

## Industrialization and Corporate Consolidation

### I. Industrial Growth in America - Reasons

- A. Natural Resources – coal, oil, iron
- B. Immigration – steady flow both Asia and Europe
- C. Capitalist mentality supported by laissez faire government
- D. Ingenuity – 440,000 patents in 1800s – inventions – Edison’s invention factory
- B. Railroads – 1865 – 35,000 Miles > 1900 – 200,000 miles
  - A. Land claiming – railroad companies given land claims – size of Texas
  - B. Success of town based on railroad stop – no railroad > “ghost town”
  - C. Transcontinental – Leland Stanford Union Pacific meets Central Pacific
  - D. Corruption – money from government not used appropriately – Credit Mobilier
    - 1. Abuse of Chinese, other immigrant labor
    - 2. Faulty tracks just to make a dime
  - E. Improvements – steel – safer/stronger – standardized size – standardized time
  - F. “Stock watering” – make stock in railroads look better than it is – bribed judges
- D. Steel – Andrew Carnegie – monopolized then gave away \$450 million by death
  - A. America producing 1/3 of world’s steel thanks to Bessemer Process
  - B. Carnegie - \$1.4 billion more than US worth in 1800
- E. Oil – Rockefeller – kerosene first pushed – then automobile
  - A. Consolidation – own supply and distribution
    - 1. 95% of oil refineries
    - 2. Rockefeller – uses illegal rebates and spies to control industry

### II. Laissez Faire Conservatism – government policy in late 19<sup>th</sup> century > industry controls gov’t

- A. Gospel of Wealth – Lord gave money to wealthy class – must be morally responsible
- B. Social Darwinism – wealthy deserve it – inherently better
  - 1. Poor by own shortcomings – “Acres of Diamonds” – poor deserve it

### III. Effects on worker – Business becomes depersonalized – feel like merely a cog in a machine – hurts creativity

- A. Free enterprise/farming replaced by corporation
- B. Factory controls life – whistle and artificial discipline – become subservient
- C. Gibson Girl – advertising campaign encourages women to work in offices
- D. 2/3 dependent on wage – unemployment not based on effort, but larger economic issues

### VI. Union Movement

- A. Manual laborers vulnerable – employers can always bring in cheaper immigrant labor
- B. Machines displace workers
- C. Corporations make labor organization impossible
  - 1. Control legal process – best lawyers, politicians corrupt
  - 2. employs “scabs”/strike breakers – Gould “I can hire one half to kill the other half
  - 3. Force workers to take ironclad oath – won’t join a union
  - 4. Create company town – employees in debt to company stores
- D. Knights of Labor – replaced National Labor Union – began as a secret society
  - 1. Open to everyone – regardless of gender/race
  - 2. Overzealous – talked about social reform/changing society – goals to unrealistic
- E. Haymarket Square – Chicago – dynamite injures cops – anarchists linked to unions
  - 1. Leads to massive riot – destroys reputation of Knights of Labor
- F. American Federation of Labor – Samuel Gompers – “bread and butter” unionism
  - 1. More realistic – wages, hours, working conditions
  - 2. Used walkout and boycott to get way
  - 3. by 1900 view of labor starts to change – not seen as chaos starters

### VII. Industrialization Judgement – were capitalists “Captains of Industry” or “Robber Barons”

- A. Class tension never as big a deal in America as in Europe
- B. Creates belief in upward mobility
- C. But...destroyed traditional farmer’s values/spiritual lives for capitalism
- D. Two classes resulted – owners of labor class and the labor class

## The Progressive Era

I. Definition – the middle class feels those above are abusing the system and those below are becoming a Socialist threat – must have government become an “agency of human welfare”

### II. Progressive Roots

- A. Jane Addams – Hull House – starts Settlement House movement
  - 1. Neighborhood activities, counseling, childcare, education for the poor
- B. Protestant Clergymen – “Social Gospel” – “Christian Socialists” – God says must help society
- C. Greenback Labor Party 1870s and Populists 1890s – demanded social help
- D. Nation becoming frustrated with monopolies
- E. Prided individualism to justify inaction no longer makes sense in machine age
- F. *How the Other Half Lives* – Jacob Riis – shows life of poor

III. Muckrakers – publishers make money off exposing ills of society – term given by Teddy Roosevelt

- A. Magazines – McClures, Cosmopolitan, Colliers
  - 1. Lincoln Steffens – *Shame of the Cities* – business and cities have corrupt alliance
  - 2. Ida Tarbell – *Standard Oil Company* – how monopolistic practices destroy small companies

IV. Municipal, State, National Reform – how to solve problem that elected officials who make laws are corrupt

- A. Initiative – propose laws, Referendum – people vote on laws, Recall – chance to remove bad officials
- B. Laws to limit election, political gifts
- C. Direct election of Senators to avoid “Millionaire’s Club”
- D. Public commissioner and city manager – outside position to regulate how city is being run
- E. Stop monopolies at city level – stop selling of streetcars and utilities to private companies

### V. Social Problems

- A. Try to stop prostitution – force police to enforce laws
- B. Safety, sanitation and child labor laws
  - 1. Prompted by Triangle Shirtwaist Factory fire of 1911 – women trapped in factory and die
- C. Temperance/Prohibition of Alcohol – some states and counties passing “dry laws”
  - 1. Alcohol blamed for crime, unemployment, prostitution, wasting of wages, hurts family
- D. Women’s Suffrage – western states pass first – Suffragettes still seen as women who want to be men
- E. Blacks – WEB Dubois demands immediate equality – NAACP pushes for laws
  - 1. Booker T. Washington work with system – get educated in manual labor
  - 2. Marcus Garvey – preaches black solidarity – “back to Africa” movement – black pride

### VI. Progressive Presidents

- A. Theodore Roosevelt – a “Square Deal” for all Americans – 3 C’s
  - 1. Control of Corporations – sides with strikers in 1902 coal strike – a first
    - a. Trustbuster – 1<sup>st</sup> railroad then others – brings 44 indictments – goes to Supreme Court
  - 2. Consumer Protection – after Upton Sinclair’s – *The Jungle* - Meat Inspection Act
    - a. Pure, Food and Drug Act – can’t change or alter goods or labels on goods
  - 3. Conservation of Natural Resources – saves America’s forests
    - a. Newlands Act – sell land and with money pay for irrigation
    - b. Saved 125 million acres of forest – actually implemented National Parks law
    - c. More efficiently balanced corporate interests with those of nature – Sierra Club
  - 4. Set precedents – social reform, used publicity to increase presidential power
- B. Taft – bigger trustbuster than Roosevelt – 90 indictments vs. 44
  - 1. Ballinger-Pinchot controversy – Ballinger selling public land, Pinchot complains then fired
  - 2. Payne-Aldrich Tariff – actually signs bill that increases tariffs on most items – angers support
- C. Wilson’s New Freedom – assault on “the triple wall of privilege” – tariff, banks, trust
  - 1. Tariffs – Underwood Tariff Bill – pressured reps. to pass, graduated income tax revenue
  - 2. Banking – Federal Reserve Act 1913 – 12 regional banks run by gov’t - \$ now easily increased
  - 3. Anti-Trust Act of 1914 – Clayton Anti-Trust Act – allows for labor protests – tries to control sneaky tricks of trusts – one man runs 4-5 different companies – controls costs