

James A. Henretta
Eric Hinderaker
Rebecca Edwards
Robert O. Self

America's History

Eighth Edition

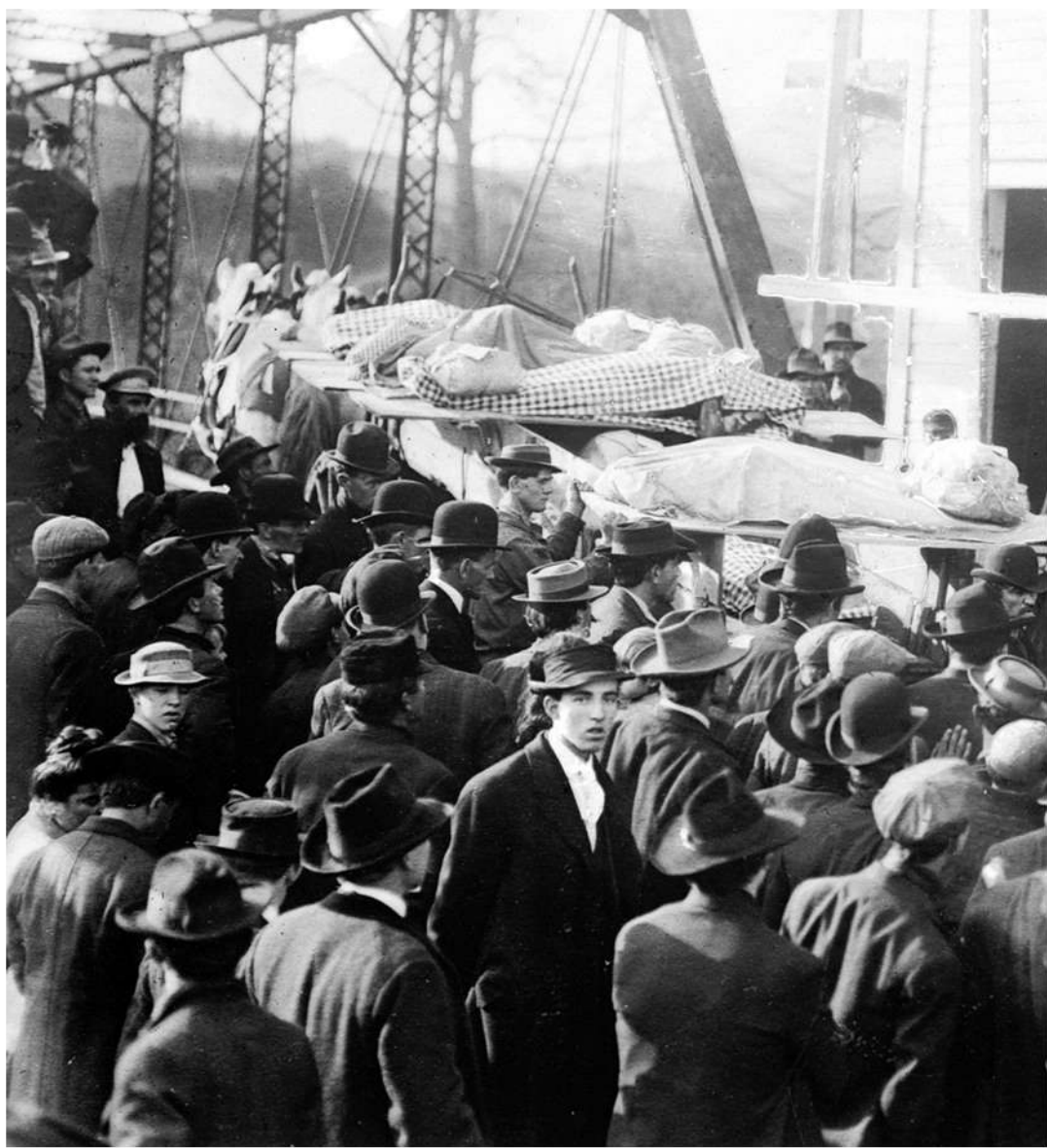
America: A Concise History

Sixth Edition

CHAPTER 17

Industrial America:

Corporations and Conflicts, 1877–1911



Marianna Mine Disaster

Library of Congress

Chapter 17, *America's History*, Eighth Edition and *America: A Concise History*, Sixth Edition

Copyright © 2014 by Bedford/St. Martin's

I. The Rise of Big Business

A. Innovators in Enterprise

1. Production and Sales— Corporation controls everything needed to take raw materials and create a packaged product (ex: Swift in Chicago) through process of “vertical integration”; “predatory pricing”: large firms undercut prices in certain markets to below production costs, driving smaller businesses to fail.

- 2. Standard Oil and the Rise of the Trusts – John D. Rockefeller (king of petroleum) created leading refiner, Standard Oil; used vertical integration to control production and sales; allied with railroad executives; “horizontal integration”: invited rivals to merge (most agreed, as they often had no alternative financially); “trust”: new legal form that organized a small group of associates—the board of trustees—to hold stock from a group of combined firms, managing them as a single entity.

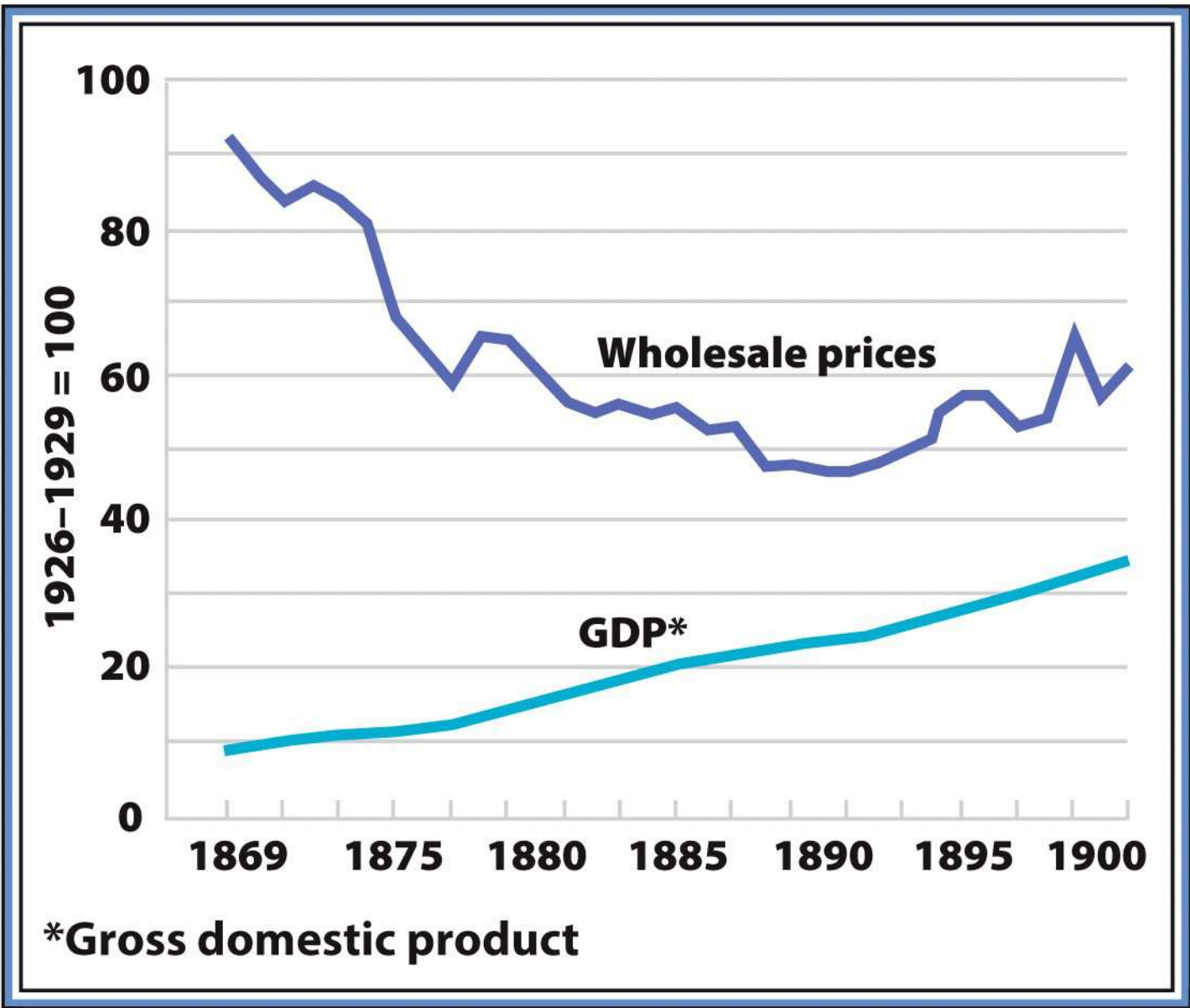


FIGURE 17.1 Business Activity and Wholesale Prices, 1869–1900
 Chapter 17, *America's History*, Eighth Edition and *America: A Concise History*, Sixth Edition
 Copyright © 2014 by Bedford/St. Martin's



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

Library of Congress

Chapter 17, *America's History*, Eighth Edition and *America: A Concise History*, Sixth Edition

Copyright © 2014 by Bedford/St. Martin's

I. The Rise of Big Business

A. Innovators in Enterprise (cont.)

3. Assessing the Industrialists Swift, Carnegie, Rockefeller, and others have always been controversial; in eras of economic crisis, opinions have tended to be harsh (e.g., 1930s historian coined the term robber barons, which is still used today); in periods of prosperity, both scholars and the public have tended to view early industrialists more favorably (e.g., industrial statesmen); some historians suggest they benefitted the economy with planning and expert management; corporate economy was a systemic transformation of the American (and later, global) economy.

- 4. A National Consumer Culture – In 1875, John Wanamaker opened first department store in Philadelphia; sold many different products in “departments,” tempting customers with large window displays and Christmas decorations; became part of urban culture; at fairs and expositions, stores sought to connect with rural customers; used catalogs to market goods to those outside proximity to stores; by 1900, there were 1,200 mail-order companies. Advertising shaped consumer demand; by 1900, magazine ads used artwork to attract consumers’ interest; at turn of the century, companies were spending more than \$90m/year on ads in newspapers and magazines; in 1903, the Ladies’ Home Journal had more than one million subscribers; prices were declining, making goods more accessible to consumers.

I. The Rise of Big Business

B. The Corporate Workplace

1. Managers and Salesmen – “White collar” professionals; during 1850s–1880s, emergence of managers on railway lines, each with different functions and a line of communication between them; “middle managers” supervised departments such as accounting, purchasing, and auditing; in 1870s, the drummer (traveling salesmen) emerged; created opportunity for nationwide distribution of products; managers began to set quotas and reward salesmen for their productivity.

- 2. Women in the Corporate Office – Female office workers were beneath managers; by turn of the century, 77 percent of stenographers and typists were women; saleswomen worked with customers in department stores; prior to availability of daycare, women worked at home doing “piecework” (sewing projects paid by item), taking in laundry, or caring for boarders; in 1900, 4 million women were working for wages; one third in domestic service, one



**LET ME GIVE YOU
A POINTER**

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

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

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

It ought to be worth a good deal to you to find friends in the same line of business in every town you go to all over the country.

Then, no matter how much your estate is worth—no matter how much insurance money you may leave, there is always the chance that it will be lost and your beneficiary left destitute. The Order of United Commercial Travelers meets that condition squarely by maintaining a Widows' and Orphans' Fund which provides that no beneficiary who is the wife, mother, sister (unmarried) or daughter, of a member shall ever come to actual want. Is that worth anything to you?

Is it worth anything to you to have entre to a nice select dancing or card party here and there when you are away from home on a long trip and are getting pretty tired of hotel society? Well that is another feature of the United Commercial Travelers. There are still other features, besides the accident insurance, which, by the way, is as good as the best, but I haven't time to tell you all.

If you think well of it, drop a postal card to the Supreme Secretary at Columbus, Ohio, and tell him to send you the booklet called "The Story of the Order of United Commercial Travelers of America." You will find it mighty interesting reading. Over three hundred subordinate councils located in all the principal cities of the United States and Canada. It is necessary for you to join the subordinate council nearest your place of residence.

Address all communications to

CHARLES C. DANIEL
Supreme Secretary
COLUMBUS, - - OHIO

The Salesman as Professional, 1906
Salesmanship, June 1906, Columbus Ohio
 Chapter 17, *America's History*, Eighth Edition and *America: A Concise History*, Sixth Edition
 Copyright © 2014 by Bedford/St. Martin's

I. The Rise of Big Business

C. On the Shop Floor

Male skilled craft workers still provided their own tools and worked at their own pace in many industries (ex: coal mining); advancing industrialization and mechanization deskilled labor, depriving workers of autonomy, causing speed-up, and decreasing wages; in early twentieth century, Frederick Taylor implemented scientific management.

1. Health Hazards and Pollution – Late-nineteenth-century industrial work was dangerous and unregulated; from 1876–1925, average of 2,000 U.S. coal miners died each year; factories damaged environments through air and water pollution; mines contaminated land and water with heavy metals.

- 2. Unskilled Labor and Discrimination – Increasingly, women and children were part of the unskilled labor force; by 1900, one in five children under age 16 worked outside of the home; African American workers were at the bottom of the pay scale; corporations and industrial manufacturers widely discriminated against blacks (not just in South); most African American women worked in domestic service; most industries hired new immigrant labor.



Child Labor
Library of Congress
Chapter 17, *America's History*, Eighth Edition and *America: A Concise History*, Sixth Edition
Copyright © 2014 by Bedford/St. Martin's

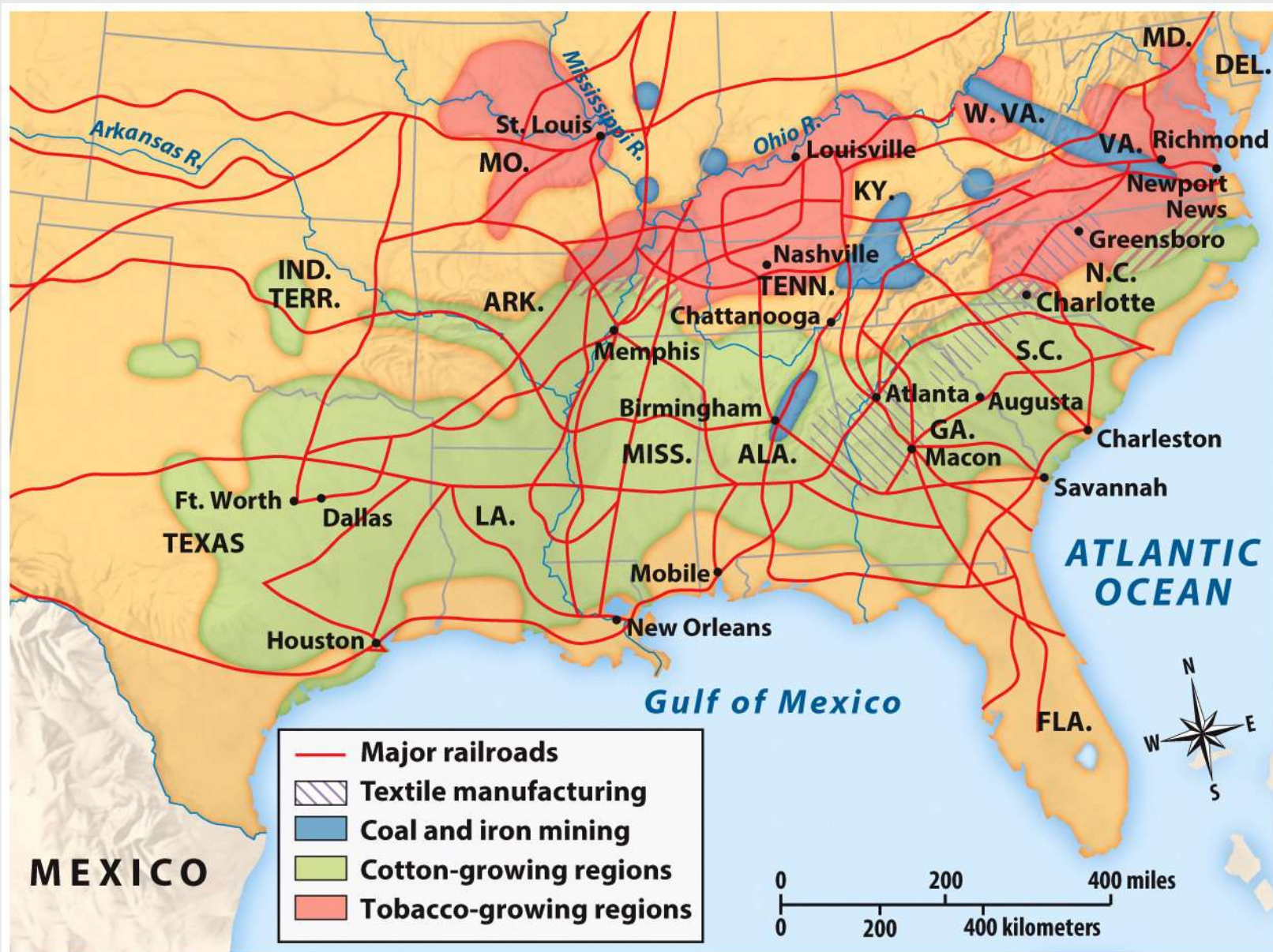
II. Immigrants, East and West

A. Newcomers from Europe

1. West— Mass migration from Europe began in 1840s during famine in Ireland; voyage to U.S. lasted 10–20 days

with people jammed below ship decks in steerage; in 1892, European immigrants arrived through Ellis Island (NY); some workers had skills, but many more did not; “sojourners” planned to work, save, and return to Europe; approximately one in three immigrants to the U.S. in the late nineteenth and early twentieth centuries returned to their homeland.

- 2. East – Along with Italians and Greeks, Eastern European Jews were among the most numerous arrivals. The first American Jews (about 50,000 in 1880) had been mostly of German descent; from 1880–1920, more than 3 million poverty-stricken Jews came from Russia, Ukraine, Poland, and elsewhere in Eastern Europe for work and to escape religious persecution.



MAP 17.1 The New South, 1900
 Chapter 17, *America's History*, Eighth Edition and *America: A Concise History*, Sixth Edition
 Copyright © 2014 by Bedford/St. Martin's

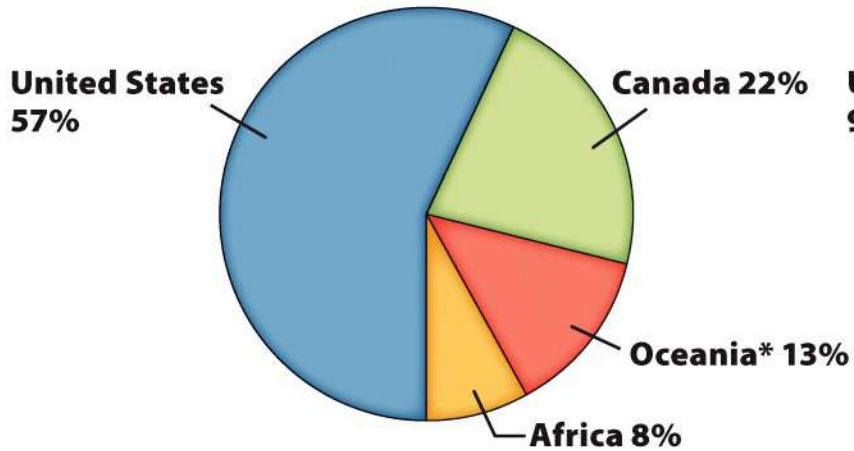


Number of Immigrants per Decade to the United States

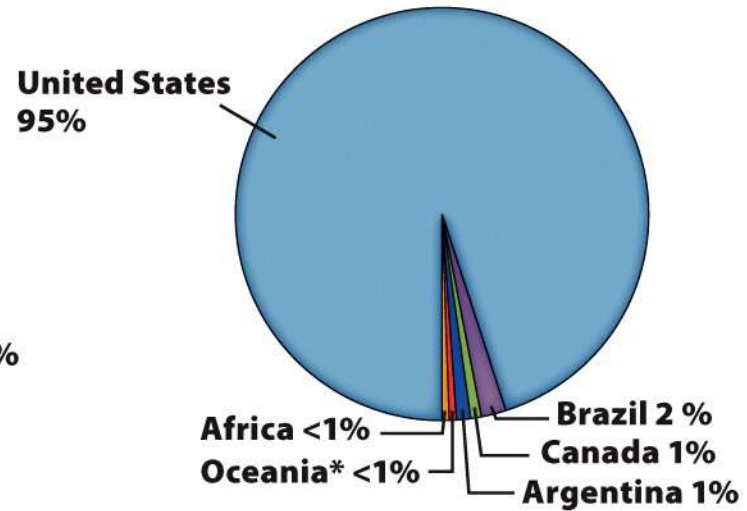
- To 10,000
- 100,000–500,000
- 500,000–1,000,000
- 1,000,000–2,000,000
- Over 2,000,000

..... Approximate area of immigrants to the United States claiming Polish ancestry. Poland was not an independent country at this time.

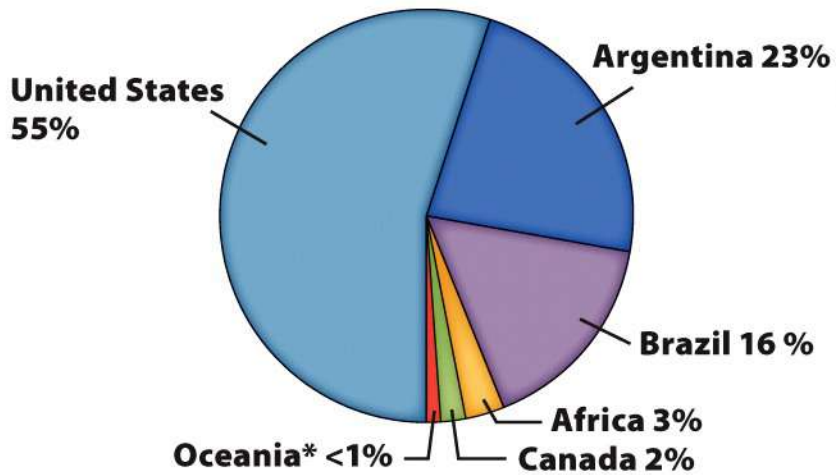
British Emigrants (excluding Ireland)



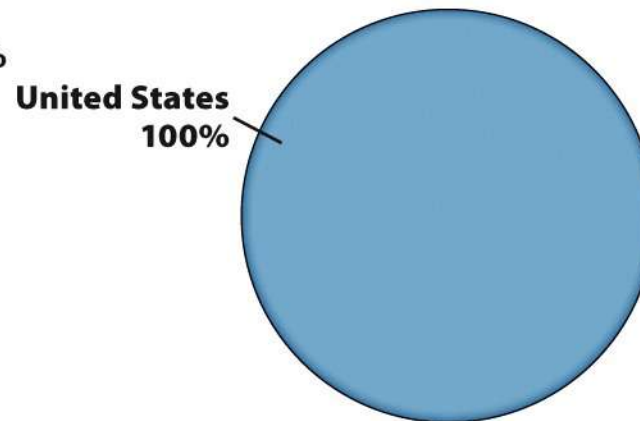
German Emigrants



Italian Emigrants



Swedish Emigrants



* Primarily to Australia and New Zealand

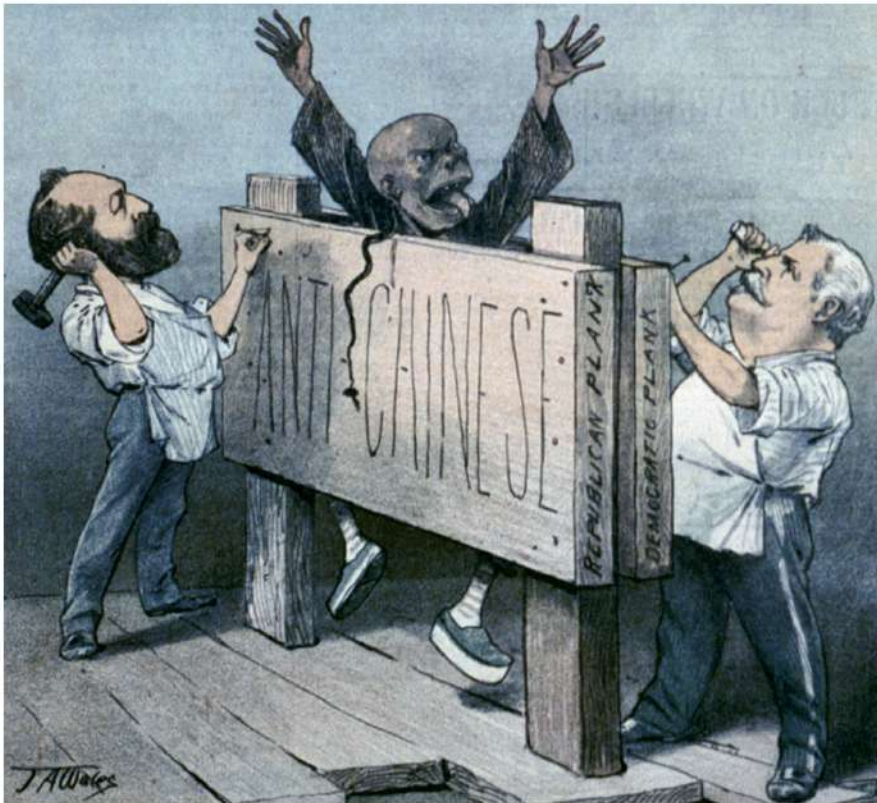
FIGURE 17.2 Major Destinations for Emigrants, 1881–1915
Chapter 17, *America's History*, Eighth Edition and *America: A Concise History*, Sixth Edition
Copyright © 2014 by Bedford/St. Martin's

II. Immigrants, East and West

B. Asian Americans and Exclusion

1. Immigrants— First Chinese came to U.S. in 1840s to participate in Gold Rush; initially worked in restaurants and laundries; discrimination against Asian immigrants intensified during economic depression of 1870s; included calls for deportation.

- 2. Chinese excluded – Chinese Exclusion Act (1882) barred workers from entering country; was not repealed until 1943; Korean and Japanese immigrants began arriving at the turn of the century; 1906 ruling stated that these new immigrants were not eligible for citizenship; Chinese were nation’s first “illegal immigrants.”



Anti-Chinese Racism
Library of Congress
Chapter 17, *America's History*, Eighth Edition and *America: A Concise History*, Sixth Edition
Copyright © 2014 by Bedford/St. Martin's

- 1. Who is depicted in and what is the central action of this political cartoon?
- 2. Anti-Chinese Racism: What message is the artist who drew this 1880 political cartoon most likely aiming to
- 3. What does the cartoon reveal about the cartoonist's views on Chinese immigrants and proposals to exclude them from American immigration?

III. Labor Gets Organized

A. The Emergence of a Labor Movement

1. Trade unions
2. Agrarians
3. Greenback-Labor Party

III. Labor Gets Organized

B. The Knights of Labor

1. A cooperative commonwealth— Founded in 1869 as a secret society in Philadelphia; led by Terence Powderly; participated in Greenback Party movement; wanted factories run by employees; practiced open membership; advocated temperance; included skilled craftsmen, domestic workers, and textile workers; hired Leonora Barry as a full-time organizer of working women.

- 2. Haymarket Square incident – Knights were successful with grassroots, spontaneous strikes; 1886 protest at McCormick reaper works in Chicago led to violence; “anarchism”: revolutionary advocacy of a stateless society; on May 4, 1886, strike at Haymarket Square became violent and damaged the public image of the labor movement; employers broke strikes with mass arrests, tied up the Knights in expensive court proceedings, and forced workers to sign contracts pledging not to join labor organizations.



- 1. Describe this image. Who are these people, and what are they doing?
- 2. What does this drawing suggest about this pair of workers? How do they feel about their jobs? How well do their jobs support them?
- 3. This image does not depict the real experiences of most industrial workers in the United States in the late nineteenth century. What was the intended audience for the image, and what was its message?



Industrial Violence: A Dynamited Mine, 1894

Library of Congress

Chapter 17, *America's History*, Eighth Edition and *America: A Concise History*, Sixth Edition

Copyright © 2014 by Bedford/St. Martin's

III. Labor Gets Organized

C. Farmers and Workers: The Cooperative Alliance

1. Farmers' Alliance— Rural movement founded in Texas in 1870s; largest farm-based political movement in U.S. history; advocated cooperative stores and exchanges to remove middlemen from sales; Texas Farmers Alliance proposed federal price-support system for farm products: federal government would hold crops in public warehouses and issue loans on their value until they could be profitably sold; the Alliance cooperated with the Knights of Labor seeking to use rural voters' substantial clout on behalf of urban workers who shared their vision.

- 2. Interstate Commerce Commission (ICC) – Investigated interstate shipping, forcing railroads to make their rates public, and suing over unreasonable rates; its final form represented a compromise between farmer-labor advocates and those sympathetic to big business; ICC's power was eroded over time by Supreme Court rulings.

III. Labor Gets Organized

D. Another Path: The American Federation of Labor

1. Samuel Gompers— After Haymarket, some Knights of Labor workers joined together to form American Federation of Labor (AFL); Gompers (Dutch-Jewish cigar maker) led until 1924; demanded that workers earn greater share of corporate profit.

- 2. Pure-and-simple unionism – Gompers hammered out a doctrine that he called pure-and-simple unionism; pure referred to membership: strictly limited to workers, organized by craft and occupation, with no reliance on outside advisers; simple referred to goals: only those that immediately benefitted workers—better wages, hours, and working conditions. Pure-and-simple unionists distrusted politics and advocated collective bargaining; membership grew to more than 2 million by 1904; was not inclusive of women or blacks.