The Industrial Revolution, Corporations, and the Labor Movement
A. Progress and Poverty: Centennial Exhibition of 1876
A. Progress and Poverty: Centennial Exhibition of 1876

Inventions and Inventors
B. Progress and Poverty: The Railroad Strike of 1877

1. July 1877 – Baltimore and Ohio Railroad
2. 10% wage cut | Major cities saw strikes
3. Other workers joined
4. Strike turned violent
5. Local police failed to stop violence
6. President Hayes called out federal troops
7. 100+ killed, millions in property damage
C. The Role of Machines: A Many Sided Debate

1. Carroll D. Wright

2. Henry George
Author, *Progress and Poverty*

3. Regional Folktales and Ballads
   - Paul Bunyan, lumberjack
   - John Henry, railroad man
   - Casey Jones, locomotive engineer
D. The Impact of Mechanization: Increased Production

1. Steel: 13 tons - 1860 | 5,000 tons - 1890
2. Steel rails | 10 times 1860-1890
3. Agriculture | 3 times 1870-1890
4. 1 farmer in 1896 could produce what 18 farmers had sixty years earlier
E. The Largest Industry: The Railroads

**Growth**

1870 - 52,900 miles  
1880 - 93,300 miles  
1890 - 193,000 miles  

40% of world’s RRs | More than Europe  

1900 - 250,000 miles  
1910 - 351,000 miles  
1929 - 430,000 miles  

17 times Earth’s circumference
Federal Land Grants to Railroads as of 1871
Chinese Immigrants working on the Central Pacific Railroad
--- The Industrial Revolution ---

F. The Impact of the Railroads

**Impact**

- Creation of a National Market
- Provided for Faster and Safer Travel
- Encouraged Other Businesses
- Transformed Race/Gender relations
- Reorganized Time Itself
G. National Markets: The Transcontinental Railroad Lines
The first national brand, Uneeda Biscuit (1898)

Sears and Roebuck Catalog, 1900
H. Travel Example: Journeys of Ezra Meeker (1830-1928)

1830: 1st year wagon trains left East on the Oregon Trail.

1852 (Meeker 22)
took Oregon Trail to Washington state, farmer, 6 months

1906 (Meeker 76)
took Oregon Trail east, went to DC in old wagon, met TR

1916 (Meeker 86)
went cross-country by car: Trip took one month.

1924 (Meeker 94)
went cross-country by train: Trip took one week.

1926 (Meeker 96)
went cross-country by plane: Trip took three days.
--- The Industrial Revolution ---

I. Encouraged Other Businesses
The Industrial Revolution

J. Transformed Race and Gender Relations
--- The Industrial Revolution ---

K. The Standardization of Railroad Time

![Time Table](image)

![Map](image)

*Note: The map illustrates the time zones in the United States and the time differences from GMT.*
A. Change in the Economic Organization of Business

1. English tradition
2. No corporations in Constitution
3. State Constitutions & corporations (pre 1840)
4. General Incorporation Laws (1840s)
5. Farmers feel threatened as regulations loosened
6. States pass laws restricting corporations
7. Corporate lawyers want to end state regulations
8. The Fourteenth Amendment and Corporations

10. 1868 to 1886 – corporations no 14th Amendment rights.

11. Santa Clara County v. Southern Pacific Railroad (1886) – corporations received 14th Amendment due process rights.

12. Substantive due process vs. procedural due process

13. Impact of Santa Clara County . . . .
The Rise of the Corporation

B. Impact of the Corporation and the Second Industrial Revolution

1. Small scale craft production replaced by factory system owned by corporations
2. Production soared: by 1913, US produced 1/3 of world’s industrial output -- more than Britain, France, and Germany combined
3. By 1880, majority of American workforce engaged in non-farming jobs
4. By 1890, 2/3 of Americans worked for wages
5. By 1900, 1/2 industrial workers labored in plants with over 250 employees
6. Between 1870-1920, 11 million Americans moved to the cities for work
7. Between 1870-1920, 25 million immigrants moved to the cities for work
8. Urbanization: New York: 1900, 3.4 million  |  Chicago 1900, 1.7 million
9. Consolidation: By 1904 300 corporations controlled 2/5 of all manufacturing in the U.S., affecting the operations of 4/5 of nation’s industries.
10. Example: US Steel, 1901, JP Morgan, 8 large companies combined
C. Industrial Giants: Carnegie, Rockefeller, Morgan

Andrew Carnegie
Carnegie Steel
Vertical Integration

John D. Rockefeller
Standard Oil of Ohio
Horizontal Combination

J. P. Morgan
The House of Morgan
Finance and Steel
Vertical Integration at Carnegie Steel

Sales Outlet

Finished Products at the Homestead Plant: Structural steel, rails, box cars, etc.

Steel Ingot Production

Pig Iron Smelting

Raw Materials: Iron Ore, coal, limestone, etc.
Horizontal Combination at Standard Oil

Vertical Integration

Other refining company

Standard Oil refining

Other Refining company

Other Refining company

Vertical Integration
Next! Cartoon in *Puck*, September 7, 1904

Pools | Cartels | Trusts | Sherman Anti-Trust Act, 1890
By 1890, the richest one percent of Americans received the same total income as the bottom half and owned more property than the remaining 99 percent.
D. The Concentration of Wealth

- Andrew Carnegie = $113 billion
- John D. Rockefeller = $215 billion
- Bill Gates today = $46 billion
D. The Concentration of Wealth

The Breakers, Newport, Rhode Island
1895  |  7 million  |  Cornelius Vanderbilt II

Thorstein Veblen

The Theory of the Leisure Class (1899)

Conspicuous consumption
The Rise of the Corporation

D. The Concentration of Wealth

Home of Cornelius Vanderbilt II, Fifth Avenue, NYC, 1883
D. The Concentration of Wealth

Nob Hill Estates | San Francisco | Pre 1906
Meanwhile, many workers labored sixty-hours a week with no pension, workers-compensation or protection against unemployment.
HISTORY REPEATS ITSELF.—THE ROBBER BARONS OF THE MIDDLE AGES, AND THE ROBBER BARONS OF TO-DAY.
E. The Position of the Working Man and Woman

Jacob Riis

How the Other Half Lives (1890)

Five Cents Lodging
--- The Rise of the Corporation ---

F. Social Darwinism

Charles Darwin (1859) The Origin of Species

Herbert Spencer Social Darwinism

survival of the fittest “laissez faire”
--- The Rise of the Corporation ---

G. Horatio Alger – Self Help Books

Horatio Alger books promoted rags to riches stories
III. The Labor Movement

A. Two Historical Interpretations

1. Optimistic – Progress

2. Pessimistic -- Defeat
III. The Labor Movement

B. Knights of Labor 1869-1900

1. Terrance Powderly
2. Beliefs
3. Haymarket Square (1886)
III. The Labor Movement

C. American Federation of Labor, 1886-present

1. Samuel Gompers
2. Beliefs
3. Homestead Strike (1892)
III. The Labor Movement

D. American Railway Union

1. Eugene Debs
2. Beliefs
3. Pullman Strike (1894)