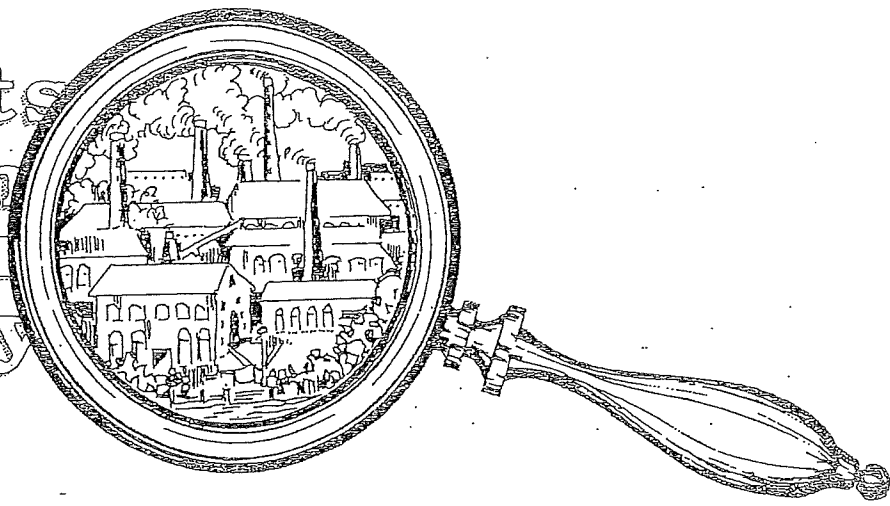


# Highlights in American History



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## EXPANSION INTO AN INDUSTRIAL ECONOMY

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The United States became the first manufacturing nation in the world during the later 1800s. The national income from manufactured goods was far greater than the income from farm products. Many factors contributed to this industrial growth. Basic raw materials and energy resources such as coal, iron, timber, petroleum, and water power were plentiful. A large and growing population also provided a supply of laborers. People either moved from the farms to the cities or workers came from other countries. An increasing number of inventions also helped to bring about industrialization. Furthermore, there were men who were willing and eager to invest their energies and monies in business. They were sometimes known as "captains of industry" and "robber barons" who organized large-scale production and distributed the manufactured goods to markets. The markets were large because the population was growing. Railroads provided an inexpensive means of transporting raw materials to factories and finished products to markets.

The federal government promoted economic growth. With its help, the railroad trackage increased from 30,000 miles in 1860 to 193,000 miles in 1900. The government made public resources available to private companies on generous terms to encourage industrial growth. Congress passed protective tariffs against foreign competitors that greatly helped the American manufacturers to grow and expand.

New technologies and the discovery of new materials and productive processes were evident. From 1776 to 1860 only 36,000 patents were registered in the United States. From 1860 to 1890 nearly 440,000 patents were granted. Improvements in communication were necessary for expanding industries. The first transatlantic telegraph cable was laid to Europe. The telephone, typewriter, cash register, and calculating machines greatly aided in the expansion of business. The incandescent electric bulb and phonograph also contributed to industrial expansion. Thomas A. Edison introduced the laboratory, a workplace for developing new ideas and creating new inventions. Companies began to establish their own laboratories. Mass production and the moving assembly line were developed.

Another important technological invention was the development of steel. Iron was transformed into steel by blowing air through molten iron to burn out the impurities. Pittsburgh became the center of the steel industry. When Edwin L. Drake dug the first oil well in Pennsylvania, the petroleum industry began its extraordinary growth. Refrigerated freight cars, new ways of milling

flour, and new methods of canning foods and condensing milk all had an impact on the industrial development in the United States. The radio, airplane, and automobile reshaped American social and cultural life. In 1895 there were four automobiles on the streets of the United States; by 1917 there were 5 million automobiles being driven by Americans.

The number of factories and companies in the United States began to increase rapidly during the 1870s and 1890s. Many Americans invested their own savings and got bank loans to start companies. Sometimes two or more persons pooled together their monies to begin a factory and shared in the profits of the company. By the end of the 1800s corporations, which were formed by obtaining charters or licenses from the state government to start specific businesses, were more common. Corporations could raise money by selling stocks, shares of the company, to members of the public. As businesses expanded rapidly, many people made money and grew tremendously wealthy such as Cornelius Vanderbilt, Andrew Carnegie, Leland Stanford, and Jay Gould. Not all of the wealthy families spent money on themselves only. A few of them gave generously to museums, universities, libraries, and other public institutions. The business leaders did not like competition. Some of them joined together to organize monopolies which gave them control of the market for their businesses. John D. Rockefeller, a leader in the oil business, formed one of the first monopolies in this country. Once a monopoly gained control, it caused the prices to rise and no one could do anything about it.

The American standard of living was rising significantly. At the same time, people felt that not enough of the profits of the companies were being passed on to their workers to create an adequate market for the goods they were producing. A growing resentment was developing as the gap between the wealthy and the poor was widening. About 1 percent of American families controlled 88 percent of the nation's industries.

Americans were moving from the farms into the cities, seeking better economic opportunities. Many factories employed European immigrants who almost doubled the nation's population between 1860 and 1890. Many of them came from southern and eastern European countries to escape poverty and oppression of their homelands. Men worked in the factories, but so did women and children. Factory owners increased their profits by hiring women and children to whom they paid very low wages. They worked long hours in dangerous and unhealthy workplaces. There was no job security and the factory tasks were routine, repetitive, and monotonous.

As the gap between workers and employers grew even wider, the workers wanted shorter working hours, better wages, and safer workplaces. Laborers tried different ways to solve their common problems. The "Molly Maguires" were organized by Pennsylvania miners. The railroad strike of 1877, a major labor conflict, brought in the federal troops and over 100 people died before the strike ended. The Knights of Labor disapproved of strikes and advocated an eight-hour day and the abolition of child labor. Against the advice of the leadership, some strikes were called, and membership in the Knights of Labor rapidly declined.



The American Federation of Labor, founded by Samuel Gompers, was an organization of many different trade unions. Unskilled workers and women were excluded from membership. Members wanted better wages and working conditions and an eight-hour work day. They felt their differences with the owners of the factories could be worked out in collective bargaining, that is, in a meeting where they would discuss their grievances. If necessary, they would call a strike, which meant they would stop working.

The American Federation of Labor called a general strike on May 1, 1886. Strikes and demonstrations took place all over the country. Strikers at the McCormick Harvester Company were harassed by the police. The strikers called a meeting at the Haymarket Square in Chicago to protest the murder of four workers the day before. While they were meeting, the police appeared and demanded that they leave. An unidentified person threw a bomb and killed seven policemen and injured many others. During the Haymarket Riot, the police fired into the crowd and killed four more people. Eight individuals who were anarchists (people who are against government of any kind) were charged with the murder of the policemen and all were found guilty in a trial that many thought was unfair. The individual who threw the bomb was not found.



A violent strike occurred at the Homestead plant of the Carnegie Steel Company in Pennsylvania. When the Company spokesman, Henry Clay Frick, announced more wage cuts for the workers, they decided to call a strike. He immediately shut down the plant and called the Pinkerton Agency to send 300 strikebreakers. The strikers attacked them and drove them away. The National Guard troops were called and the workers, defeated, returned to their jobs within a few months, accepting the low pay.

The Pullman Strike began during the winter of 1893-94 when the company reduced the wages of its workers by 25 percent. Federal troops were sent in when the strikebreakers and the workers clashed. Eugene V. Debs, one of the principal leaders of the American Railway Union, was imprisoned for six months.

The workers' unions emerged in a weakened state at the end of the century. The power and wealth of the owners of companies and corporations continued to grow. Union membership was low. Women, blacks, and unskilled workers were not invited to become members. Because unions used strikes that sometimes became violent to meet their goals, people thought they were dangerous. Since many of the workers were foreigners, some people thought that unions wanted to overthrow the American government. Workers were unable to create an organization to compete with the growing industrial power and wealth.