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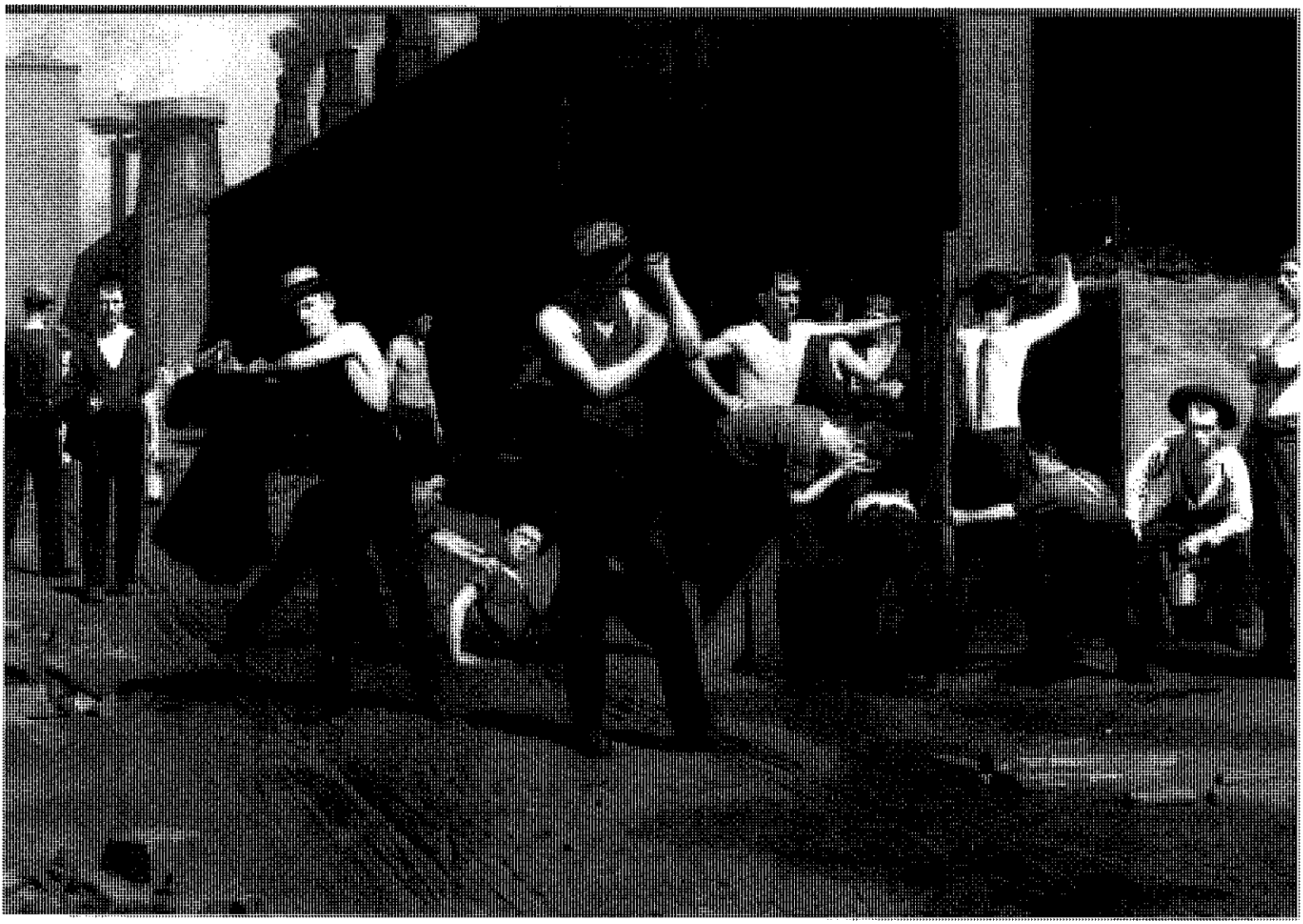
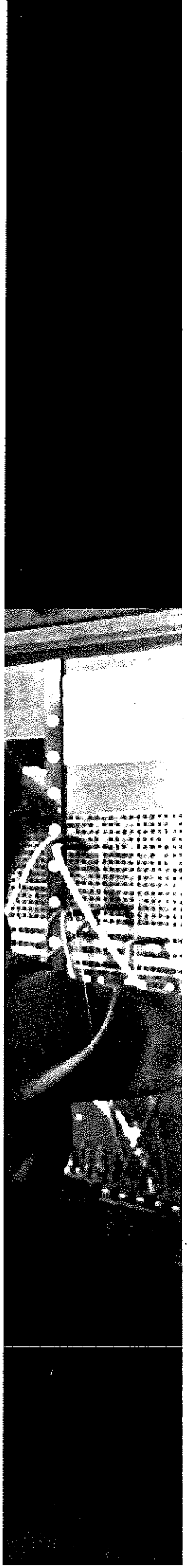
Progress and Poverty: Industrial Capitalism in the Gilded Age

1877–1893





THE GREAT RAILROAD strikes of the summer of 1877, as the young labor leader Samuel Gompers noted, sounded an alarm that heralded a new era of conflict and division in the nation. Issues of slavery and emancipation had preoccupied Americans' minds during the previous decades, as the bloody Civil War led to Reconstruction — a time when the freedpeople in the post–Civil War South not only gained their freedom but also secured U.S. citizenship, the right to vote and hold elective office, access to education, and some modest measure of economic and religious independence. However, in the early months of 1877, the newly installed administration of Republican president Rutherford B. Hayes agreed to withdraw the few remaining federal troops that were keeping order in the southern states in exchange for Democratic party support for Hayes's contested election. As Reconstruction crumbled, industrial capitalism flourished, and the nation's working men and women fought to find a place for themselves amid the extraordinary economic, political, and social changes of the next four decades.

The United States became the world's most powerful industrial nation during the years between the end of Reconstruction and the beginning of World War I, boasting massive manufacturing enterprises and unprecedented productivity. In this same period, the nation launched a war with Spain that resulted in U.S. domination of Puerto Rico, the Philippines, Cuba, and Hawaii. The face of America also changed, as millions of immigrants from Europe, Asia, and Latin America poured into the United States after 1900, feeding industrial capitalism's seemingly insatiable appetite for new workers. Urban America took modern form and shape as the populations of New York and Chicago swelled beyond a million residents each and contemporary transportation, sanitation, and safety systems came into being. New consumer products, new means of mass distribution, and new forms of recreation reshaped everyday life in the city and the countryside.

U.S. capitalism enabled the growth of economic monopoly, unimaginable individual wealth, and unbridled political power. It also made many Americans — as well as the millions of other individuals who lived and worked under U.S. control in the Caribbean, Latin America, Asia, and the islands in the Pacific Ocean — dependent on wages or on market relations.

Americans were sharply divided on the meaning of the changes in their nation. On one side stood industrial capitalists and their political and intellectual supporters. They justified capitalists' newly won wealth and power with an ideology that celebrated acquisitive individualism, free markets, and the "survival of the fittest." On the other side stood the working men and women whose labor powered the system—African Americans, native-born white Americans, and European, Latin American, Caribbean, and Asian immigrants. They embraced the ideal of collectivity and the power of mutual rather than individual action to blunt the devastating impact of industrial capitalism on their work, family life, and communities. Of course, many Americans—small business owners, machine politicians, white-collar workers—did not entirely agree with either position, siding with industrial capitalists in some circumstances and with working people in others. And working people themselves were often divided along lines of race, gender, ethnicity, religion, and region.

As the dizzying growth of industrial capitalism transformed people and communities, cultures of collectivity arose. From those bases, working people launched a series of violent class wars that were unprecedented in the nation's history. They carved the names and dates of individual battles into the public consciousness: Haymarket (1886), Homestead and Coeur D'Alene (1892), Pullman (1894), Lawrence (1912), Paterson (1913), and Ludlow (1914). Radical ideologies embraced by workers craving change, including populism, feminism, anarchism, and socialism, animated many of these conflicts. By 1900, many of the most fundamental challenges to industrial capitalism in the Gilded Age—the Knights of Labor and the Populists, in particular—had been beaten back.

At the same time, this heady brew of labor struggle, political unrest, and a spate of tragic factory fires and coal mine explosions fostered a belief, shared by workers, middle-class professionals, and even some business leaders, that someone needed to take action against the problems caused by capitalist excesses. This conviction drove a series of reform movements, often spearheaded by women, which collectively came to be known as progressivism. Progressivism articulated a modern notion that government should play a central role in regulating the nation's social, economic, and political ills. Reformers successfully addressed some of the issues facing the nation: child labor, factory safety, tainted food and drugs, political corruption, and unchecked economic monopoly. Women pushed harder than ever for their right to vote. But the progressive movement did little for African Americans, who saw only regression from the gains they had won during Reconstruction.

As war loomed over Europe, the particular concerns that gave rise to progressivism would increasingly take a back seat to concern over the spreading international crisis. Nonetheless, progressive reform inaugurated a new era in U.S. politics, one in which the federal government took some small steps toward its now familiar role as guarantor of economic stability and the basic safety and health of its citizens.

The NORTH'S VICTORY in the Civil War inaugurated a period of extraordinary growth and consolidation for the American economy. With the nation's political boundaries restored, northern manufacturers regained access to southern markets, and dramatic industrial development brought the United States into a new era. Within fifteen years of the war's end, Andrew Carnegie built his first steel plant, John D. Rockefeller organized Standard Oil, and Alexander Graham Bell began manufacturing telephones. By 1893, the United States was the world's leading industrial power, producing more than the combined total of its three largest competitors: England, France, and Germany. Leading entrepreneurs such as Carnegie and Rockefeller became unimaginably wealthy. The ostentatious display of wealth combined with cultural superficiality and political corruption inspired Mark Twain and Charles Dudley Warner to dub the era "the Gilded Age" in a novel by that name.

The nation's postwar economic growth owed much to its abundant natural resources: rich farmland provided food for a growing urban workforce, and extensive coal, iron, and mineral deposits supplied raw materials to mills and factories. During and immediately after the war, Republicans—backed by powerful iron manufacturers and coal mine owners—had passed laws to stimulate industrial growth, enabling wealthy investors and industrialists to exploit the nation's resources. High import tariffs protected American industry from foreign competition, and federal loans and huge land grants encouraged railroad expansion. Although their legislation served the wealthy, Republicans paid lip service to the key role of labor in the expanding economy. That combination of probusiness legislation and

The Ironworkers' Noontime
Few painters chose industrial work as a subject in the late nineteenth century, because its conditions seemed inappropriate for a medium that tended to highlight noble and aesthetic themes. Thomas Anshutz's painting, completed around 1880, is therefore an unusual work, realistically portraying the weariness of skilled ironworkers at a nail factory in Wheeling, West Virginia, while also celebrating the workers' strength and pride in their craft. Thomas Pollock Anshutz, 1880, oil on canvas, 17⅛ × 24 inches—The Fine Arts Museums of San Francisco, Gift of Mr. and Mrs. John D. Rockefeller 3rd.

proworker rhetoric helped to ensure the party's political dominance in the postwar decades.

The phenomenal growth of the American economy in the nineteenth century also had a dark underside, which a short, red-haired newspaperman named Henry George experienced firsthand. George lost his job as a printer in the depression of 1857. He then launched a successful, crusading San Francisco newspaper, only to see it wiped out in the panic of 1873. In the aftermath of the epochal railroad strikes of 1877, George redirected his crusading spirit toward writing a book that would expose what he saw as the fundamental paradox of his day: the persistence of horrifying poverty amid stunning economic progress. In 1880, George moved from California to New York to promote his newly published book and to look for work. Like George, post–Civil War Americans lived under a single, national economic system that shaped the lives of everyone, East and West, North and South—albeit not always in the same ways. And as the title of his book, *Progress and Poverty*, indicated, this tidal wave of industrial capitalism brought devastation to the lives of millions even as it made the United States a global economic power. "The 'tramp' comes with the locomotive," he wrote in burning indignation, "and the almshouses and prisons are as surely the marks of 'material progress' as are costly dwellings, rich warehouses, and magnificent churches."

The Industrialization of America

The railroads provided both the model and the engine for this industrial transformation. But the railroads and other giant industrial enterprises that spread across the nation in these years moved at a fitful pace dictated by an unstable economy, which punctuated the boom years with periods of dark depression. Despite this unevenness, the larger outlines of an unprecedented process of change could be glimpsed—from agriculture to industry, from household and artisan to factory production, from water and animal power to fossil fuels, from country to city, from economic independence to wage dependency, from the homeland of one's ancestors to a strange new land. How one experienced this new urban-industrial world depended on your class, race, gender, ethnicity, region, and age. As Henry George knew all too well, America's working people not only built America, but also paid the price for the economic transformation of the late nineteenth century.

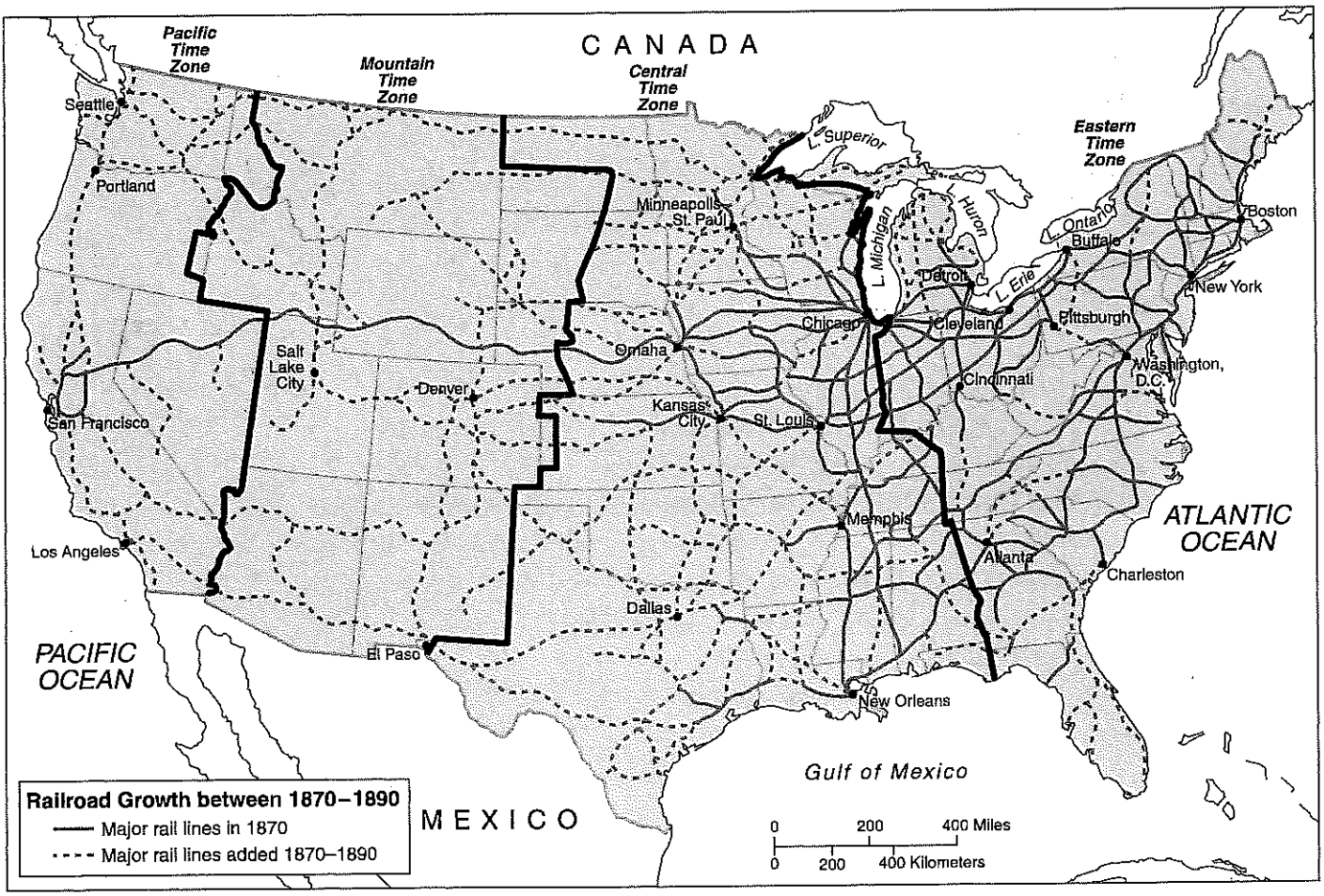
Building a Railroad System in an Unstable Economy The explosion of industrial growth depended on the dramatic expansion of the railroads. In 1869, workers for the Union Pacific and Central Pacific completed the transcontinental link. The 125,000 miles of track that would be laid in the next twenty-five years would give the United States the most extensive

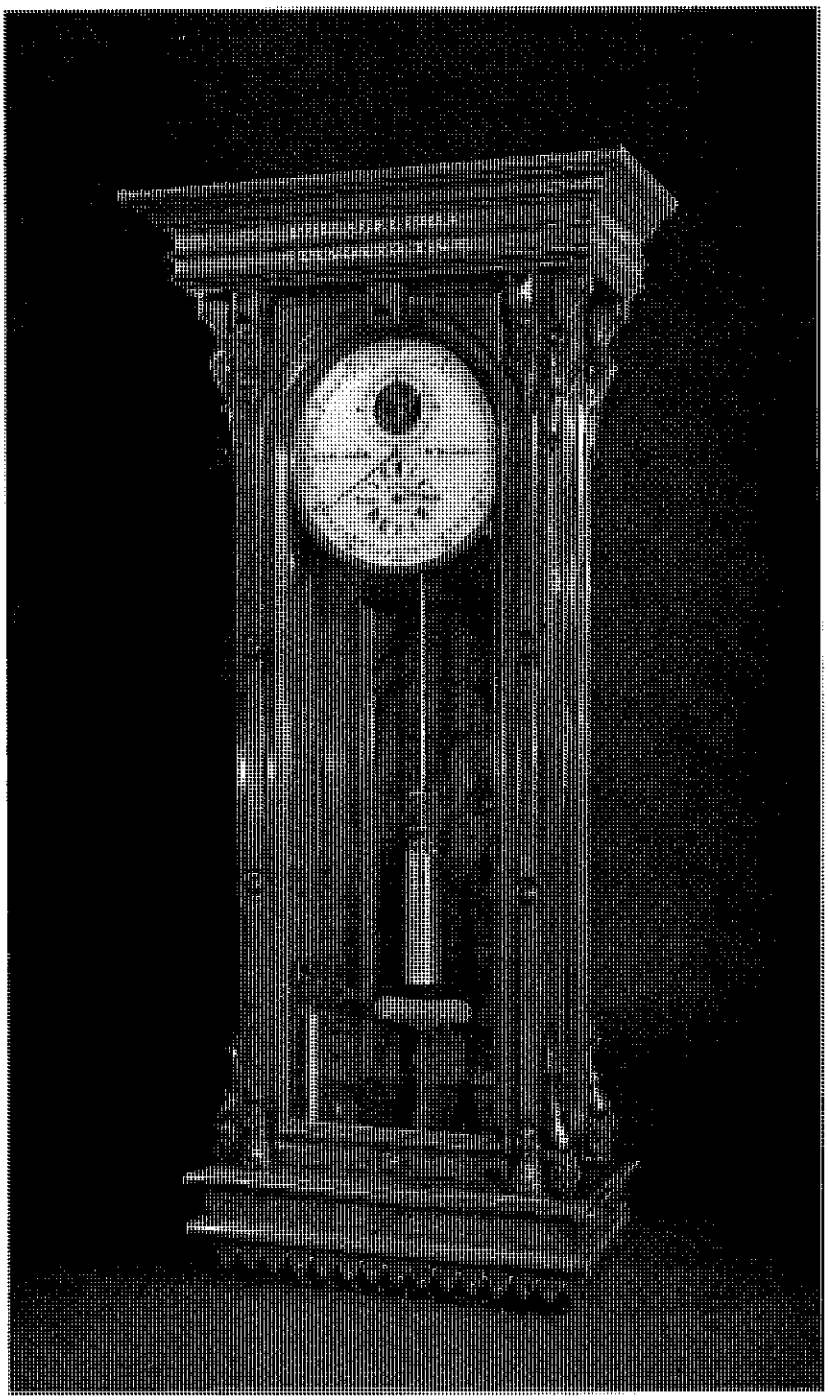
transportation system in the world, promoting economic development across the continent (Map 1.1).

Laying those thousands of miles of track was hard, dirty work. All over the country, bosses recruited workers, oversaw their work, and organized the camps where they lived. Irish immigrants filled the ranks of the early railroad workforce. Chinese work gangs predominated in western railroad work during the 1860s and 1870s. Japanese firms provided laborers to northwestern railroads. In the Southwest, agents recruited laborers in Mexican border towns and turned them over to railroad contractors. In West Virginia and Virginia, Italians brought in by New York *padrones* (bosses) did the work; farther south, white bosses patrolled as young African Americans laid track.

Railroad systems required new kinds of organization and coordination as well as new tracks. Railroad executives were the first modern salaried business managers, employees with little or no financial interest in the companies they served. Even before the Civil War, these managers had developed entirely new kinds of accounting procedures, reporting practices, and channels of authority that enabled their organizations to operate across broad geographic expanses. In the 1870s and 1880s, they had to devise uniform

MAP 1.1 Railroads Span the Nation, 1870–1890
The completion of the transcontinental railroad in 1869 marked the start rather than the finish of the railroad construction boom. In the next two decades, the nation's railroad network almost tripled in size. By 1890, the United States had 164,000 miles of railroad track and the most extensive transportation network in the world. But the system continued to grow, and it reached a peak of 254,000 miles in 1964.





Railroad Time, Standard Time
This E. Howard Wall Regulator clock hung in the offices of the Baltimore & Ohio Railroad. Railroads spurred standardization in several facets of industrial life: rail equipment, business organization, and train schedules. Until 1883, Americans followed solar time, each locality setting clocks at noon on the basis of when the sun reached its highest point. However, each railroad maintained a single time across its entire line, leading to discrepancies in the schedules of competing lines as well as in localities across the continent. In 1883, a group of railroad superintendents instituted the new system of standard time with four time zones across the continental United States. Wall Regulator, c. 1880, E. Howard Clock Co., Boston, Massachusetts—National Museum of American History, Smithsonian Institution.

standards and procedures that would allow cars loaded with manufactured products to move freely from one rail line to another.

Railroads operated on a chaotic system of local and regional times, each set by the sun. A passenger might arrive in New York at 1:30 Pittsburgh time and still catch a train leaving that city at 1:15 New York time. To bring order out of this chaos, in 1883, the railroads adopted the four standard time zones that are still used today. Three years later, the railroads finally implemented a standard track gauge, which enabled cars to switch easily from

one rail line to another. Then the biggest railroads helped to shape the Interstate Commerce Act of 1887, which codified accounting methods so that goods could move unhindered across the country.

The effects of the railroads' expansion rippled throughout the nation. Small producers who had once dominated local markets—for example, a Cincinnati maker of iron stoves—faced more distant competition. Industries feeding the railroads' enormous demands for iron, steel, stone, and lumber also expanded. In 1882, nine-tenths of the nation's steel went into rails, and about a quarter of its annual timber production went into crossties. And because railroads enabled producers to sell to consumers across the continent, manufacturers produced larger quantities and experimented with new, large-scale production processes. The Bessemer converter, which transformed raw iron into steel at a relatively low cost, helped to increase steel output, which was ten times greater in 1892 than in 1877. Other basic industries grew, too; the output of copper multiplied by seven and that of crude oil by four during the same years.

Despite an expanding market, America's late-nineteenth-century economy was profoundly unstable. The cost of building the railroads was unprecedented. Pursuing huge commissions and profits from every aspect of the business, investment bankers acted as agents for railroads seeking capital, as brokers for investors, as members of the railroads' boards of directors, and as investors of their own firms' money. The firm of Jay Cooke, one of the chief railroad speculators, became overextended in a time of unregulated credit and collapsed in 1873. It was so large, so central to railroad financing, and so tied to prominent politicians that its failure triggered a financial panic. The New York Stock Exchange closed for a week, and across the country, banks failed as people scrambled to get their money out.

Then followed five years of the most severe depression America had seen. One million workers lost their jobs; many faced starvation, and others tramped the land seeking relief and employment. Railroad building virtually stopped. Nearly 50,000 firms closed their doors. An upswing in the late 1870s brought a brief return to prosperity, but industrial expansion was again undercut by another (but less devastating) depression lasting from 1882 to 1885 (Figure 1.1).

The "business cycle," this boom-and-bust pattern of alternating rapid growth and sharp depression, characterized rapidly developing industrial capitalism. Even during an economic boom, few wage workers—even the highly skilled—could count on full-time, year-round work. Businessmen faced similar uncertainty. Those who avoided outright failure grappled with a long-term decline in the prices of manufactured goods; from 1866 to 1890, average prices for products dropped by over half. This decline affected nearly every sector of the economy, slashing both profits and wages.

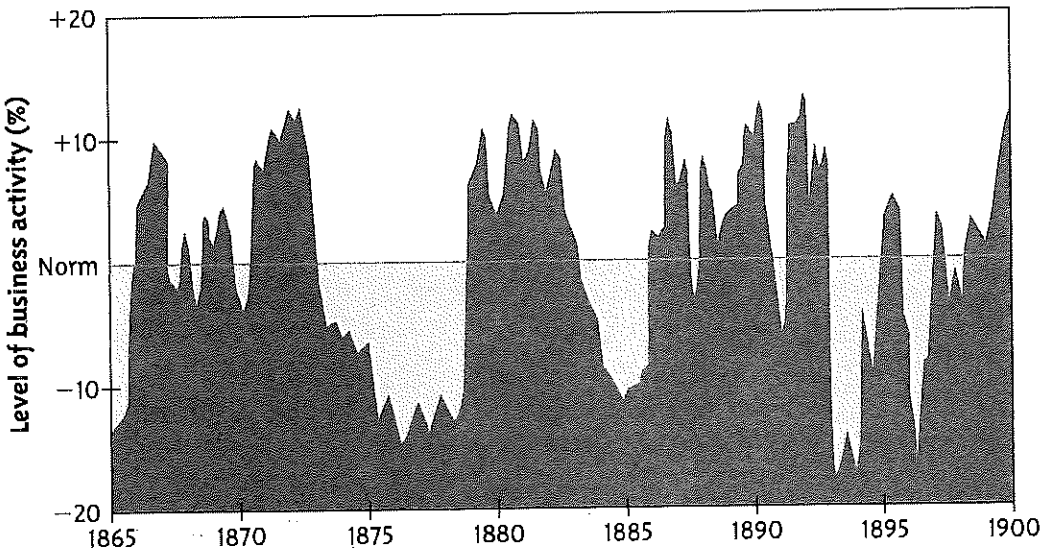


FIGURE 1.1 An Unstable Economy

The late nineteenth century was an era of explosive growth and devastating depression. The boom-and-bust cycle of industrial capitalism resulted in three major depressions—those of 1873–1879, 1882–1885, and 1893–1897—and shrouded the so-called Gilded Age.

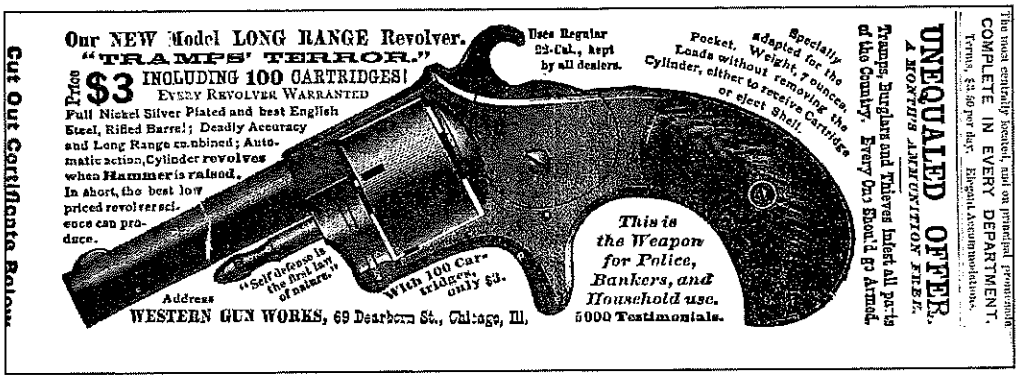
Rapid growth, cutthroat competition, and plummeting prices went hand in hand. Railroad companies had to pay high fixed costs to maintain equipment and track as well as substantial interest on the bonds that had financed their construction. Given these strong incentives to continue operations, managers dropped rates to rock bottom. Over the last thirty years of the nineteenth century, freight prices fell by 70 percent, severely squeezing railroad profits. As railroad rates plummeted, so did wholesale prices because transportation costs made up such a large share of the final cost of manufactured goods. The new industrial system held out the hope of material plenty, but it was anything but predictable.

The Emergence of Urban-Industrial Life As railroads and industries developed, citizens from all walks of life became increasingly dependent on the financial ups and downs of companies representing huge concentrations of money and power. Americans found their accustomed ways of living and working overturned. In just over thirty years of industrial growth, a modern working class and a new business elite had emerged in a nation that had once been dominated by farmers, merchants, and small-town artisans. Wide-scale poverty emerged at the same time; the human misery that had horrified American observers of English industrialization now scarred the United States. "We are fast drifting to that condition of society which preceded the downfall of [ancient] Sparta, Macedonia, Athens, and Rome," wrote a railroad carpenter in the late 1870s, "where a few were very rich, and the many very poor."

"Tramps' Terror"

To some Americans, the unemployed who wandered the country in search of work during the 1870s posed a threat to order and safety. The "tramp menace," many argued, required a repressive response, and advertisements like this exploited the pervasive fear.

Frank Leslie's Illustrated Newspaper, April 7, 1877—American Social History Project.



With industrialization came a transition from household and artisan to factory production, a change that affected the daily lives of most Americans. By the eve of the Civil War, most people were buying and wearing manufactured textiles instead of weaving homespun. By the 1890s, many other consumer goods were factory-made—not only long-standing craft products such as soap and furniture, but also items that nobody had ever made by hand, such as kerosene lamps and sewing machines.

The change from home to factory production went along with a fundamental shift from agriculture to industry. Before the Civil War, eight out of ten Americans lived in rural areas. But the balance shifted over the next decades as farm machinery dramatically increased productivity. Fewer farmers could feed more industrial workers. Manufacturing grew dramatically; the number of factory laborers almost tripled between 1860 and 1890 and nearly doubled again by 1910 (Figure 1.2).

The shift from agriculture to industry also accelerated the decline of self-employment and the rise of wage work. In 1860, half of American workers were self-employed, and the other half earned wages. Many still believed that hard work and individual sacrifice would pave the way to economic independence. Industrial growth after the Civil War frustrated these hopes, and by 1900, two-thirds of the American workers depended on wages. Writing in the 1880s, Joseph Buchanan, a Colorado printer, recalled that an industrious and economical worker could have bought a little business in the 1860s. "Today the opportunity to start in his business for himself has been thrust from him by the greedy hand of the great manufacturers. . . . The man who can rise from the wage condition in these days must catch a windfall from his uncle or [find] a bank unlocked."

Industrialization after the Civil War involved another profound transformation: from water power and animal power to fossil fuels. Coal had been used extensively since the 1840s, but its use expanded exponentially during the decades after the war, as did that of the newer fuels, oil and gas. No longer did Americans rely on oxen and mules or rushing streams powering water mills for energy needs. Instead, they extracted energy sources

from the earth, using expensive technologies, and shipped them long distances by rail. Mining companies ravaged the land they exploited, and fossil fuels polluted the air as they burned.

Manufacturers using coal and steam no longer had to locate factories alongside rivers and could instead choose sites for their access to railroads, raw materials, consumer markets, and a ready supply of workers. Industrial growth therefore centered in cities, which grew twice as fast as the nation's population as a whole. In 1860, only New York, Philadelphia, and Brooklyn had more than 250,000 inhabitants. Thirty years later, eleven cities surpassed that size, and Philadelphia, Chicago, and New York each topped one million. "We cannot all live in cities," newspaper editor Horace Greeley mused, "yet nearly all seem determined to do so." The modern American city that emerged during these decades offered such essential urban services as professional fire and police forces, sewers and garbage disposal, large hospitals, and public transportation systems.

The big cities housed both great wealth and foul slums. Rapid expansion bred overcrowding and squalor in unplumbed tenements, while businessmen's mansions boasted marble floors and mother-of-pearl washbasins. But between these extremes were skilled workers and members of a distinctive new middle socioeconomic stratum. Middle-class Americans were generally descended from families that had lived in America for generations or had immigrated from the British Isles; they worked as self-employed businesspeople, as professionals, or in the office jobs created by expanding corporations. They lived in growing suburban neighborhoods, joined there by the best-paid skilled workers and their families, who moved to escape the noise and dirt of downtown industrial districts.

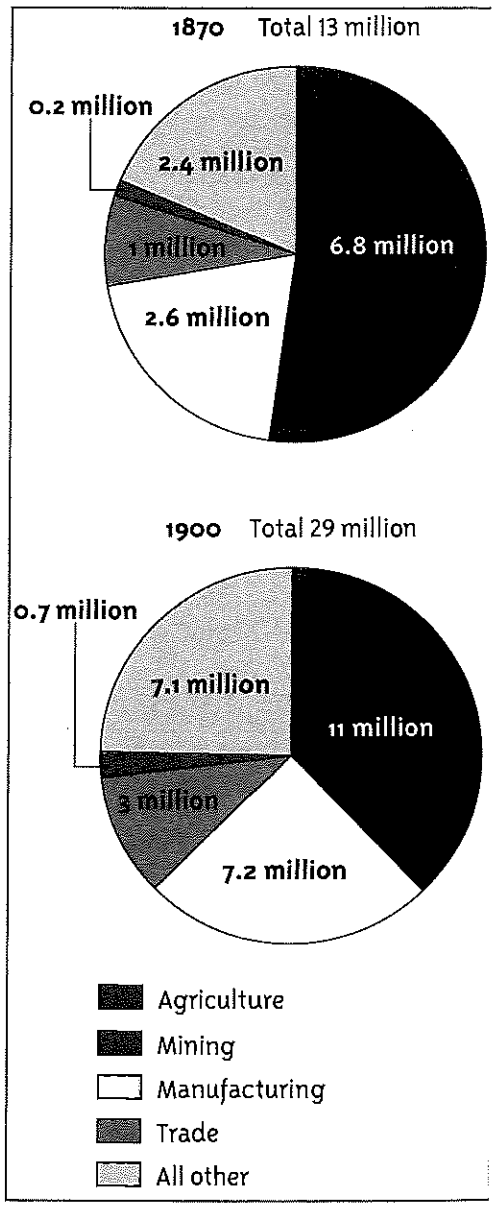


FIGURE 1.2 From Agriculture to Industry: A Changing Workforce
As the nation industrialized between 1870 and 1900, the labor force more than doubled, largely through immigration. The biggest increases came in manufacturing, which almost tripled.

The new, giant business and government organizations produced most of the new office jobs. Before 1880, only a handful of large firms, such as Western Union and Montgomery Ward, operated on a national scale. By 1890, however, a number of industrial enterprises had begun to sell such products as cigarettes, soap, matches, oatmeal, and other processed foods to a national market. This required not only expanded productive capacity, but also bigger office staffs. Bureaucracies developed similarly in national government to perform tasks such as processing the mounting numbers of patent applications and the pension claims of Civil War veterans and their widows and children.

Both national companies and government bureaucracies created new kinds of work that was mechanized during the 1880s by the typewriter, which produced letters and memoranda three times faster than writing with

Bandit's Roost

Great disparities between wealth and poverty accompanied the rapid expansion of U.S. cities. Reformer Jacob Riis's photographs starkly portrayed "how the other half lives" to the audiences who attended his lantern-slide shows or saw engraved versions in newspapers. But, as is evident in this photograph of an alley on New York's Lower East Side, Riis often posed and framed his subjects in ways that were meant to arouse not only sympathy but also fear and distaste among viewers. Dr. Henry Piffard or Richard Hoe Lawrence (for Jacob Riis), 1888—Jacob A. Riis Collection, Museum of the City of New York.

pen and ink. The typewriter, combined with the growing demand for clerical labor, transformed the office from an all-male preserve to a hierarchy in which men dictated and women served. By 1890, almost one-third of students in business schools were women, mostly enrolled in stenography and typing courses.

A great wave of immigration also reshaped American society during the late nineteenth century. The largest worldwide population movement in human history brought 10 million immigrants to the United States between 1860 and 1890. In the 1880s alone, 5.25 million people entered, as many as had arrived during the first six decades of the century. They came primarily from Ireland, Germany, and Britain, as they had before the Civil War, but people from all points of the compass now joined them. From Scandinavia, Italy, China, and the Austro-Hungarian Empire came hundreds of thousands of men to work on American farms and railroads and in American factories. Increasingly, in the 1880s and 1890s, immigrants came from eastern and southern Europe.

Immigrants crowded the large cities. By 1880, nearly nine of every ten Chicagoans were first- or second-generation immigrants. These new Americans especially dominated the urban industrial workforce; approximately one of every three industrial workers in the late nineteenth century had immigrated to the United States. As a clergyman observed of Chicago, "Not every foreigner is a workingman, but in the cities, at least, it may almost be said that every workingman is a foreigner."

They participated in a global labor market, sensitive to the potential for employment in both their native lands and their adopted one. Matthias Dorgathen, for example, was one of 1,700 miners who journeyed to North America from the Ruhr district of Germany in 1881 when mines there cut wages and laid off workers. Those leaving their homelands adjusted their plans according to the ups and downs of the U.S. business cycle; immigration fell sharply during the American depressions of 1873–1878 and 1882–1885, and it rose during the boom period of the late 1880s. The catalysts for going to America varied from group to group. Rural poverty and

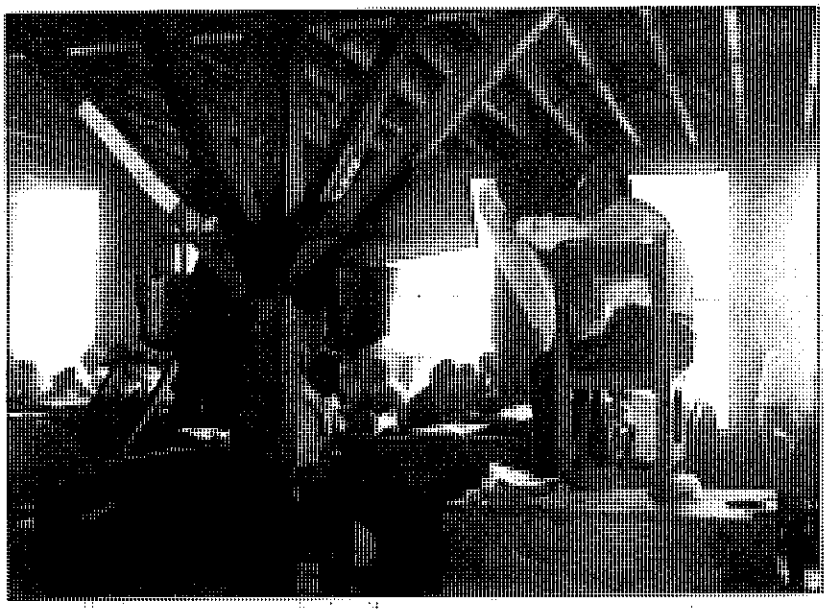
political instability sent more than 2 million Chinese in search of better opportunities in Southeast Asia, Peru, Hawaii, and the Caribbean in the second half of the nineteenth century; more than 300,000 came to the United States. Rapid population growth and a major agricultural depression had forced off the land most of the 1.5 million men and women who left Ireland for America between the Civil War and 1890. Emigrants from more developed countries such as Great Britain and Germany fled a long European industrial depression that was triggered in part by competition from the United States.

As American demand for industrial labor soared, railroad and steamship companies sought out this much-needed labor force, advertising the glories of American life throughout Europe and China. But the stories told by friends and family already in America proved more convincing. Pioneering immigrants kept in touch with their Old World families and communities and sponsored those who chose to follow. The success of Francesco Barone, a prosperous Buffalo saloonkeeper, inspired 8,000 people to move from Barone's home village in Sicily to his adopted city; he assisted many of them directly.

These intertwined processes of industrialization, bureaucratization, urbanization, and immigration had begun before the Civil War, but they accelerated sharply in the 1870s and 1880s. The tentacles of urban-industrial life reached far into the countryside, drawing everybody into a market economy that was no longer local or face-to-face. A family who lived in a Nebraska sod hut and ordered a dishpan from a Montgomery Ward catalogue paid for it with money from the sale of their grain. How much they got for the grain depended on decisions made in eastern corporate headquarters and on the weather in other grain-growing areas around the globe.

The Making of an Industrial Working Class A diverse and stratified working class emerged as part of industrial capitalism's post–Civil War growth. Race and ethnicity, skill levels, gender, and age separated working people. Even in the same family, men and women, adults and children encountered very different employment opportunities. Skilled workers made up one-sixth of the workforce. They were typically white men from families that had long been resident in the United States, but some were immigrants and children of immigrants from England, Ireland, and Germany. These skilled, proud, and relatively well-paid craftsmen—the "labor aristocracy"—dominated such trades as carpentry.

Because workers usually secured jobs through family and friends, many trades took on a decidedly ethnic character. The sons of Irish immigrants tended to work as plumbers, carpenters, and bricklayers. Germans controlled furniture making, brewing, and baking. The English, Welsh, and Scots—who had emigrated from the center of the world's first industrial



Cigars and the News
While his fellow workers make cigars, one craftsman reads aloud from a newspaper. This arrangement, in which cigar makers pooled their wages to cover the pay of the designated reader, indicates how some skilled trades maintained pre-industrial customs even as their work became subdivided and mechanized. Lewis Hine, 1909—International Museum of Photography at George Eastman House.

revolution—filled the ranks of skilled machinists, metalworkers, and miners.

Skilled workers enjoyed high wages because employers relied on their knowledge and paid a premium for it. Late-nineteenth-century entrepreneurs excelled at amassing the wherewithal to build factories but depended on skilled workers to run them. Craft skills therefore gave workers some measure of power and control over daily conditions on the job.

Late-nineteenth-century skilled workers embraced ideals of craft unity and collective action in the same way that capitalists celebrated individualism and profitability. Some skilled workers unionized, and some joined radical groups to fulfill collective ideals. But no more than one-third of the workers in any nineteenth-century trade belonged to unions, and skilled craftsmen generally stayed away from radical movements. As long as they could earn a good living and keep their employers' respect, most craft workers wanted neither trouble on the job nor social upheaval. Their power rested as much on their skills, knowledge, and workplace relationships as on the strength of their formal organizations or any larger social vision.

Unskilled laborers could not as readily control their working conditions. New immigrants, African Americans, and impoverished women and children of all races and nationalities compelled by financial circumstances to take any available work filled the ranks of the unskilled. African American men did menial labor for wages, serving as gardeners, coach drivers, and doormen; women were confined largely to domestic service. Mexican American men labored on the railroads and in the expanding mining industries of Colorado, New Mexico, and Arizona; their wives and children worked southwestern farmlands that their ancestors had occupied for generations.

Wages varied directly with an occupational group's power and social status. Men typically received at least 50 percent more than women. White workers commanded wages that were significantly higher than those paid to African Americans, Mexican Americans, and Chinese Americans. Skilled craftsmen earned much more than the unskilled. The best-paid craftsmen (a locomotive engineer or a glassblower, for example) could bring home more than $800 a year in the 1880s, whereas an unskilled textile worker's family had to survive on $350.

Even skilled workers had reason to worry. The proportion of skilled jobs in the labor market was declining as industry mechanized. Oscar

Ameringer, a teenager newly arrived in Cincinnati, brought with him cabinetmaking skills he had learned from his father in Germany. But Ameringer's skills meant little in the furniture factories of the United States. "The work was monotonous, the hours of drudgery ten a day, my wages a dollar," he later wrote. Workers frequently lost time because of injury or illness. And all workers faced the burden of unemployment during the troughs of the business cycle. In 1878, at the end of the five-year depression, well over half a million working people remained unemployed. Employment picked up, but by the mid-1880s, as many as two million were again out of work.

But low wages actually bought more goods over time. While wages remained fairly steady from 1870 until the end of the century, virtually everything became less expensive. The food that cost $1.00 in 1870 sold for just 78 cents a decade later—an enormous benefit to working-class families, who generally spent half their income on food. Thus, "real" wages, adjusted for changes in the cost of living, actually rose slowly. Nevertheless, most unskilled workers remained in poverty during this period, and many families had to send more than one family member out to work. The number of women and children in the labor force more than doubled between 1870 and 1890.

In the 1870s and 1880s, one in every six or seven paid workers was a woman. English-speaking white women could take advantage of two rapidly growing "white-collar" (a reference to the white shirts that were once standard for office workers) occupations: retail selling and office work. But in general, the women who most often worked outside their homes—African American and immigrant women—had the worst economic prospects. Except for African American women, who worked for wages throughout their lives, female workers were almost all young and unmarried. Still, by 1890, a small but growing minority—almost one in every seven female wage earners—was married.

Women's employment outside the home aroused controversy, especially in middle-class families. But even working-class men argued for a "family wage" that would make it possible for women to avoid wage work outside the home. Some wondered whether a woman who worked could be truly respectable. Others contended that women worked just for "pin money," in order "to decorate themselves beyond their needs and station." Employers often used this argument to justify paying women less than men and laying women off first during hard times. Persistent questions about the legitimacy of women's paid work dragged down female workers' earnings. As one Iowa shoe saleswoman complained in 1886, "I don't get the salary the men clerks do, although this day I am six hundred sales ahead! Call this justice? But I have to grin and bear it, because I am so unfortunate as to be a woman."

The Slaves of the Sweaters

A New York immigrant tailor's family returns from a contractor, carrying material to be sewn into garments back home. Scenes of urban poverty, such as this one depicted in an 1890 engraving, were featured in illustrated newspapers. Photography and individual "art" prints, however, tended to celebrate the city, with depopulated images focusing on the "grand style" architecture of new buildings or constructing distant bird's-eye views of ideal urban landscapes. William A. Rogers, *Harper's Weekly*, April 26, 1890—American Social History Project.

Most women who could afford to stay at home did so. Employment was hazardous to women's health: the death rate of women wage-earners was twice that of other women. Many predominantly female occupations, such as domestic service and "home work"—work paid by the piece done in tenement residences—demanded extraordinarily long hours. And some women faced sexual exploitation and abuse by male bosses and coworkers. At best, wage-earning women suffered the same hardships as men—periodic unemployment, long hours, and dangerous conditions—with even lower pay. And in an era of rigid gender roles, women worked a "second shift" at home, performing household labor in homes that were not equipped with running water or electricity.

Children's labor helped to sustain millions of working-class families. During the last thirty years of the nineteenth century, about one in six children between the ages of ten and fifteen years held jobs. They toiled for meager wages in textile mills, tobacco-processing plants, and print shops. They roamed the streets as newsboys, bootblacks, and scrap collectors. In southern cotton mills, their year-round workdays lasted twelve hours, and they sometimes worked the night shift. Their lack of schooling meant that they would have few opportunities beyond factory work. A few states (particularly in New England) prohibited child labor and required school attendance, but the laws were loosely enforced and easily ignored by desperate parents and greedy employers.

Although divided by skill, ethnicity, race, gender, and age, working people in the late nineteenth century had much in common. They worked long hours—typically ten-hour days, six days a week. More and more workers also encountered the impersonality of the large factory, the sense of being an anonymous cog in a big wheel. Between 1870 and 1900, the average workforce in cotton mills and tobacco factories doubled.

Many employers sought ways to raise profits by reducing workers' already paltry wages. Some cut wages; others required workers to bear part of the costs associated with their tasks. Clothing manufacturers required employees to buy sewing machines, needles, and thread. Some employers shifted the costs of rent, heat, and light onto the workers by hiring them to manufacture clothing, artificial flowers, and other small items in their

" . . . Leaves Me in Poor Circumstances": New Production Methods Affect Workers

In his testimony before a U.S. Senate committee investigating conditions of labor and capital in October 1883, Thomas O'Donnell (who had immigrated to the United States from England eleven years earlier) describes the introduction of ring spinning machines to replace mule spinners at the Fall River, Massachusetts, textile factory where he worked. Ring spinners produced thread with a continuous rather than intermittent motion and could achieve higher speeds. These changes allowed the mill's owners to employ children and reduce wages. O'Donnell describes the sharp decline in his family's living standards that followed.

They are doing away with a great deal of mule-spinning there and putting in ring-spinning, and for that reason it takes a good deal of small help to run this ring work, and it throws the men out of work. . . . There are so many men in the city to work, and whoever has a boy can have work, and whoever has no boy stands no chance. Probably he may have a few months of work in the summer time, but will be discharged in the fall. That is what leaves me in poor circumstances. Our children, of course, are very often sickly from one cause or another, on account of not having sufficient clothes, or shoes, or food, or something. . . .

Q. How much [work] have you had within a year?—A. That would be about fifteen weeks' work . . . I got just $1.50 a day. . . .

Q. That would be somewhere about $133 [in annual wages], if you had not lost any time.—A. Yes, sir.

Q. That is all you have had?—A. Yes, sir.

Q. Do you mean that yourself and wife and two children have had nothing but that for all this time?—A. That is all. I got a couple dollars' worth of coal last winter, and the wood I picked up myself. I goes around with a shovel and picks up clams and wood.

Q. What do you do with the clams?—A. We eat them. I don't get them to sell, but just to eat, for the family. That is the way my brother lives, too, mostly. He lives close by us.

Q. How many live in that way down there?—A. I could not count them, they are so numerous. I suppose there are one thousand down there.

Q. A thousand that live on $150 a year?—A. They live on less. . . .

Q. How long has that been so?—A. Mostly so since I have been married.

Q. How long is that?—A. Six years this month.

Q. Why do you not go West on a farm?—A. How could I go, walk it?

U.S. Congress, Senate Committee on Education and Labor, *Report on the Relations Between Labor and Capital*, vol. 3 (Washington, D.C.: Government Printing Office, 1885), 451–457.

tenement apartments. And mining companies and others often paid in "scrip," or company-issued paper money. This money could be used only at company-owned stores, which charged highly inflated prices. One mining company made $1,000 a month by selling gunpowder—needed by miners to extract coal or ore—at $1.25 above the going rate.

CAUGHT IN THE SHAFTING.

MISS SABINA GOUDETTE WHIRLED AROUND AND HORRIBLY MANGLED IN THE NORTH GROSVENOR COTTON MILLS, NEAR PUTNAM, CONN.

Caught in the Shafting
The *National Police Gazette* portrayed, in a characteristically lurid fashion, an industrial accident in a North Grosvenor, Connecticut, cotton mill. The *Police Gazette* enthusiastically violated the mores of a genteel culture by focusing on legal and illegal sports, violent crimes and accidents, and sex. Women were often depicted as perpetrators or victims of violence, providing titillation to the male readership. *National Police Gazette*, May 28, 1892—Prints and Photographs Division, Library of Congress.

Most late-nineteenth-century businessmen ignored hazardous working conditions, largely because they had little financial incentive to make the workplace safer. Railroad workers risked being maimed as they ran along the tops of trains to set the brakes for each car or stood on the tracks to drop a coupling pin as the cars crashed together. In 1881 alone, long after safety devices such as automatic coupler systems and the Westinghouse air brake had become widely available, 30,000 railroad workers were killed or injured on the job. "So long as brakes cost more than trainmen," the prominent minister Lyman Abbott predicted, "we may expect the present sacrificial method of car coupling to continue." The courts repeatedly denied damages to injured workers, maintaining that the workers shared the blame for accidents and that by going to work, they accepted the risks of the job. In 1893, Congress narrowly passed the Railroad Safety Appliance Act, which finally made it illegal for trains to operate without automatic couplers and air brakes. The harsh conditions of the emerging industrial capitalist economy were the price that working people paid for the vast industrial transformation of the United States in these years.

Power and Profit

Businessmen stood at the apex of the new system, and many of them argued that they were destined to lead and control. Yet, paradoxically, they viewed the world below their summit with fear and anxiety. How could they tame the ruinous cycle of boom and bust? How could they gain command of the industrial colossus that, at times, seemed unmanageable? Control became their watchword: control of the markets for their raw materials and their products, control of production within their firms, control of the workers who toiled for them, and control of their political environment. A chaotic economic and political environment ultimately crushed their fantasies of total control, but they did attain an unprecedented degree of power and money.

Businessmen Justify Their Rule and Seek Control In the late nineteenth century, many people worshiped at the altar of capitalist success: "That you have property is proof of industry and foresight on your part or your

father's," one writer asserted, "that you have nothing is a judgment on your laziness and vices, or on your improvidence." Businessmen, politicians, and scholars even attempted to explain capitalist social relations by citing the theory of biological evolution proposed by British scientist Charles Darwin in 1859. According to Darwin, a process of natural selection determines the most adaptable or "fittest" members of a plant or animal species, those best able to survive and reproduce. Social Darwinists distorted this theory to explain "scientifically" the impoverishment of the "unfit" masses and warned that interference on behalf of the "weak" would doom American society. John D. Rockefeller justified brutal economic competition as "a survival of the fittest, the working out of a law of nature and a law of God."

This ideology of Social Darwinism both justified and grew out of the ruthless behavior of business leaders, especially in the railroad industry. In the 1870s, railroad owners and executives organized themselves into cartels (price-fixing rings) that divided up traffic and set freight rates, an approach that seemed preferable to cutthroat competition. But the cartels collapsed when railroad executives slashed freight rates to win customers in hard times. When a cartel member broke ranks, rivals had no recourse but to follow suit; their agreements were not enforceable legal contracts.

A new breed of financial speculators—men who had little interest in running railroads but great interest in profiting from them—also undermined the railroad managers. Financiers led by Jay Gould, Jim Fisk, and Cornelius Vanderbilt rigged the stock market, issuing thousands of shares of new, "watered" stock without increasing the assets they represented. They also launched rate wars to drive down the price of railroad stocks and bonds temporarily so that they could buy distressed railroads at bargain prices.

When the cartels collapsed in the 1880s, railroad managers turned to a simpler method of controlling competition: building huge rail networks to drive smaller lines out of business. Between 1880 and 1893, the big railroads leased more land, bought more equipment, and laid more track, enormously increasing the scale of their operations. Constructed from inferior materials and laid along badly prepared routes, much of this new track had to be rebuilt, at significant expense, within fifteen years.

Large-scale manufacturing enterprises experienced similar boom-and-bust patterns of expansion, competition, and bankruptcy. Industrialists rushed into new markets, overbuilding capacity until initially high prices and profits gave way to sharp competition, falling prices, and declining profits. Like the railroads, manufacturers used size as a competitive weapon. Some grew through horizontal integration, in which several companies producing the same product merged to form a single larger unit that could gain control of prices and markets. Other manufacturers focused on vertical integration, in which one firm coordinated all aspects of production and distribution, rather than buying materials from and selling products to other companies. This strategy insulated firms from competition by

enabling them to control their costs of manufacturing. Still others focused on acquiring new technology. By installing a new production process, a firm might cut expenses, lower prices, drive competitors out of business, and then raise prices again.

The most successful firms combined these approaches, as demonstrated by the activities of the two leading industrialists of the period: John D. Rockefeller and Andrew Carnegie. Rockefeller, the son of an itinerant patent-medicine salesman, started as a bookkeeper, earning enough to become a partner in a successful wholesaling firm. In 1863, he invested his money in the fledgling petroleum industry, which primarily produced kerosene for lighting.

Seven years later, Rockefeller and his partners incorporated Standard Oil, a centrally organized combination of oil corporations. Thanks to its close ties with the railroads, which granted discounts or rebates to major shippers, Standard Oil could price its products much lower than those of its competitors and drive them out of business. Dismissing cartels as "ropes of sand," Rockefeller merged competing firms with Standard Oil, pledging willing competitors to secrecy and ruthlessly coercing the unwilling. By 1880, the Standard Oil Trust controlled about 90 percent of the nation's oil-refining capacity; Rockefeller could set the price and virtually control the output of oil. During the next decade, Standard Oil integrated vertically as well, purchasing oil fields, constructing pipelines, establishing a nationwide system of licensed dealers, and building fleets of tankers to serve newly created foreign marketing subsidiaries.

Andrew Carnegie—the wealthiest American capitalist of the period—was an even more potent symbol of individual advancement, although his rags-to-riches rise was actually quite unusual for his day. Carnegie's Scottish father, a linen weaver, lost his job when the power loom was introduced and moved his family to the United States. He and his wife eked out a living in an immigrant neighborhood in Pittsburgh, weaving and taking in laundry. Young Andrew began his working life in factories but eventually became a telegrapher and personal secretary for Thomas A. Scott, the superintendent of the Pennsylvania Railroad's Western Division. When Scott moved up in 1859, Carnegie, at age twenty-four, won Scott's job.

Six years later, Carnegie left the railroad to focus on steel production. He spent the next quarter-century using new technology and techniques of vertical and horizontal integration to ensure his absolute domination over that industry. He built up-to-date mills, acquired companies from competitors, forged alliances with the railroads that both used and hauled his steel, and adapted the management and marketing techniques he had learned at the Pennsylvania Railroad.

Carnegie carried the techniques of vertical integration further than any of his contemporaries. Annoyed by fluctuations in the price and supply of the pig iron that was basic to steelmaking, he began to produce his own

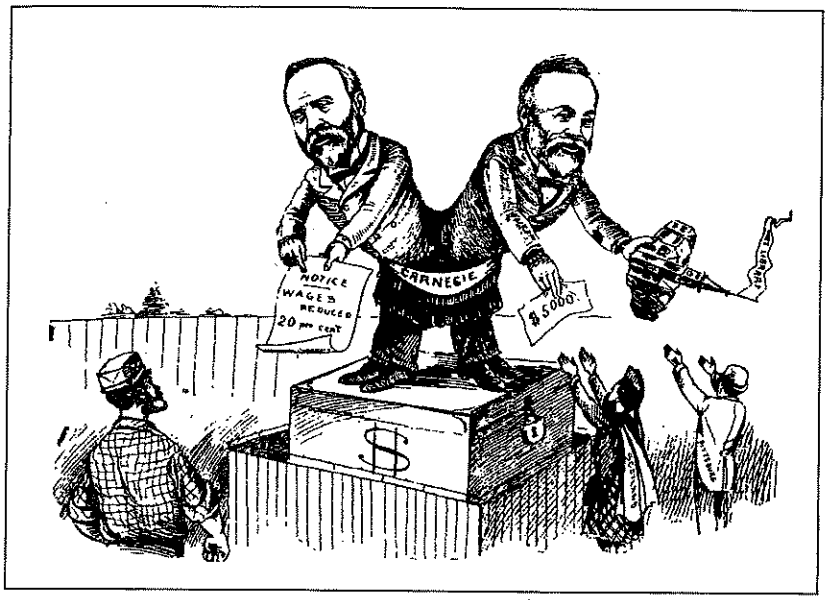
supplies. With his partner Henry Clay Frick, Carnegie acquired sources of iron ore, coke, and coal; expanded his iron-making operations; and developed a fleet of steamships and a railroad to transport materials directly to his steel mills. "From the moment these crude stuffs were dug out of the earth until they flowed in a stream of liquid steel in the ladles," trumpeted one admiring observer, "there was never a price, profit, or royalty paid to an outsider."

New Management Systems Not every late-nineteenth-century businessman tried to dominate his industry as Carnegie and Rockefeller did, but virtually all relentlessly trimmed costs by restructuring their firms and streamlining work processes. Managers of small and large firms alike faced internal and external imperatives to minimize waste and inefficiency. But smaller companies responded more cautiously to the management innovations and production methods that were sweeping corporate America. Most woodworking and metalworking firms, for example, employed fewer than one hundred employees, who turned out relatively small batches of customized products. Such companies opted for limited measures to increase workers' productivity, enhance management control, and increase profits. They might purchase a single new machine, identify a new local or regional market for their products, or modestly (rather than completely) reorganize the work process.

The leaders of gigantic industrial firms, on the other hand, chose a wholly new form of corporate direction. After 1880, big businessmen turned to systematic management, a loose label for various efforts to speed and streamline industrial operations. Initially, unsystematic and decentralized labor-control systems handicapped them. In most nineteenth-century factories, a foreman responsible for achieving production goals supervised each department. But he often had to cajole workers to get the job done or even negotiate with them over output, pay, and other issues. Industrial workers resisted working ceaselessly at peak efficiency, trying instead to set their own pace and give the boss what they considered a fair day of work. Manufacturers complained bitterly about time wasted by workers who stopped to rest, discuss the progress of the work, or wait for machines to be repaired or materials to be delivered.

To increase workers' output, employers began to enforce formal work rules more strictly. A New Hampshire factory headed its list of work rules with "NOTICE! TIME IS MONEY!" One rule stated that washing up "must be done outside of working hours, and not at our expense."

Some manufacturers introduced machinery as part of their campaign to exert control over employees. Fuming at his workers' victory in an 1885 strike, Cyrus McCormick of Chicago's McCormick Harvesting Machine Company vowed, "I do not think we will be troubled by the same thing



Forty-millionaire Carnegie in His Great Double Role
In 1892, this unidentified cartoonist, along with many Americans, sharply criticized the steel baron for his role in the Homestead strike. Andrew Carnegie's "Great Double Role" refers to his accumulation of an immense personal fortune at the same time as he endowed cultural institutions around the world. "[A]s the tight-fisted employer," ran the caption, "he reduced wages that he may play philanthropist and give away libraries, etc." Utica, New York, *Saturday Globe*, July 9, 1892—Prints and Photographs Division, Library of Congress.

again if we take proper steps to weed out the bad element among the men." McCormick installed $500,000 worth of molding machinery so that he could "weed out" the skilled workers who had led the strike, crush their union, and replace them with low-paid, unskilled workers. Similarly, John D. Rockefeller used new barrel-making technology in his Cleveland plant to break the power—and lower the wages—of the company's highly skilled and once-proud barrel makers.

Andrew Carnegie combined bold technological innovation and ruthless employee management to gain control over the work process. For example, he designed his J. Edgar Thompson steelworks in Braddock, Pennsylvania, with elevated trains to carry coal overhead throughout the huge mill, thereby eliminating the jobs of hundreds of shovel-wielding laborers. Resisting an 1892 strike by workers at his giant plant in Homestead, Pennsylvania, Carnegie managed to lengthen the working day in all of his plants without raising the daily wage rate. In the mid-1890s, many of his employees worked twelve-hour shifts, seven days a week. "We stop only the time it takes to oil the engines," said one Homestead worker.

Businessmen Look to Politics Businessmen saw politics as another means of boosting profits and consolidating their control of markets and workers. Business influence pervaded all levels of government in the late nineteenth century, but as enterprises became national in scope, their owners and managers tried to shape the federal government and nationwide policies. Managers much preferred to deal with a uniform set of federal laws or regulations than with a confusing and contradictory assortment of state and local ones. Big businessmen also found that they could influence the federal government more easily than state or local governments, which tended to respond more to local interests. And as journalists and reformers began demanding that the national government regulate railroads and control monopolies, businessmen sought to influence legislation in their own behalf.

Corruption and favor buying in government had increased notably during the Civil War, and they persisted when peace came. Widespread vote selling led one Ohio politician to call the House of Representatives in 1873 "an auction room." Politicians still embraced "the spoils system" (a term dating back to the 1830s), in which supporters of the winning party received

"... The Duty of the Man of Wealth": Two Perspectives on Men of Wealth

In The Gospel of Wealth and Other Timely Essays, *published in 1889, the industrialist Andrew Carnegie argued that individual capitalists were duty bound to play a broader cultural and social role and thus improve the world. Not everyone viewed Carnegie as the benevolent philanthropist he presented himself to be. His antiunion stance and efforts to get maximum work for the least pay placed him in another light for workers. A "Workman" published a satirical response to Carnegie's book in an 1894 issue of a Pittsburgh labor newspaper.*

Excerpt from Carnegie's *The Gospel of Wealth:*

This then, is held to be the duty of the man of wealth: To set an example of modest, unostentatious living, shunning display or extravagance; to provide moderately for the legitimate wants of those dependent upon him; and, after doing so, to consider all surplus revenues which came to him simply as trust funds, which he is called upon to administer, and strictly bound as a matter of duty to administer in the manner which, in his judgment, is best calculated to produce the most beneficial results for the community—the man of wealth thus becoming the mere trustee and agent for his poorer brethren, bringing to their service his superior wisdom, experience, and ability to administer, doing for them better than they would or could do for themselves. . . .

A Workman's Prayer:

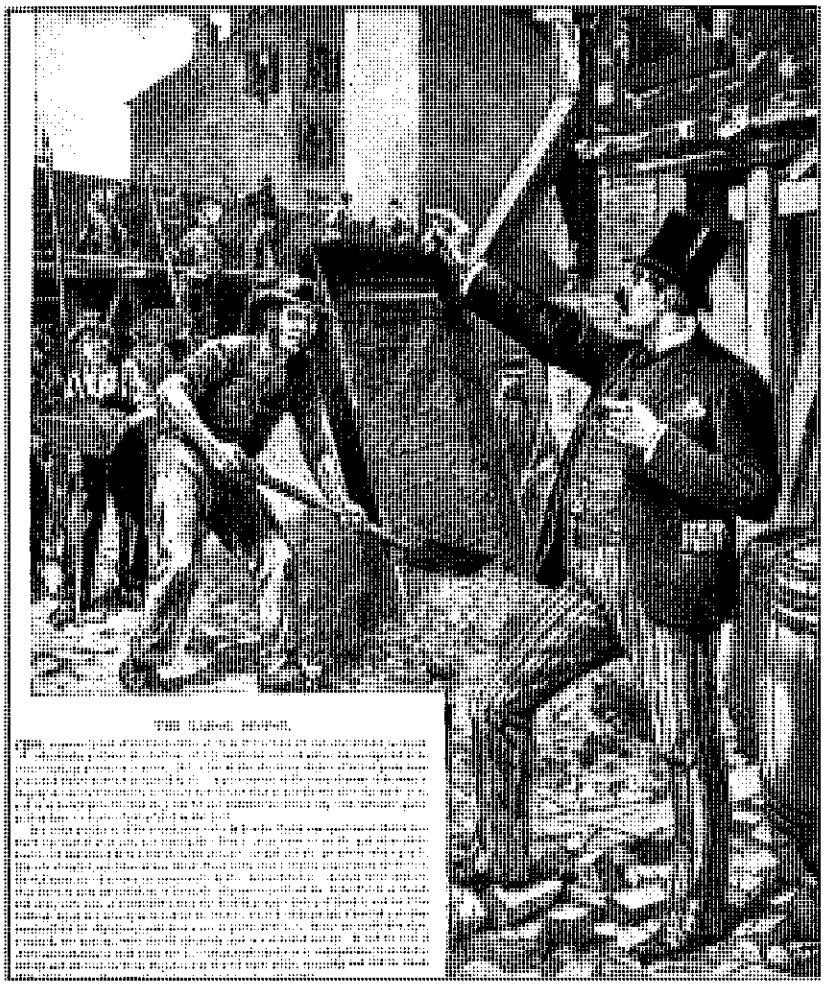
Oh, almighty Andrew Philanthropist Library Carnegie, who art in America when not in Europe spending the money of your slaves and serfs, thou art a good father to the people of Pittsburgh, Homestead and Beaver Falls. We bow before thee in humble obedience of slavery. . . . We have no desire but to serve thee. If you sayest black was white we believe you, and are willing, with the assistance of . . . the Pinkerton's agency, to knock the stuffin[g] out of anyone who thinks different, or to shoot down and imprison serfs who dare say you have been unjust in reducing the wages of your slaves, who call themselves citizens of the land of the free and the home of the brave. . . .

Oh, lord and master, we love thee because you and other great masters of slaves favor combines and trusts to enslave and make paupers of us all. We love thee though our children are clothed in rags. We love thee though our wives . . . are so scantily dressed and look so shabby. But, oh master, thou hast given us one great enjoyment which man has never dreamed of before—a free church organ, so that we can take our shabby families to church to hear your great organ pour forth its melodious strains. . . .

Oh, master, we thank thee for all the free gifts you have given the public at the expense of your slaves. . . . Oh, master, we need no protection, we need no liberty so long as we are under thy care. So we commend ourselves to thy mercy and forevermore sing thy praise.

Amen!

Andrew Carnegie, *The Gospel of Wealth and Other Timely Essays* (1889); "A Workingman's Prayer," *The Coming Nation*, February 10, 1894.



The Tyranny of the Walking Delegate

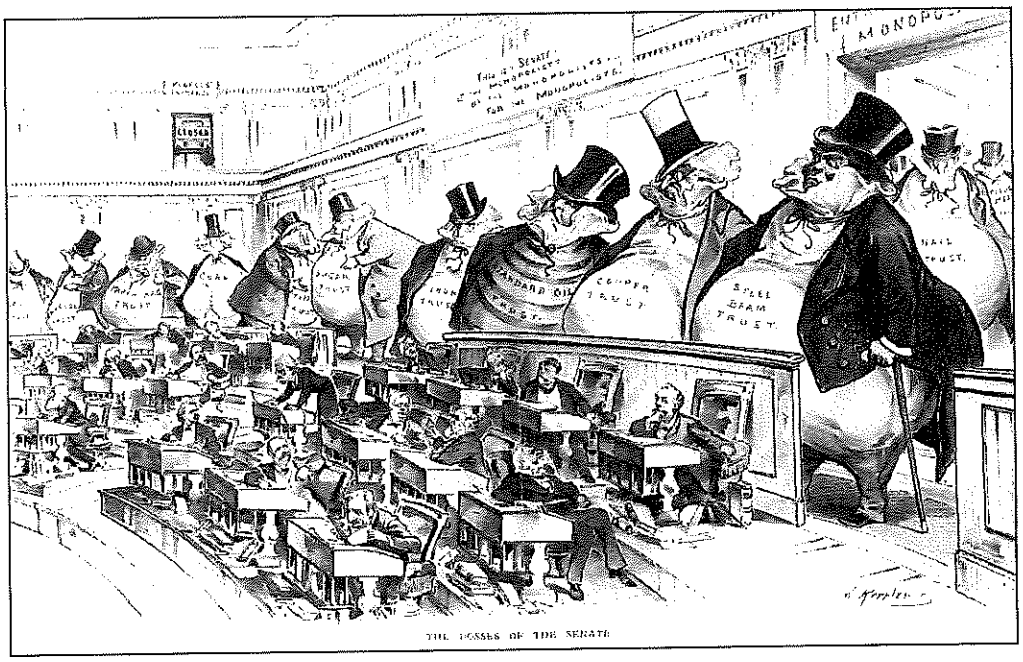
The popular image of the trade union official changed as manufacturers attempted to exert greater control over the workplace. In this 1889 engraving, a trade union officer — "the well-fed, well-paid official . . . whose fiat is expected to be obeyed without protest or murmur" — arbitrarily calls a strike. Portrayed as a despotic opponent of business, the official's manner and dress resembled those of the familiar figure of the corrupt political boss. J. Durkin, *Frank Leslie's Illustrated Newspaper*, September 21, 1889 — American Social History Project.

government offices and they in turn paid off the party.

Beginning in 1875, Democrats increasingly challenged Republican dominance in Washington, D.C., as they rebuilt their party from the shambles of the war. The revived Democratic Party united most of the South, and it attracted a growing number of workingmen in northern industrial areas by attacking the increasing concentration of wealth and corruption in politics. In the Compromise of 1877, the Democrats made a deal that gave the presidency to Rutherford B. Hayes but, in return, secured the removal of federal troops from the southern states and African Americans from national and local politics (see the Prologue).

The Compromise of 1877 fed growing disillusionment with political corruption. Against this background, a campaign to clean up politics emerged in the late 1870s and gained momentum in the early 1880s. Some reformers had long advocated replacing the spoils system with a civil service system based on merit and protected against shifts in party power; England, Germany, and other European countries had already embraced such systems. That idea acquired new urgency in the United States in 1881, when Charles Guiteau, a crazed job seeker and member of an opposing faction of Republicans (called the "Stalwarts") assassinated Republican President James A. Garfield. When Guiteau shot Garfield, he announced the succession to a Stalwart supporter: "I am a Stalwart. [Vice President Chester] Arthur is now president." (Actually, Guiteau spoke too soon; Garfield languished for almost three months on his deathbed. In this era when the president and the federal government were much less central to national life, an incapacitated president did not pose a major problem.) Two years later, the Pendleton Civil Service Act created the Civil Service Commission to hire federal workers on the basis of competitive examinations.

Still, politics remained a dirty business. In the particularly grubby 1884 election, Democrats described the Republican candidate, Senator James G. Blaine, as "the continental liar from the State of Maine" to highlight the



The Bosses of the Senate
An 1889 cartoon from the satirical weekly *Puck* decries corporate control of the U.S. Senate. "This is a Senate of the Monopolists, by the Monopolists, and for the Monopolists!" reads the sign over the corpulent corporate spectators as they watch over the obedient legislators (many of whom were millionaires). Meanwhile, the "People's Entrance" to the Senate is barred shut. Joseph Keppler, *Puck*, January 23, 1889—New-York Historical Society.

Another Voice for Cleveland
Grover Cleveland's reputation for honesty was undermined when it was revealed that the candidate had fathered a child out of wedlock. This cartoon, published during the 1884 campaign, poked fun at Cleveland's situation. Frank Beard, *Judge*, September 27, 1884—Prints and Photographs Division, Library of Congress.

personal honesty of the Democratic candidate, Grover Cleveland. But Cleveland, the governor of New York, had two skeletons in his own closet. He had hired a substitute to fight for him in the Civil War, as had many better-off northerners, but it was hardly a wise move in retrospect. He had also fathered a child out of wedlock. But Blaine lost ground with Irish Catholic voters after a Protestant minister attacked the Democrats as the party of "Rum, Romanism, and Rebellion," and he offended working-class voters by attending a well-publicized sumptuous feast hosted by Jay Gould and other robber barons in the midst of a depression. Cleveland won narrowly; a shift of six hundred votes in the crucial state of New York would have made Blaine president. The close contest reflected the even balance between the parties in this period. In 1888, Cleveland lost narrowly in electoral votes to Benjamin Harrison, though he had won the popular vote. (Four years later, however, Cleveland won a resounding victory and became the only person to serve two nonconsecutive terms as president.)

Aiding Harrison in 1888 was a lavish campaign chest that department store magnate John Wanamaker systemati-

cally raised from businessmen—the first time that truly large sums of money had been raised from businessmen for a presidential campaign. Ironically, the 1883 Pendleton Civil Service Act had freed political parties from financial dependence on their appointees (who had often provided kickbacks and contributions) only to place them at the mercy of businessmen, who became the alternative source of funds. Industrialists' and financiers' contributions to both the Democratic and Republican parties assured them of support from whichever was in power. As a result, journalist William Allen White argued that senators represented not political but economic entities: "Coal and iron owned a coterie from the Middle and Eastern seaport states. Cotton had half a dozen senators. And so it went."

When popular sentiment demanded that the government regulate business by reining in railroads or curbing monopolies, business-oriented members of Congress could ensure that the resulting laws lacked muscle. Thus, businessmen used their influence to shape the two great measures of federal regulation of business during the late nineteenth century: the Interstate Commerce Act (1887) and the Sherman Antitrust Act (1890). Powerful railroads made the Interstate Commerce Commission—the regulatory agency set up under the 1887 act—their servant instead of their master.

The judiciary provided an even more reliable bulwark of business power in federal circles. Most federal judges began their careers in corporation law, and they served their former business associates from the bench. Court decisions further weakened the already feeble federal laws regulating business. The courts rarely found corporations guilty of violating the Sherman Antitrust Act; instead, they used it to curb labor unions by issuing injunctions—cease-and-desist orders—against strikers and their unions.

The South and West Industrialize

The tentacles of the industrial capitalist goliath gripped not just the railroads and factories of the Northeast and Midwest. It also transformed—albeit less evenly and completely—life in the South, which remained heavily agricultural, and the West, which relied on agriculture and extractive industries. In the post–Civil War era, industrialization—generally under the auspices of northern capitalists—appeared in southern textile factories and coal mines. Meanwhile, railroads brought farmers, even in the remote hill country, under the sway of national and international markets. In the West, capitalist enterprise—manifest in everything from the hard rock mines to the vast corporate ranching spreads to the inevitable railroads—had an even rougher and more brutal edge than in the East. But, as in the East, working people and immigrants (often from Asia or Mexico) generally bore the heaviest brunt of the transforming power of the new profit-driven economy. But so did much longer-standing residents of the land—the