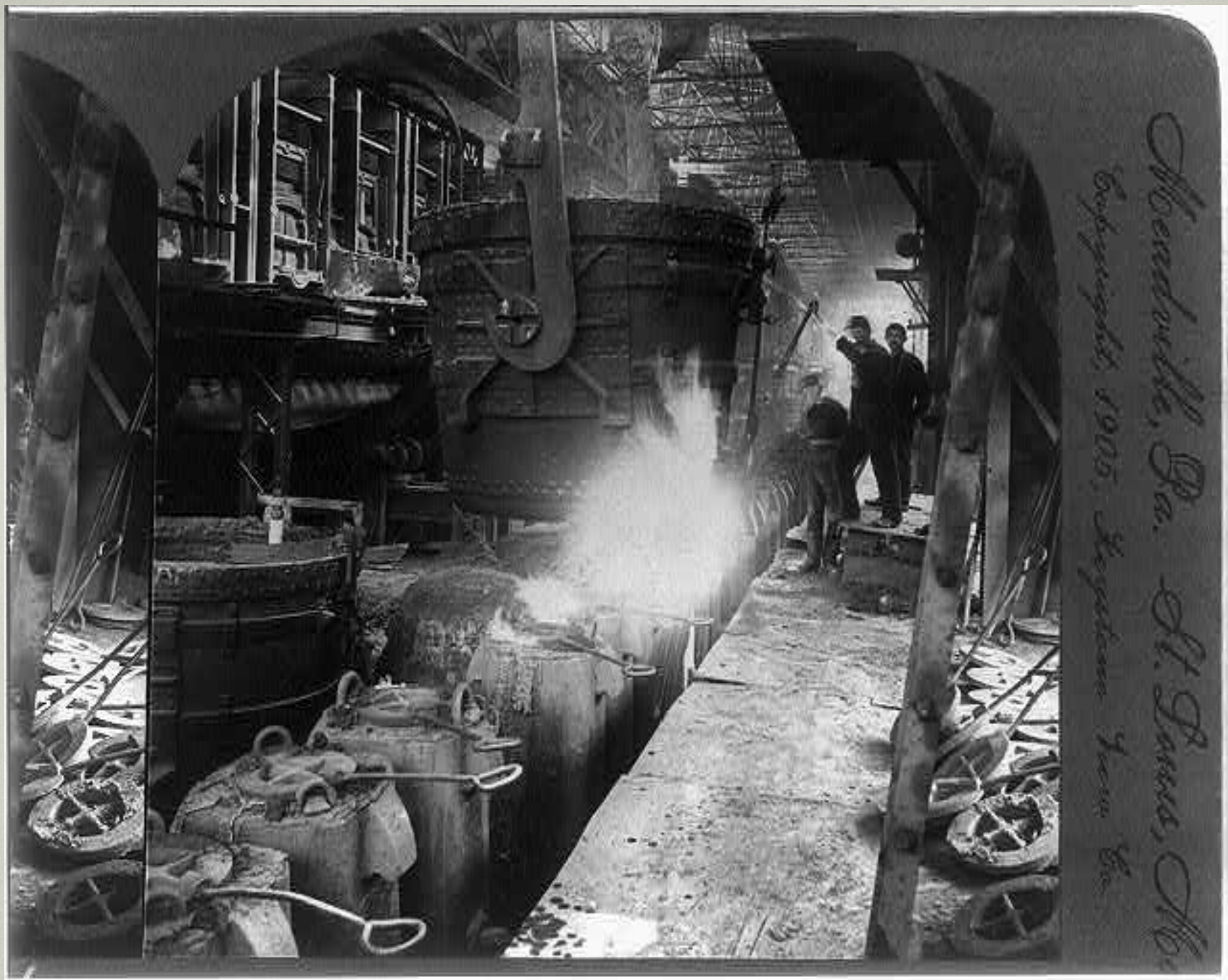


HOMESTEAD STEEL WORKS, CARNEGIE STEEL CO., NEAR PITTSBURGH, PA.

Postcard showing Carnegie's
Homestead Steel works



Carnegie Steel Corporation - Youngstown, Ohio



Meadville, Pa. St. Louis, Mo.
September 14, 1905. Ferguson House, Pa.

Steel workers in Meadville, Pa. 1905



Pouring molten steel

Dens of Death



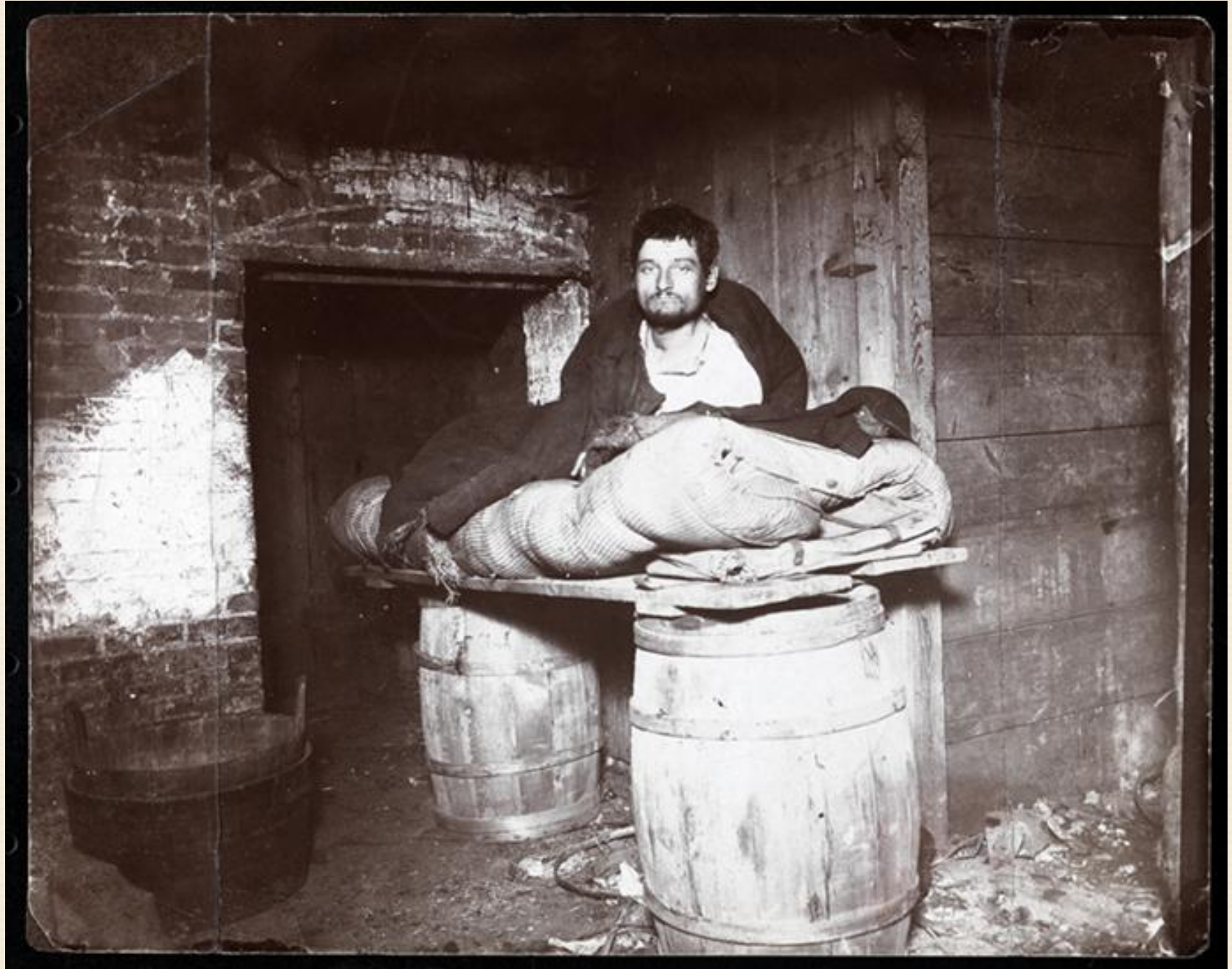
It Costs a Dollar a Month to Sleep in these Sheds



The Slide that was the Only Children's Playground



Pedlar Who Slept in the Cellar of 11 Ludlow St.



5 cents a spot





Caption: "Forty-Millionaire Carnegie in his Great Double Role. As the tight-fisted employer he reduces wages that he may play philanthropist and give away libraries, etc"

The Saturday Globe, Utica, NY, July 9, 1892

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

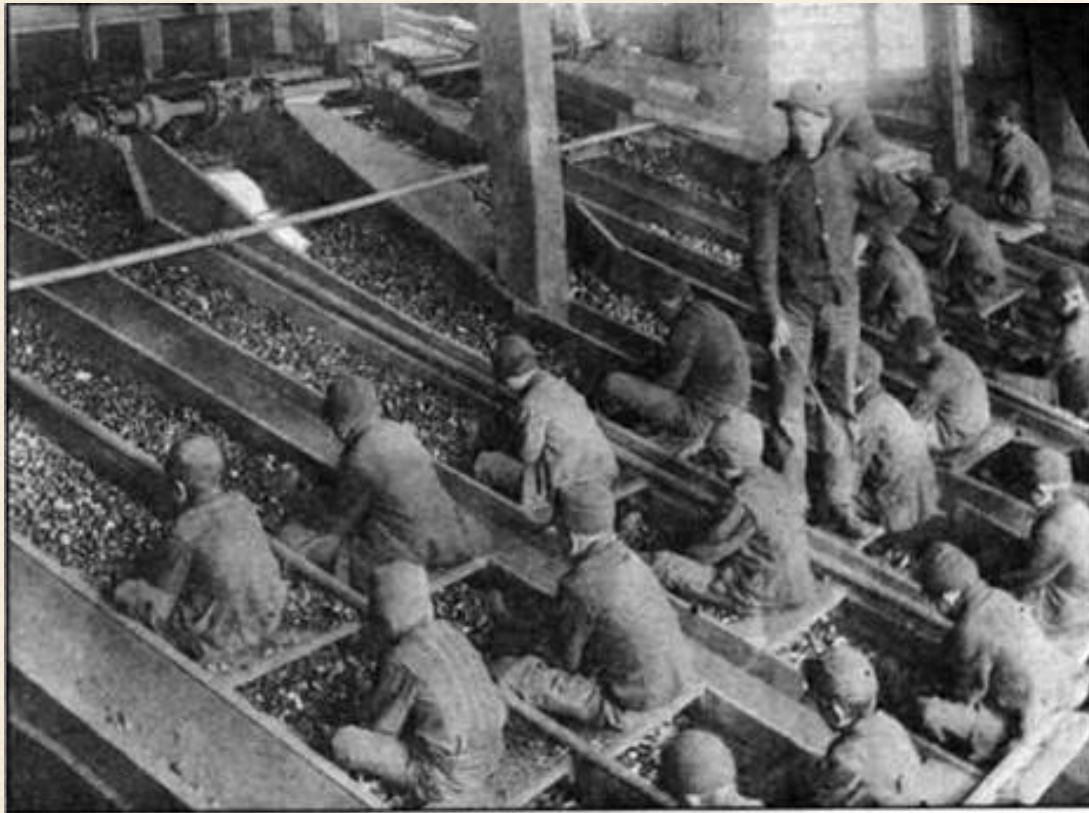
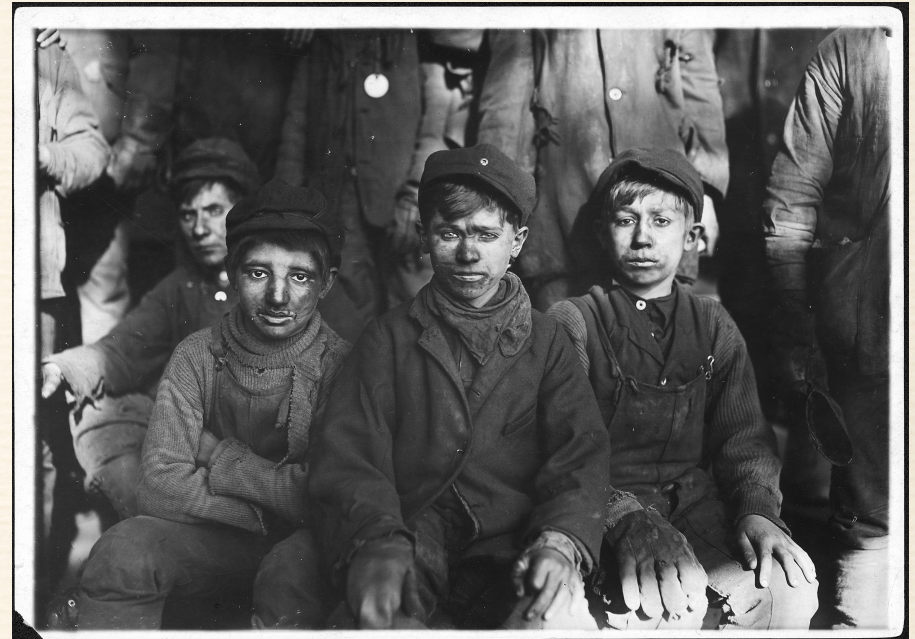


PHOTO COURTESY WYOMING HISTORICAL AND GEOLOGICAL SOCIETY



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

Source: *The Americans*, Holt McDougal p 450

8 HOURS

8 HOURS

8 HOURS



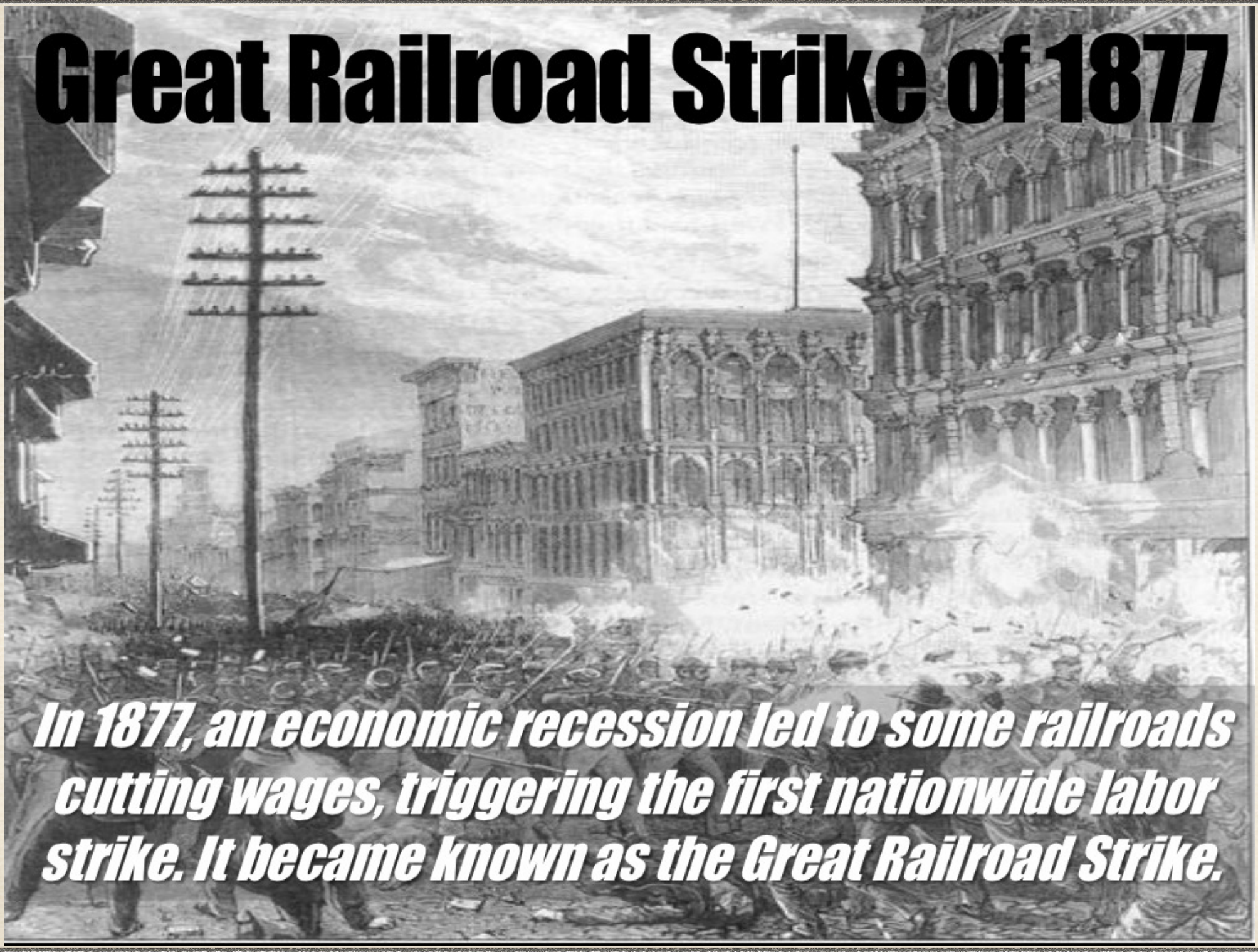
for WORK

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.



The Strike lasted for 45 days, until it was put-down by state and federal troops.

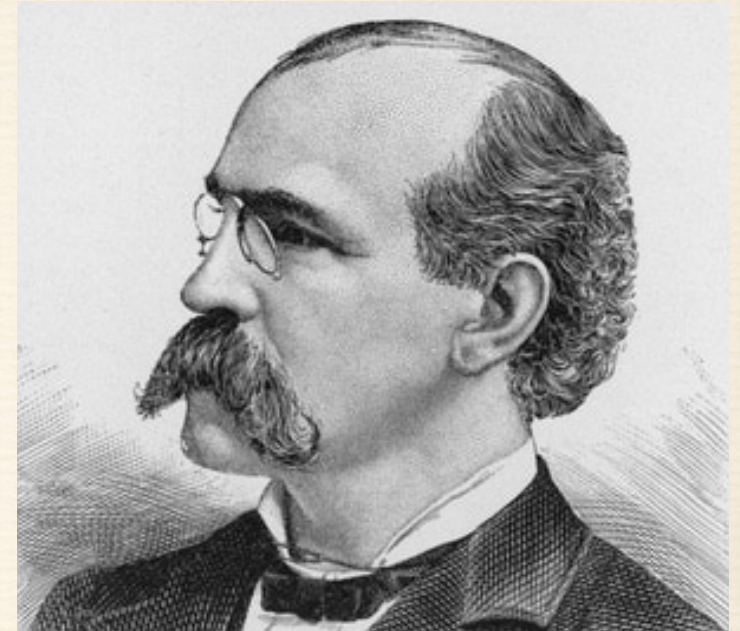
Estimated 100 people were killed / \$5 - \$10 million in damages

The Knights of Labor

**First nationwide labor union -
established 1869**

Railway Strike of 1877 helped to
increase union membership -
700,000 members by 1880

Union for ALL workers -
*Skilled & unskilled, men,
women, African Americans, etc.
were all accepted as members*



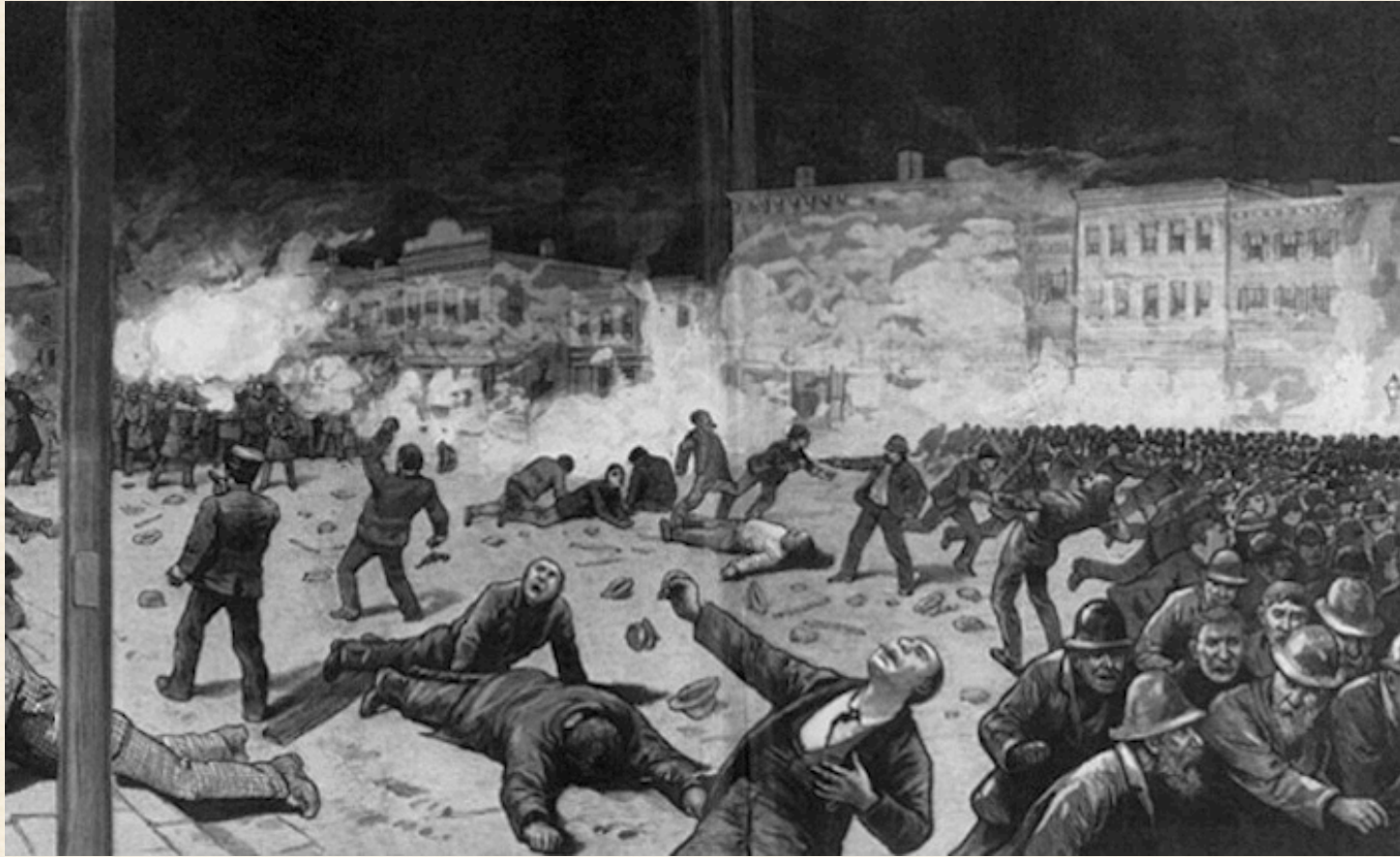
Terence Powderly
Leader of the
Knights of Labor,
1879 - 1893

The Haymarket Riot



**Chicago, 1886 - Began as a rally in support
of an 8 hour workday**

The Haymarket Riot



A bomb was thrown at the police trying to disperse the crowd.
Seven police officers & at least four civilians were killed

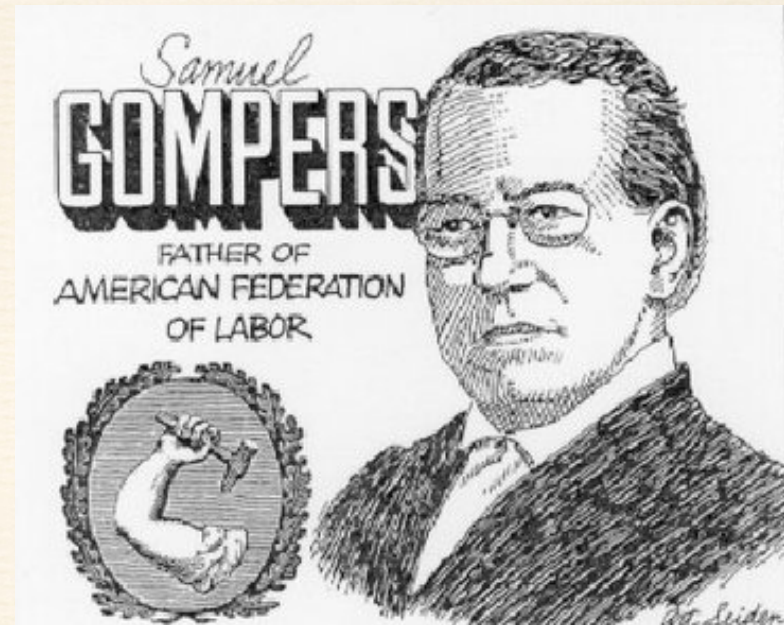
Labor organizers were rounded-up by the police.
Eight men, (*anarchists*) were convicted. Four were executed

The American Federation of Labor

Founded in 1886 by Samuel Gompers



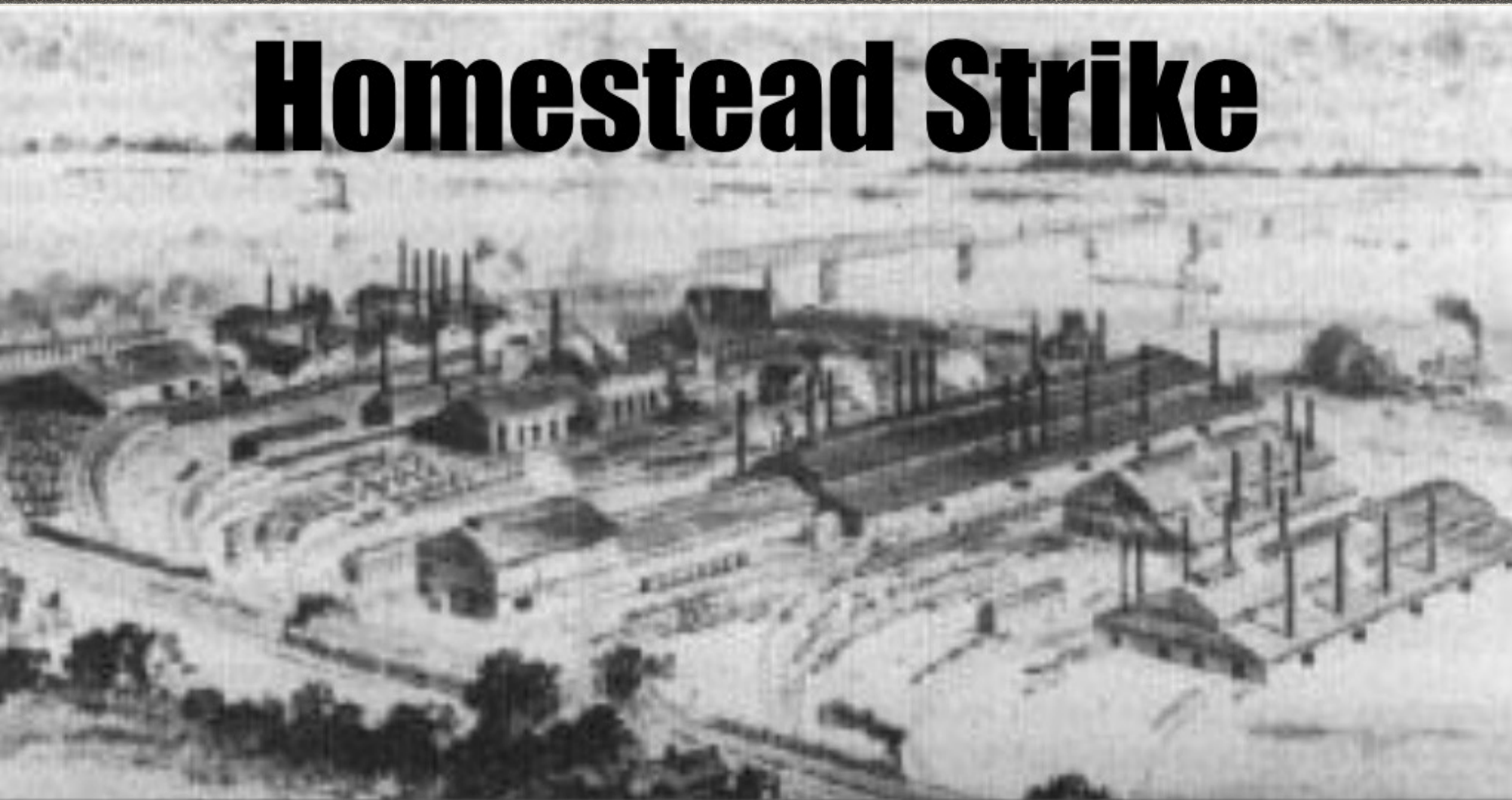
Work conquers all



Focused on negotiations between labor and management to achieve goals

Members were skilled workers

Homestead Strike

An aerial photograph of the Homestead Steel Works, showing a large industrial complex with numerous buildings, smokestacks, and a winding river or canal in the foreground. The image is in black and white and has a slightly grainy, historical quality.

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.

HOMESTEAD STEEL WORKS

The Pullman Strike - Began May 11, 1894



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

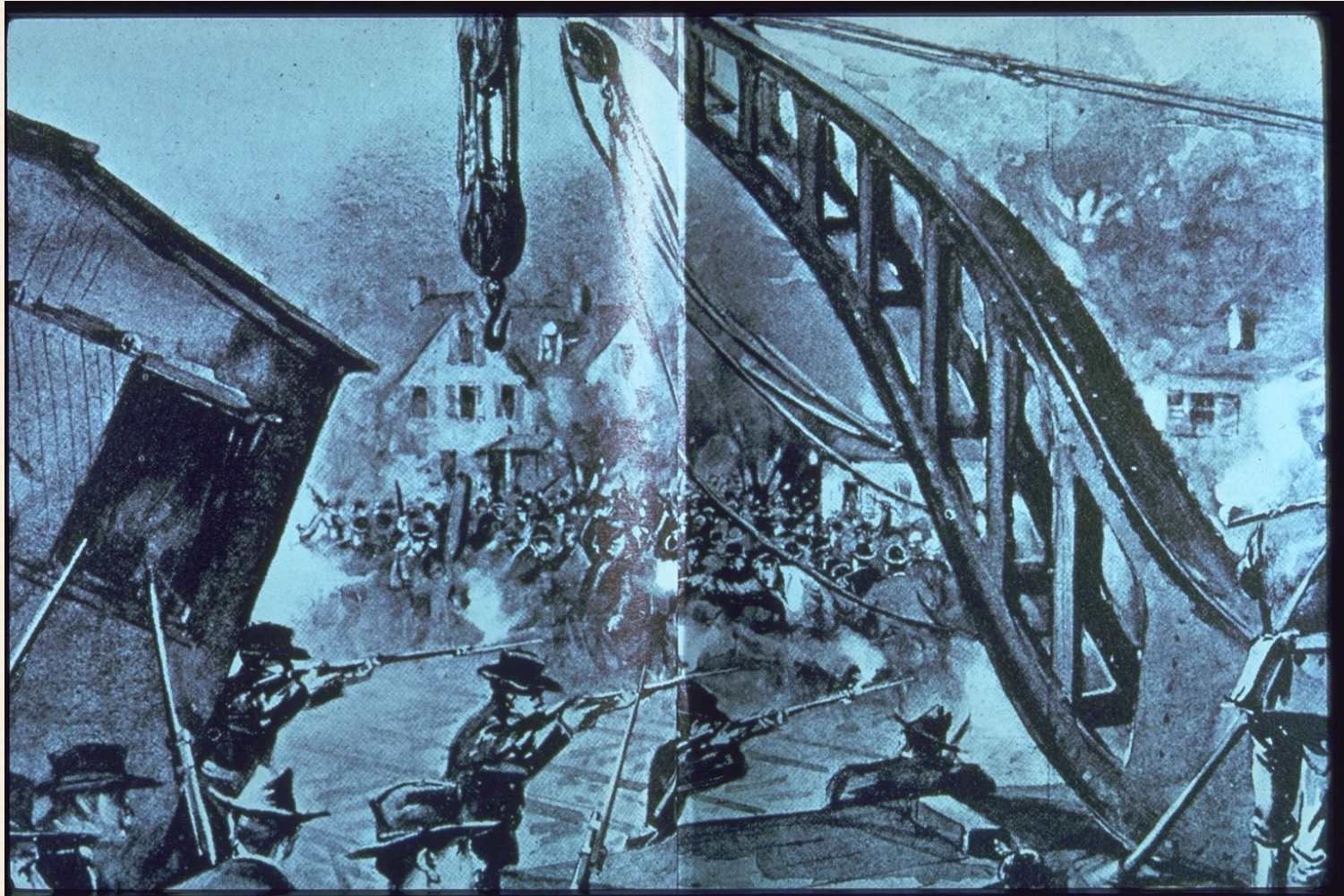
Rent for houses owned by the company, where many workers lived, remained the same - despite the cut in pay

SOCIALIST
NEWS-PAPER
UNION
ST. LOUIS



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)

The Pullman Strike - Why Significant?

Showed the growing power of unions

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

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



<http://www.sjsapush.com/resources/us39.jpg.opt255x252o0,0s255x252.jpg>

Sherman Anti-Trust Act



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