CHAPTER 17 LEC. NOTES

The late 19th century was characterized by a number of inventions that affected the lives of ordinary Americans in many ways, leading to new concepts of time and space, work and play. Many inventions, like Bell’s telephone, quickly became modern necessities. Others worked behind the scenes, helping expand the market network in ways that had been unthinkable just a few decades before.

What some historians call the “second industrial revolution” was dependent on a number of factors, including the speed and efficacy of American invention. Thomas Edison, perhaps the greatest inventor of the era, eventually operated out of an independent research laboratory in Menlo Park, New Jersey, where squads of employees produced thousands of inventions, all patented in Edison’s name. Among them were the phonograph, and of course, the electric light bulb. Electric light went on to change the country, lighting factories well into the night and changing the look of the nineteenth century city in dramatic ways. Meanwhile, George Westinghouse and Nikola Tesla refined Edison’s ideas, introducing the more efficient alternating current. Electric streetcars quickly replaced horse-drawn omnibuses, and by the early twentieth century, motion pictures and Victor “talking machines” began to occupy Americans’ leisure hours. Elevators by Otis allowed buildings to rise higher, while power tools from Pratt and Whitney allowed them to be built faster. With over 440,000 patents issued between 1860 and 1890, American life was transformed.

By the 1890s, a number of manufacturers began experimenting with gasoline-powered engines, planting the seeds for the automobile explosion that would sweep the country in just couple of decades. American life was transformed yet again as automobiles replaced horses and drivers were free to roam far beyond the confines of the railroad tracks. Henry Ford, a machinist who built his first automobile in 1896, went on to pioneer the assembly line, which made possible the manufacture of large quantity of cars cheaply and efficiently. The assembly line helped to change the nature of work. Rather than having one worker responsible for many stages of the production process, Ford’s workers performed small, routinized tasks over and over. This speeded production and lowered costs for consumers, although workers found the work boring and repetitive. For a time, Ford’s relatively high salaries compensated for the lack of investment that many workers felt in their jobs. Yet by 1903, Wilber and Orville Wright’s flight in their flying machine over the sands of Kitty Hawk, North Carolina, had begun to convince many Americans that even faster travel was on the horizon.

The growth of the railroad and the widespread use of other inventions necessitated a new kind of business structure, one that would not stop short at the limits of a family business and could make use of the corporate structures that had emerged during the Jacksonian era. In the absence of a federal bank, private bankers assumed a new level of wealth and power. They, coupled with the leaders of the new, powerful corporations, helped produce what Mark Twain called the “Gilded Age,” an era of excess money and power that had a few amassing immense fortunes—and showing off that wealth in very obvious ways—while many lived in abject poverty. With little government regulation in place, the power of banking and business expanded unchecked. Banker Jay Cooke, who had helped to save the Union’s finances during the Civil War, almost wrecked the nation’s economy in the early 1870s when his banking company went under in 1873, setting off a nationwide panic. More banks collapsed, railroad construction stopped, and half a million lost jobs in less than a year. The boom and bust cycle that characterized the nineteenth century, with a panic and depression about every twenty years, continued throughout its latter half, demonstrating the interconnectedness of railroads, banking, and business. Among the business leaders of the era was Cornelius Vanderbilt, who began as a steamboat entrepreneur and later moved on to control and interconnected web of seemingly unrelated railroad companies. To do so, he created new corporate structures and massive corporations that created great wealth while reducing the power of individual managers. When he died in 1877, after purchasing New York’s most powerful railroad, the New York Central, he was the richest man in America.

But there were many who would vie with Vanderbilt for wealth and power. Some, like Jim Fisk and Jay Gould, functioned as corporate pirates (they’re basically Bond villains), draining the wealth from a company by issuing stocks far above the company’s value, and then leaving the business near bankruptcy as they walked away with the profits from stock sales. In 1869, Fisk and Gould teamed up with another corporate pirate, Daniel Drew, to corner the nation’s supply of gold—who even does this. As they bought and hoarded gold, prices rose precipitously. Only when President Grant released gold from the U.S. Treasury was the scheme foiled. Many investors found their fortunes falling after what became known as “Black Friday” created a significant drag on the economy.

Other businessmen exploited new discoveries and transformed industries. John D. Rockefeller, who began his business career as a clerk, took advantage of the new discovery of “rock oil” in Titusville, PA and focused on refining it for use in kerosene and later, other oil-based products like gasoline. Rockefeller located his refinery in Cleveland, where he could take advantage of nearby supplies and get his products to market using the Great Lakes shipping and rail lines. Rockefeller effectively played one rail line off against they other as they competed for his business, offering secret rebates and undercutting the competition. Soon, Rockefeller was able to buy out many of his competitors, and his Standard Oil Company would eventually control 90% of the oil industry. This control over oil production came to be known as horizontal integration, a horizontal monopoly. Without meaningful antimonopoly laws, Standard Oil was able to control the oil industry from refining to sales.

Meanwhile, Andrew Carnegie, who had started out as a poor immigrant from Scotland, capitalized on a new innovation in steelmaking—the Bessemer process—and ended up dominating the steel industry. Steel was essential for the growth of the railroad network and other industries, and Carnegie found ways to track and cut costs, making an investment with Carnegie a very sound venture. Carnegie practiced vertical integration, from the coal and coke ovens that prepared the fuel to the iron mines that produced iron ore. He purchased railroads and steamships to transport the coal and iron to Pittsburgh, the base of the steel industry, and sought to keep workers’ salaries as low as possible. When Carnegie sold his company in 1900 to JP Morgan, who then combined it with other, smaller companies to create the massive U.S. Steel, Carnegie became the richest man in the world.

Corporate leaders like Rockefeller and Carnegie built palatial homes and lived extravagantly thanks to their great wealth in an age without income tax, but they also used their money to secure political influence. Competition among businesses declined, as business leaders built monopolies and coordinated companies in massive “trusts” that would together set policy, determine costs, and of course, set prices. And with plenty of politicians ready to be bribed to look the other way or to actively block legislation, businessmen of the period had a free hand in ensuring the death of the free market. There would be no government intervention to regulate industry—at least for a while.

Meanwhile, a new banker, J.P. Morgan, emerged as the nation’s preeminent economic sage. Morgan had made great profits during the Civil War—now, he used them to rebuild the American economy after the Panic of 1873. Later, he managed to secure himself a seat on the Board of Directors of many of the nation’s most influential companies, and he knew more about American industries than any other banker. When the nation’s economy again collapsed in the Panic of 1893, scores of railroads went into bankruptcy. Then, Morgan stepped in. He offered $65 million in gold in return for 30-year government bonds. European bankers who had lost faith in the U.S. government had more faith in Morgan, buying bonds and stopping demanding payment in gold, which would have further depleted U.S. gold reserves. Essentially, the House of Morgan functioned as the nation’s bank until the Federal Reserve Bank was created in 1916.

As Americans moved from farms and small towns to cities, some swelled the ranks of the middle class. With this new middle class lifestyle came a set of expectations and perceived responsibilities that would be called “middle-class respectability,” not dissimilar to modern expectations. In some ways, members of the middle class were caught between what they saw as two poles of excess; the criminal behavior of the very poor on the one end and the lifestyles of the rich and famous on the other. Still, the new middle class had more disposable income—and more leisure time thanks to new inventions—than ever before. They participated in an emerging consumer culture, frequenting large department stores in cities and enjoying public buildings designed in a new, classical style that showed both permanence and beauty, and they looked for new public spaces, like well-designed public parks, to take an evening stroll. Beyond this, however, middle class reformers increasingly sought to reshape the city, building public works like reservoirs and aqueducts to reduce the incidence of cholera and other water-borne illnesses. They also carved out new neighborhoods for themselves, well beyond the urban core, to which they could retreat after a day spent in downtown businesses. Suburbs, first tied to streetcar lines as well as to shorter rail lines, soon surrounded cities. Meanwhile, white middle-class Protestants saw new levels of religion, with the membership of the major Protestant denominations tripling between 1860 and 1890. Americans also participated in nondenominational religious organizations such as the YMCA and flocked to the sermons of the era’s great revivalist, Dwight L. Moody. Unlike earlier preachers, Moody wore a suit and tie to his revivals, resembling the businessmen who had come to hear and see him. His message was simple—conversion to Christianity and love of God. Home and Jesus were often synonymous for Moody, who denounced the theater with the same vehemence with which he abhorred atheists. Music was equally important at Moody’s revivals, with new hymns composed by Ira Sankey often finding their way into people’s homes as well. Most families aspired to a particular badge of the middle class—the parlor piano—and the music for hymns and other songs was often performed at home, when the entire family would gather ‘round the piano.

Meanwhile, both Democrats and Republicans reflected the new aspirations and orientations of the middle class. Leaders of both parties had little interest in challenging the status quo, and many were preoccupied with stemming conflict from within. The Republican Party was divided between the heirs of its antislavery wing (called Stalwarts) and others who wanted to forget about slavery and Reconstruction and focus on prosperity. With an array of charismatic leaders who were often at odds with one another, the Republicans often seemed likely to consume themselves with the force of their vehemence. Stalwart Roscoe Conkling from New York frequently spent considerable energy in trying to thwart James G. Blaine, a Maine congressman who became Speaker of the House. In 1880, the Republicans turned to a new candidate, war veteran James Garfield. Garfield was committed to civil service reform, seeking to end the use of government jobs to reward political favorites. After Garfield was assassinated and his vice-president Chester Arthur assumed the presidency, Blaine was determined to stop Arthur’s renomination. Meanwhile, the Democrats nominated Grover Cleveland, the former mayor of Buffalo who had a reputation for honesty, although claims that he had fathered a child out of wedlock did cause some concern. Still, because of Blaine’s links with many of the scandals associated with the Grant administration and his use of political patronage, some Republicans deserted their party and supported Cleveland. These Mugwumps helped Cleveland win the election. Cleveland went on to take a strong stand against the annexation of Hawaii, although he generally ignored the needs of African Americans and sided with business owners against workers. Republican Benjamin Harrison defeated Cleveland in the election of 1888, engaging in the “waving the bloody shirt” tactic of reminding voters that Democrats represented the states of the Confederacy. Cleveland’s veto of a pension for Civil War veterans also contributed to his defeat. Yet four years later, Cleveland was elected once again, beginning his second (nonconsecutive) term with the Panic of 1893.

As business expanded, it sought new markets and increasingly, these were located beyond the contiguous states. Missionaries fired by the revivals of Dwight Moody and others went to spread the gospel in China, Japan, and the Middle East. Commercial interests quickly followed. As business leaders intensified exporting efforts to sustain the national economy, the total value of U.S. exports jumped from $234 million in 1865 to $1.5 billion in 1900. With the expansion came a renewed interest in Cuba, long a focus of southern states even before the Civil War. After an 1868 rebellion in Cuba, U.S. merchants bought sugar plantations, mines, and ranches there. By 1900, the U.S. was the dominant economic force in that country. Meanwhile, the U.S. also had longstanding interests in Mexico. During the Civil War the U.S. had secretly aided Mexican revolutionaries who were resisting the rulers installed there by Napoleon III. Later, Americans bought railroads, mines, and oil exploration companies in Mexico, working with dictator Porfirio Diaz, who was anxious to expand U.S. investment there. The growth of U.S. exports in Europe brought with them their own set of tensions, as Europe’s leading economic powers became increasingly nervous about their growing dependence on the U.S.

By the end of the 19th century, more and more people were coming to the United States, seeking new opportunities and in some cases, freedom from religious persecution. These immigrants differed from those who had come before in a variety of ways. Previous immigrants came primarily from Northern and Western Europe (Britain, Ireland, Germany, etc.). The new immigrants of the late 19th and early 20th centuries came largely from Southern and Eastern Europe, and were often less wealthy and less literate than those who had come before. Regardless of place of origin, however, all immigrants experienced a push-pull experience in which various factors pushed them to leave and other factors pulled them toward a new experience in another setting.

For Russian Jews, the pushes were marked and obvious; a series of pogroms (anti-Jewish attacks), actively encouraged by the Russian government and the Russian Orthodox church, left Jewish towns and farms devastated. Restrictions on travel and where Jewish families could settle also intensified, and Jews were prevented from owning land. Italian peasants in Southern Italy also faced violence, as Italy fought to become an independent and unified state and free itself from its Austrian overlords. The eruption of Mt. Vesuvius also destroyed precious farmlands. Unlike the Jews, many Italians were initially “birds of passage,” hoping to return home after making money in America. While there was little regulation or restriction on immigration throughout much of the 19th century, Congress in 1882 passed the Chinese Exclusion Act, halting Chinese immigration. It was the first time an entire nationality was barred from this country. There was also immigration from French Canadians in the North, who settled in New England and New York, and from Mexicans in the South, who moved across the Rio Grande in search of jobs.

Although few immigrants to the U.S. found streets “paved with gold,” many did enjoy a significantly better life than the one they had left behind. (There was discrimination, but there were not pogroms; there were unfair working conditions, but there were not volcanos.) An industrializing America needed workers, and immigrants provided the cheap labor necessary to mine coal, run machines, and make steel. New York was the prime port of entry for immigrants on the East Coast, and Ellis Island replaced Castle Garden in 1892 as the main immigration center. Before it closed in 1954, Ellis Island greeted some twelve million immigrants, subjecting them to a barrage of questions and physical examinations to ensure that no physically or mentally ill persons were allowed in. Clerks who had difficulty understanding the way immigrants pronounced their names often assigned them new, anglicized versions that had little in common with the originals. On the Pacific Coast, most immigrants came through San Francisco, where Angel Island functioned as a sort of Ellis Island of the West. Unlike its eastern counterpart, which processed most arrivals in a day or less, Angel Island often held people for weeks, months, and in some cases, years.

Despite the idea of America as a melting pot, many immigrants had no interest in “melting” into a common American culture. Instead, they helped to create a richly diverse nation. Jews made their way to the Lower East Side of Manhattan, where they crowded into tenements and shared bathrooms. Jewish peddlers filled the street with pushcarts; others found work in the garment industry, first working at home, and later in larger places called sweatshops, which could house hundreds of workers. Jews established synagogues, foreign language newspapers, and about 300 Hebrew schools to maintain their language and culture. Other immigrants also created their own neighborhoods. Many cities boasted a Little Italy, or a Polish section, or a Chinatown. French Canadian and Italian immigrants often moved back and forth between the U.S. and their home communities. This was the case as well with immigrants from Mexico, who increasingly established permanent homes in the U.S. in neighborhoods called barrios. For Catholic immigrants, the Roman Catholic Church was an essential link. Parishes frequently reflected country of origin and often served their own group, offering parochial schools and classes in the home language.