

**THE INCORPORATION  
OF AMERICA,  
CHAPTER 19 NOTES**

# Second Industrial Revolution

- In 1865, the annual production of goods was \$2 billion
- By 1900, it was \$13 billion
- America went from 4<sup>th</sup> to 1<sup>st</sup> in the world in terms of productivity
- By the early 20<sup>th</sup> Century, American industry manufactured 1/3 of the world's goods

# Reasons for the Revolution

- ⦿ Application of technology to increase productivity
- ⦿ Anthracite coal—a source of fuel used after 1850—especially in iron and steel mills
  - By 1900, the US Steel industry was the world's largest
- ⦿ Systems of mass production were used

# Expanding the Market for Goods

- ⦿ Advertising Campaigns began to induce consumers to buy their brands—to buy things they did not know that they needed to buy
- ⦿ Mail-order companies sold things by catalogue
  - Example: Sears, Roebuck and Company
- ⦿ Chain stores utilized economies of scale
  - A & P grocery chain
  - Department stores
    - Marshall Field—Chicago
    - Macy's—New York

# Integration, Combination and Merger

- ⦿ Vertical integration
  - Obtaining control of production at each step
- ⦿ Horizontal integration (or horizontal combination)
  - Gaining control of the market for a single product
  - Example: Standard Oil, founded in 1870 by John D. Rockefeller
  - By 1882, the Standard Oil Trust controlled more than 90 percent of the nation's oil-refining industry
  - Small firms vanished and large ones came into being

# Gospel of Wealth

- ① 90% of business leaders were Protestant
- ① They almost combined a religious zeal towards a pursuit of wealth

# Robber Barons

- ◎ Jay Gould—made his fortune through railroad speculation and investment
  - Called the “Worst Man in the World”
- ◎ Andrew Carnegie
  - Immigrant from Scotland
  - Carnegie made his fortune from the steel industry
  - He used vertical integration
  - Carnegie underpaid his employees, but was a philanthropist who gave away his entire fortune

# Social Darwinism

- ◉ Derived from Darwin's theory of evolution in *On the Origin of Species* (1858)
- ◉ "survival of the fittest"
- ◉ Yale professor William Graham Sumner, in an 1883 essay titled "What Social Classes Owe to Each Other", argued:
  - Only a few individuals were capable of putting aside selfish pleasures to produce the capital needed to drive the economy
  - Most people were too lazy to rise above poverty and deserved their own miserable fates
  - Helping the poor would disrupt this natural order and would hurt society

# Horatio Alger

- Wrote more than 100 rags-to-riches novels
- His heroes rise out of poverty by both hard work and luck
- His novels were a more acceptable version of the Social Darwinism argument

# Labor in the Age of Business

## ◎ Wage System

- For most craft workers, the new system destroyed long-standing practices and put them in competition with unskilled workers
- Managers supervised workers, set the pace of production, rate of pay, and introduced new machinery
- Exception: garment industry grew at a fast rate in large cities, but retained older systems of labor like the outwork system

# Workers

- ◎ Most new workers came from Europe or Asia
- ◎ New opportunities for women
  - African American and immigrant women found employment in trades least affected by technological advances (e.g., domestic service)
  - English-speaking white women moved into the better-paying clerical and sales positions
  - By 1900, 8.6 million women worked outside their homes (nearly triple the number in 1870)

# Discrimination

- ◎ African American men were excluded from many fields
  - Driven from skilled trades, restaurant service, and new trades such as boilermaking, plumbing, and electrical work
- ◎ Chinese immigrants were also discriminated against
  - By the 1870s, white workers and small business owners formed an anti-Chinese movement to protest “cheap Chinese labor”
  - 1882—Chinese Exclusion Act—suspended Chinese immigration for ten years, limited the civil rights of resident Chinese, and forbade their naturalization

# Working Conditions

## ⦿ Dangers

- Factory owners failed to mark high-voltage wires, locked fire doors, and allowed the emission of toxic fumes
- Coal and copper miners worked in air that could be poisonous
- Repetitive tasks were tedious—most workers worked 10 to 12 hour days

# Knights of Labor

- Founded by a group of Philadelphia garment cutters in 1869
- It grew to become the largest labor organization in the nineteenth century
- It sought to bring together wage earners, regardless of whether they were skilled or unskilled laborers

- ⦿ Reform measures to offset the power of the industrialists:
  - Restriction of child labor
  - Graduated income tax
  - Land set aside for homesteading
- ⦿ Suggested producer's cooperatives
  - Workers would make decisions on prices and wages and shared all the profits
- ⦿ During May of 1886, more than 300,000 workers demonstrated for the 8-hour work day
  - It ended unsuccessfully

# Haymarket Riots

- On May 4, following confrontations between strikers and authorities, a protest against police violence at Chicago's Haymarket square seemed to be ending quietly
- Someone threw a bomb that killed one policeman and left seven others fatally wounded
- Police fired wildly into the crowd, killing eight
- Chicago authorities arrested a group of anarchists who were sentenced to death despite a lack of evidence
  - Four were hanged
  - One committed suicide
  - Three others were jailed until they were pardoned in 1893
- The Knights of Labor were crushed

# American Federation of Labor

- The AFL accepted the wage system
- Bargained with employers for better working conditions, higher wages, and shorter hours
- It offered compliant firms the benefit of amenable day-to-day relations
- The AFL ignored unskilled workers, minorities, and immigrants
- Led by Samuel Gompers
- Local politicians courted AFL members' votes, and Labor Day became a national holiday in 1894

# New South

- South was economically stagnant
- Per capita wealth was only 27 percent of that of the Northeast
- Group of Southerners envisioned a “New South” where modern textile mills could flourish
- Mills in the South grew from 161 in 1880 to 400 in 1900
- Northern manufacturers shifted their investments to the South

- The lives of working African Americans were not measurably improved despite the advance of southern industry
- Most trade unions refused membership to black workers
- Wages throughout the South were low for both black and white workers

# The Industrial City

- Before the Civil War, manufacturing had centered in the countryside in factory towns. By 1900, 90 percent of all manufacturing took place in big cities.
- In 1860, only sixteen cities had more than 50,000 residents. By 1890, 1/3 of all Americans lived in cities and 11 cities had more than 250,000 people

- By 1900, nearly 80 percent of African Americans in the North lived in urban areas
- By 1900, young women outnumbered young men in East coast cities
- Major Source of urban population growth: immigrants and their children

# Immigrants

- In 1880 San Francisco claimed the highest proportion of foreign-born residents (45 percent)
- By 1900, Chicago had more Germans than all but a few German cities and more Poles than most Polish cities
- Men typically outnumbered the women
- Immigrants came to take advantage of employment opportunities

# The Urban Landscape

- ⦿ Cities did little to improve the conditions of the majority of the population who lived in crowded tenements
- ⦿ Cities usually lacked an overall expansion plan
- ⦿ Tenements were designed to maximize the use of space
- ⦿ Nicer areas of town had mansions and town houses
- ⦿ Skyscrapers were developed—rising 7, 10, or 20 stories high



AN EXISTING BLOCK OF TENEMENTS IN 1900 ON THE LOWER EAST SIDE OF NEW YORK.

# First Skyscraper—in Chicago



- ◎ Other changes: large bridges, such as the Brooklyn Bridge, designed by John Roebling

# Brooklyn Bridge



- Streetcars and elevated railroads changed business because they moved traffic faster and farther than before
- Cable Cars were introduced in San Francisco in 1873
- New York Subway System--1902

# Cable Car



# Electric Trolley 1887 (Frank Sprague, inventor)



Salina Street, Syracuse, on a busy day

# Elevated Railway (Chicago)



# Subway (Boston)



# Environmental Concerns

- ⦿ Electric trolleys eliminated tons of waste produced by horsecars
- ⦿ New transportation systems resulted in more accidental deaths
- ⦿ Modern water and sewer systems created a hidden city of pipes below ground
- ⦿ Most cities kept dumping raw sewage into nearby bodies of water

- ① Coal burning for factories and railroads created air pollution
- ① Overcrowded conditions and inadequate sanitary facilities spread diseases

# Consumer Society

- Real wages (pay in relation to the cost of living) rose
- More and cheaper products were available
- Food became more abundant
- The expansion of consumer goods and services promoted changes in behavior and beliefs
- Leisure, play, and consumption became a measure of success

# The Gilded Age

- ⦿ "What is the chief end of man?--to get rich. In what way?--dishonestly if we can; honestly if we must."  
-- Mark Twain-1871
- ⦿ "What is the chief end of man?"
  - "To glorify God, and to enjoy Him forever."  
--The Westminster Shorter Catechism
- ⦿ Only after the Civil War did the wealthy form national networks to consolidate power
- ⦿ They formed business and social relationships with each other
- ⦿ The rich created a new style of "conspicuous consumption"

# Conspicuous Consumption

- Sherry's Restaurant hosted formal horseback dinners for the New York Riding Club.
- Mrs. Stuyvesant Fish once threw a dinner party to honor her dog who arrived sporting a \$15,000 diamond collar.

# The Breakers, Newport, Rhode Island



# Inside the Breakers (Vanderbuilts)



# Carnegie Mansion, 5<sup>th</sup> Ave., NYC

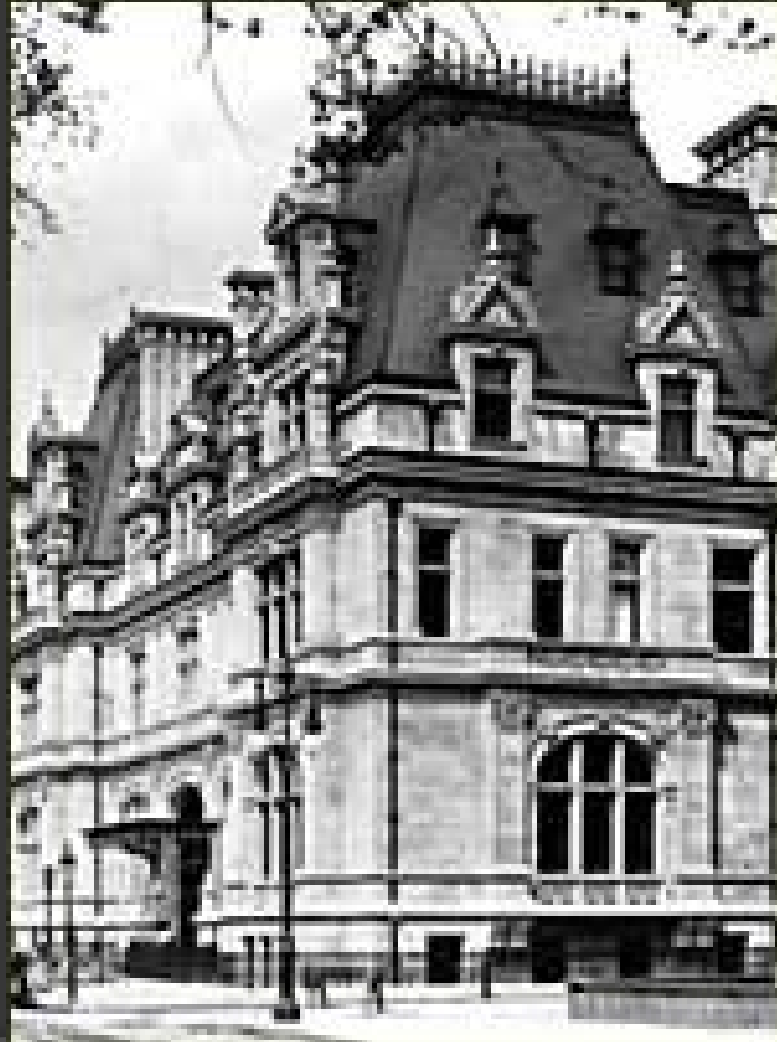


# Henry Clay Frick, 5<sup>th</sup> Ave., NYC



- Frick told his friends that he was building his mansion to “make Carnegie's place look like a miner's shack”
- In Pittsburgh, his 20-story office building was designed to blot out the sun of Carnegie's smaller building next door.

# Mrs. Astor's House, 5<sup>th</sup> Ave., NYC



# Vanderbilt Chateau, 5<sup>th</sup> Ave., NYC



# Self-Improvement and the Middle Class

- Old middle class—owners or superintendents of small businesses, doctors, lawyers, teachers, ministers
- New middle class also included salaried employees: managers, technicians, clerks, and engineers
- Many middle class families had moved away from the city centers—men often traveled one to two hours each day to work and back

- ◎ Middle-class women devoted much of their day to caring for the home
- ◎ New appliances saved time, but women spent more time cooking fancier meals
- ◎ Recreational activities changed family life:
  - Roller-skating and ice-skating
  - Hiking
  - Bicycling
  - Summer camps
  - Novel reading

# Life in the Streets

- Immigrants could live better in the US, but only by working much harder
- Young people found lodging in boardinghouses or small hotels in cities
- The Young Men's Christian Association and the Young Women's Christian Association provided temporary residences to native-born, white, self-supporting men and women