THE GILDED AGE

I. Rise of Big Business
   A. Industrial Revolution in US started during the 
      WAR OF 1812

   1. Samuel Slater,
      1789 - 1ST TEXTILE FACTORY
      RHODE ISLAND

   2. War of 1812 led to expansion of manufacturing
      1800 -
      1814 -

   3. Early manufacturing centered in
      NEW ENGLAND, NY, NJ, & PA
      WATER POWER (FALLS, STREAMS)
      LABOR FORCE
      LARGE CITIES FROM WHICH TO SHIP GOODS

   a. Had the needed to run the factories
   b. Had the
   c. Had access to the
   d. First US factory that had all the steps in producing cloth under one roof was at Waltham, MA

B. Rise of the Corporation, 1850s
   1. Before 1850s, most companies were held by 
      INDIVIDUALS OR PARTNERSHIPS
      & PERSONALLY LIABLE IF SOMETHING WENT WRONG IN BUSINESS

   2. Development of corporation allowed for:
      a. Capital could be raised by 
         SELLING STOCK TO INVESTORS
      b. Limited liability protected

   3. Corporations led to rise of the and the ways they tried to stifle competition and make

4. Terms to know:
   a. Vertical Integration-
   b. Horizontal Integration-
   c. Monopoly-
   d. Trust-
   e. Pool-
   f. Holding Company-
   g. Watered Stock-
   h. Laissez-faire-

5. Robber Barons vs. Captains of Industry
   a. Robber Baron-used **RUTHLESS**
      BUSINESS TECHNIQUES to stifle and
      exploit **THEIR WORKERS** to make
      massive profits
   b. Captains of Industry-business leaders who
      use their **INVESTMENTS** to grow
      **THEIR BUSINESSES** to benefit
      **THE COUNTRY**

II. Labor
   A. Working Conditions
      1. Up to 1900, the work averaged **58**
         hours per week except in the steel
         industry where it could be up to **72**
         per week
      2. Women made up **20%** of the
         workforce, but **MADE SUBSTANTIALLY**
         **LESS PAY**
      3. In 1890, **600,000** children
         between 10 and 14 worked **10-12 HR.
         DAYS IN MINES & FACTORIES**
      4. Some children younger than 10 worked
         **12 HR. SHIFTS IN S. COTTON MILLS & MINES**
      5. In 1891, **7,000** railroad workers were
         killed on the job and another **33,000**
         were injured
      6. Each year, on average, **70,000** workers
         killed and **200,000** injured
      7. Wages averaged **$9.00 WEEK**
      8. Many industries had company towns
a. The company owned all the
so it wasn't possible for people to

b. Many did not pay their workers in US $$

c. True example of **WAGE SLAVERY**

B. Early Unionization
1. Often hampered by lack of **ORGANIZATION** & **VIEWED AS CONSPIRACY TO RESTRICT TRADE**
2. Lowell girls??

3. National Labor Union, 1866
a. First attempt to form a **FEDERATION OF CRAFT UNIONS**
b. Fought for an **8 hr** work day
c. Favored **ARBITRATION OVER STRIKES**
d. Believed to have had as many as **500,000** members at its peak
e. Collapsed in 1873 - it fell apart over Deposition of 1873-79
1. Caused by economic **OVEREXPANSION WILD SPECULATION**
2. Widespread **UNEMPLOYMENT ESPECIALLY FOR UNSKILLED**
3. Slowed whatever previous gains unions had made
D. GA Unions and Strikes

1. Knights of Labor 1860s+
   a. Led by Terence Powderly
   b. Beliefs (much of it will become the Populist Party platform)
      - 8 hr work day
      - end of convict labor system
      - end of cooperatives
      - pay for equal work
      - establishment of government ownership of
         telegraphs & railroads
      - public land policy to aid settlers
      - not speculators
      - graduated income tax
      - declined due to public fears of radical unions
      - Haymarket Riot in 1886
      - internal divisions
   c. had up to ______ members in the early 1880s, but only about ______ by 1900

2. American Federation of Labor, 1886
   a. Led by Samuel Gompers
   b. For skilled workers
   c. Workers organized into national craft unions
   d. Gompers felt that skilled workers were in demand & could demand higher wages. Also gave them political clout if they were not associated with unskilled labor
   e. Joined with the Congress of Industrial Organizations that represented unskilled workers in 1955
E. Strikes

1. Haymarket, 1886
   a. Strike against the McCormick Reaper Co. in Chicago
   b. Bomb thrown into the crowd during picketing, 5 police killed
   c. Never able to prove who actually threw the bomb, suspected that active anarchists, who were not in the union, did it, but union members held accountable and executed
   d. Caused the public to associate unions with anarchists

2. Pullman, 1894
   a. Eugene Debs, the head of the American Railway Union
   b. Pullman Company reduces wages — workers strike
   c. All the other RR union members go on strike in support of Pullman workers
   d. EVERYTHING runs by train, the US Attorney General sends troops to break strike
   e. US Supreme Court issues an injunction demanding strike to end
   f. led to violence — Pres. Cleveland sends troops to break strike

3. Bisbee, 1917
   a. Wages reduced prior to WWI due to slump in copper prices
   b. Phelps Dodge miners go on strike to have wages reinstated when demand goes up & company making huge profits
   c. Strikers were associated with a radical union — International Workers of the World
   d. Deputized
III. Immigration
   A. Terms to know:
      1. Emigrate
      2. Immigrate
      3. Old Immigration
         a. Before Civil War - from Northern & Western Europe
         b. Massive numbers due to political & economic upheaval in Europe
      4. Irish, “the bridge”
         a. Start arriving in 1840s due to Potato Famine
         b. Millions die,
         c. First to face direct discrimination due to religion & poverty
         d. Many will take the bounty to replace northerners in the Union army
            (Draft Riots in NYC)
    5. New Immigration
       a. from Southern & Eastern Europe
       b. Massive numbers due to political & economic upheaval in Europe
       c. Face discrimination for religious, language & cultural reasons
    6. Assimilate
       a. Goal of new arrivals to adapt & become part of new culture
       b. Share cultural characteristics & physical characteristics
    7. Ethnic group
    8. Race
    9. Melting Pot
    10. Salad Bowl
    11. Pogrom
    12. Nativism

- Systematic persecution of a specific group directed by a govt
- Anti immigrant
B. Key Immigration Laws
1. Chinese Exclusion Act, 1882
   a. Chinese immigrant labor instrumental in
   b. First immigrants to face
   - LEGALIZED DISCRIMINATION
   c. Restricted the number
   - OF IMMIGRANTS WHO COULD ENTER THE US
   - AND KEEP FROM BECOMING CITIZENS
   d. Reality:
      DIDN'T WANT TO STAY!
      WANTED TO EARN $ TO SEND TO FAMILY & GO HOME
2. 1917
   a. reaction to millions of immigrants who arrived during the Gilded Age
   b. immigrants had to be **LITERATE IN SOME LANGUAGE**
   c. the law also restricted **MENTALLY ILL**

3. 1924 Quota Act
   a. even stronger reaction to the new immigrants
   b. move to greatly restrict emigration to countries that would mostly fall under the **OLD IMMIGRATION PATTERNS**
   c. allowed for **165,000** immigrants from outside the **WESTERN HEMISPHERE**
   d. immigration stopped from **AFRICA & ASIA**
   e. used the **1890** census which asked where the respondent’s parents were born
   f. Once quota was met for a group, there was **NO EXCEPTIONS FOR ANY REASON**

   - Germany: 35,000
   - France: 35,000
   - Russia: 15,000
   - Lithuania: 5,000
   - Italy: 12,000
   - Poland: 8,000
4. 1965 Immigration and Nationality Act
   a. ended QUOTA SYSTEM
   b. visa set at 170,000 per year, not including IMMEDIATE RELATIVES OF US CITIZENS, OR THOSE BORN IN INDEPENDENT NATIONS IN WESTERN HEMISPHERE
   c. preferences for visas:
      i. HAVE SKILLS NEEDED FOR US ECONOMY
      ii. HAVE FAMILY ALREADY IN US
      iii. COULD CLAIM REFUGEE STATUS
### Table 4.

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**Everyday Life & Culture**

- **1880**
- **1889**
- **1921**

- **Cigarettes**
  - 2¢
  - 43¢

- **Silk Stockings**
  - Few - Rich

- **Soap**
  - 63¢
  - $1.40

**1891 - 120 Men had Net Worth at/above $10M**

**1920 - 25% Wealth in US. Held by 5% of Pops.**

**Increasing Middle Class**

- Clerical Wages Up 36%
- 6-7RM House $3,000

**Cost of Living Rose 47%**
AD
1865 - $9.5M
1900 - $95M
1920 - $500M

IV. Plight of Farmers
A. In Post C. W. Era -
  Became businessmen who
  specialized in 1-2 cash
  crops
  1. Dealing in world
     market, not just local,
     because of improvements
     in transportation
  2. Be at mercy of
     railroad and steamship
B. Mechanization
  1. 
1. STEEL PLOW & MCCORMICK REAPER ALLOW FOR MORE PLANTING & HARVESTING — LED TO OVERPRODUCTION

A. OVERPRODUCTION LED TO DROP IN CROP PRICES
   - BUSHEL OF WHEAT
     1866 - $1.45
     1885 - 80¢
     1895 - 49¢

B. Farmers' Reactions
   - Plant more!
   - Store it in hopes that prices will go up
   - As crop prices drop, cost of farming didn't

C. INFLUENCE OF RRs
   1. Could set own fares, since they stifled competition, could set prices high
   2. Biggest gripes over short hauls
      RRs owned most storage facilities
D. Farmers' Debt Cycle
1. Farmers Always Borrow
   a. In good years, to expand/improve farm
   b. In bad years, to keep farm going until next year
   c. Interest rates ran 17-25%
2. Farmers wanted to create inflation in economy by getting rid of gold standard & back currency with both gold and silver
   a. They borrowed at deflated prices
   b. Crop prices had fallen
   c. Inflation would allow payback of loans easier
      - Crop prices would go up 😊
      - ...but so would their expenses 😐