Chapter 19: Production and Consumption in the Gilded Age, 1865–1900

Chapter Review

1. AMERICAN COMMUNITIES Haymarket Square, Chicago, May 4, 1886

As rain approached the city, approximately 1,500 people gathered for a mass meeting in Haymarket Square to protest the brutality of the previous day, when Chicago police killed four strikers at the fiercely anti-union McCormick Reaper Works. The crowd listened peacefully as several speakers denounced the violence. According to newspaper reports, the crowd quickly dwindled to only 600 people. The bomb exploded “with terrific force, shaking buildings on the street and creating havoc among the police.”

In the days following the tragic incident at Haymarket Square, Chicago police arrested hundreds of working people, rounded up known anarchists, and searched their homes and detained them without warrants. Sentiment swung sharply against immigrants. Incorporated in 1837, the city now boasted a population of 200,000—second only to New York—and dozens of new mass industries and vibrant new classes of consumers. If prices at Field’s were beyond the capacity of their pocketbooks, aspiring consumers could turn to cheaper goods offered by Chicago-based Montgomery Ward, the nation’s first large-scale mail-order business.

1. THE RISE OF INDUSTRY, THE TRIUMPH OF BUSINESS

At the time of the Civil War, the typical American business firm was a small enterprise, owned and managed by a single family, and producing goods for a local or regional market. By the turn of the century, businesses depending on large-scale investments had organized as corporations and grown to unforeseen size. These mammoth firms could afford to mass-produce goods for national and even international markets.

a. Revolutions in Technology and Transportation

The telephone, patented that year by Alexander Graham Bell, signaled the rise of the United States to world leadership in industrial technology (see Map 19.1).

American industry had outstripped its European rivals, Germany and Great Britain, and manufactured one-third of the world’s goods.

A major force behind economic growth was the vast transcontinental railroad, completed in 1869.

Higher productivity depended not only on machinery and technology but on economies of scale and speed, reorganization of factory labor and business management, and the unparalleled growth of a market for goods of all kinds.

New systems of mass production replaced wasteful and often chaotic practices and speeded up the delivery of finished goods. This “disassembly line” displaced patterns of hand labor that were centuries old. Sometimes the invention of a single machine could instantly transform production, mechanizing every stage from processing the raw material to packaging the product. The cigarette-making machine, patented in 1881, shaped the tobacco, encased it in an endless paper tube, and snipped off the tube at cigarette-length intervals. After a few more improvements, fifteen machines could meet the total demand for American cigarettes. Within a generation, continuous production—the assembly line—became standard in most areas of manufacturing, revolutionizing the making of furniture, cloth, grain products, soap, and canned goods; the refining, distilling, and processing of animal and vegetable fats; and eventually, the manufacture of automobiles.

b. Expanding the Market for Goods

For generations, legions of sellers, or “drummers,” had worked their routes, pushing goods, especially hardware and patent medicines, to individual buyers and local retail stores. Growing directly out of these services, the successful Chicago-based mail-order houses drew rural and urban consumers into a common marketplace. Sears, Roebuck and Company and Montgomery Ward offered an enormous variety of goods, from shoes to buggies to gasoline stoves and cream separators. The chain store achieved similar economies of scale. Frank and Charles Woolworth offered inexpensive variety goods in five-and-ten-cent stores. Other chains selling drugs, costume jewelry, shoes, cigars, and furniture soon appeared, offering a greater selection of goods and lower prices than the small, independent stores.

Competing against advantages formerly enjoyed by specialty shops, these stores offered a spectrum of services that included restaurants, rest rooms, ticket agencies, nurseries, reading rooms, and post offices. Elegantly appointed with imported carpets, sweeping marble staircases, and crystal chandeliers, the department store raised retailing to new heights. Advertising lured customers to the department stores, the chains, and the independent neighborhood stores. Ayer’s managed the accounts of such companies as Montgomery Ward, Wanamaker’s Department Store, Singer Sewing Machines, and the National Biscuit Company.

c. Integration, Combination, and Merger

The business community aspired to exercise greater control of the economy and to enlarge the commercial empire. From the source of raw materials to the organization of production, from the conditions of labor to the climate of public opinion, business leaders acted shrewdly. Economic cycles alternating between rapid growth and sharp decline also promoted the rise of big business.

The second means of growth, horizontal combination, entailed gaining control of the market for a single product. The most famous case was the Standard Oil Company, founded by John D. Rockefeller in 1870. The Standard Oil Trust, established in 1882, controlled over 90 percent of the nation’s oil-refining industry.

d. The Gospel of Wealth

Ninety percent of the nation’s business leaders were Protestant, and the majority attended church services regularly. One version of this “gospel of wealth” justified the ruthless behavior of the entrepreneurs who accumulated unprecedented wealth and power through shady deals and conspiracies.

Speculation in railroads proved to be Gould’s forte. Andrew Carnegie—the “Richest Man in the World”—offered a strikingly different model. A poor immigrant from Scotland, Carnegie spent his boyhood studying bookkeeping at night while working days in a textile mill. In 1852, he became the personal secretary of the superintendent of the Pennsylvania Railroad’s Western division. Carnegie built an empire in steel.

Publishing more than 100 rags-to-riches novels, Horatio Alger created heroes who manage to rise out of poverty by both hard work and luck and ultimately acquire, if not vast wealth, middle-class respectability and comfort.

1. LABOR IN THE AGE OF BIG BUSINESS

Like the gospel of wealth, the “gospel of work” affirmed the dignity of hard work, the virtue of thrift, and the importance of individual initiative. But unlike business leaders, the philosophers of American working people did not believe in riches as the proof of work well done, or in the lust for power as the driving force of progress. On the contrary, they contended that honesty and competence should be the badge of all morally responsible citizens.

Increasingly, Americans made their livelihoods by producing, not for their own subsistence, but exclusively for the market, and they earned wages in return for their labor. Big business thus found its mirror image in the labor movement spawned by the consolidation of the wage system.

a. The Wage System

Both in turn fostered competition among workers and created conditions often hazardous to health. The highly mechanized factories employed hundreds of thousands of young immigrant women, while the outwork system, established well before the Civil War, contracted ever-larger numbers of families to work in their homes on sewing machines or by hand. Paid by the piece—a seam stitched, a collar turned, a button attached—workers in this “sweating” system labored faster and longer at home or in the factory to forestall a dip in wages.

Industrial expansion also offered new opportunities for women to work outside the home, and many young women fled the family farm for the factory. African American and immigrant women found employment in trades least affected by technological advances, such as domestic service. Discriminatory or exclusionary practices fell hardest on workers recruited earlier from China, as they were viewed as potential competitors by both white workers and proprietors of small businesses. A potent and racist anti-Chinese movement organized to protest “cheap” Chinese labor and to demand a halt to Chinese immigration. Moreover, steady employment was rare.

b. The Knights of Labor

The Knights endorsed a variety of reform measures—the restriction of child labor, a graduated income tax, more land set aside for homesteading, the abolition of contract labor, and monetary reform—to offset the power of the industrialists. The Knights sought to overturn the wage system and, as an alternative, they promoted producers’ cooperatives. The Knights also ran small cooperative cigar shops and grocery stores, often housed in their own assembly buildings. At the 1886 convention, delegates approved this plan, and Grand Master Terence Powderly appointed knit-goods worker Leonora M. Barry general investigator. The Knights reached their peak during the great campaign for a shorter workday. The Knights welcomed workers usually excluded by other unions. Nearly 3,000 women formed their own “ladies assemblies” or joined mixed locals. The Knights also organized African American workers—20,000 to 30,000 nationally—mainly in separate assemblies within the organization. The Haymarket affair in Chicago, where the Knights were headquartered, virtually crushed the organization.

c. The American Federation of Labor

Unlike the Knights, the AFL accepted the wage system. Following a strategy of “pure and simple unionism,” the AFL sought recognition of its union status to bargain with employers for better working conditions, higher wages, and shorter hours. Only if companies refused to bargain in good faith would union members resort to strikes.

The new federation, with twelve national unions and 140,000 affiliated members in 1886, rapidly pushed ahead of the rival Knights by organizing craft workers. AFL president Samuel Gompers disregarded unskilled workers, racial minorities, and immigrants, believing they were impossible to organize and even unworthy of membership. Under his leadership, the AFL advanced the interests of the “aristocrat of labor,” the best-paid worker in the world.

Chicago’s Central Labor Federation embodied the new spirit of the AFL. The Illinois Factory Investigation Act of 1893 offered evidence of their hard work and patience, securing funds from the state legislature to monitor working conditions and, particularly, to improve the woeful situation of the many women and children who worked in sweatshops.

1. THE NEW SOUTH

“Fifteen years have gone over” since the Civil War, journalist Whitelaw Reid complained, yet the South “still sits crushed, wretched, busy displaying and bemoaning her wounds.” Physically and financially devastated by the war, the South remained economically stagnant, its per capita wealth only 27 percent of that of the Northeastern states. The Southern economy in general was held back by dependence on Northern finance capital, continued reliance on cotton production, and the legacy of slavery.

a. An Internal Colony

Northern investors secured huge concessions from Southern state legislatures, including land, forest, and mineral rights and large tax exemptions. By the late 1870s, Southern merchants, with help from foreign investors, had begun to run iron factories around Birmingham, Alabama. Southern iron production was soon encroaching on the Northeastern market. New York bankers later succeeded in expatriating Birmingham’s profits through stock ownership in Southern firms. The production of cotton textiles followed a similar course. Southern investors supplied large amounts of the capital for the industrial expansion and technological improvements. Production in the four leading cotton-manufacturing states—North Carolina, South Carolina, Georgia, and Alabama—skyrocketed, far outpacing the New England mills.

Recognizing the potential for great profit, Northern manufacturers, including many New England mill owners, shifted their investments to the South. Beyond iron or steel and textiles, Southern industry remained largely extractive and, like the South itself, rural.

b. Southern Labor

In the textile mills and cigarette factories, which employed both black and white workers, the workforce was rigidly segregated. African Americans were assigned mainly to janitorial jobs and rarely worked alongside the white workers who tended the machines. Nearly all African American women who earned wages did so as household workers; girls as young as ten worked as domestics or as nurses for white children.

Most trade unions refused membership to black workers. In the 1880s, the Knights of Labor briefly organized both black and white workers. Other unions remained the exclusive preserve of white skilled workers.

Wages throughout the South were low for both black and white workers. Black men earned at or below the poverty line of $300 per year, while black women rarely earned more than $120, and white women about $220 annually. The poorest paid workers were children, the mainstay of Southern mill labor.

c. The Transformation of Piedmont Communities

After 1870, long-established farms and plantations gave way to railroad tracks, textile factories, numerous mill villages, and a few sizable cities. Rural poverty and the appeal of a new life encouraged many farm families to strike out for a mill town. Then families sent their children. Some families worked in the mills on a seasonal basis, between planting and harvesting. A typical mill community comprised rows of single-family houses, a small school, several churches, a company-owned store, and the home of the superintendent, who governed everyone’s affairs. “Practically speaking, the company owns everything and controls everything, and to a large extent controls everybody in the mill village.”

Mill superintendents also relied on schoolteachers and clergy to set the tone of community life. Piedmont mill villages like Greenville, South Carolina, and Burlington, Charlotte, and Franklinville, North Carolina, nevertheless developed a cohesive character typical of isolated rural communities. Mill workers endured poverty and health hazards by strengthening community ties through intermarriage.

1. THE INDUSTRIAL CITY

Before the Civil War, manufacturing had centered in the countryside, in new factory towns such as Lowell, Massachusetts, and Troy, New York. The metropolis stood at the center of the growing industrial economy, a magnet drawing raw material, capital, and labor, and a key distribution point for manufactured goods throughout the nation and worldwide. The industrial city became the home of nearly 20 million immigrants, mainly the so-called “new immigrants” from Southern and Eastern Europe, who hoped to escape famine, political upheaval, or religious persecution in their homelands or simply make a better life for themselves and their families.

a. Populating the City

In 1860, only sixteen cities had more than 50,000 residents. By 1890, one-third of all Americans were city dwellers. Eleven cities claimed more than 250,000 people.

The nation’s largest cities—New York, Chicago, Philadelphia, St. Louis, Boston, and Baltimore—achieved international fame for the size and diversity of their populations. Like rural migrants, immigrants came to the American city to take advantage of the expanding opportunities for employment. Of all groups, Jews had the most experience with urban life. Finding work mainly in textile mills, they transformed smaller industrial cities like Woonsocket, Rhode Island, into French-speaking communities. Italians, the most numerous among the new immigrants, settled mainly in Northeastern cities, laying railroad track, excavating subways, and erecting buildings. As manufacturing advanced outward from the city center, working populations followed.

b. The Urban Landscape

Open space decreased as American cities grew.

Commonwealth Avenue marked Boston’s fashionable Back Bay district, built on a filled-in 450-acre tidal flat. Like wealthy neighborhoods in other cities, Back Bay also provided space for the city’s magnificent public architecture: its stately public library, fine arts and science museums, and orchestra hall. Back Bay opened onto the Fenway Park system designed by the nation’s premier landscape architect, Frederick Law Olmsted. The industrial city established a new style of commercial and civic architecture. The office building could rise seven, ten, even twenty stories high.

Architects played a key role in the late nineteenth-century City Beautiful movement. New sports amphitheaters spread pride in the city’s accomplishments. The city also inspired other architectural marvels.

c. The City and the Environment

Suburbs sprang up outside the major cities, offering many professional workers quiet residential retreats from the city’s busy and increasingly polluted downtown.

Elevated trains, designed to avoid these problems, placed entire communities under the shadow of noisy and rickety wooden platforms. Modern water and sewer systems now constituted a hidden city of pipes and wires, mirroring the growth of the visible city above ground. These advances, which brought indoor plumbing to most homes, did not, however, eradicate serious environmental or health problems. Most cities continued to dump sewage into nearby bodies of water. Moreover, most municipal governments established separate clean-water systems through the use of reservoirs, rather than outlawing upriver dumping by factories. Children’s diseases like whooping cough and measles spread rapidly through poor neighborhoods. Meanwhile, the distance between the city and the countryside narrowed. Nearby rural lands not destined for private housing or commercial development became sites for water treatment and sewage plants, garbage dumps, and graveyards—services essential to the city’s growing population.

1. THE RISE OF CONSUMER SOCIETY

The growth of industry and the spread of cities promoted—and depended on—the consumption of mass-produced goods. Real wages (pay in relation to the cost of living) rose, fostering improvements in nutrition, clothing, and housing. Meanwhile, prices dropped. Food from the farms became more abundant and varied—grains for bread or beer; poultry, pork, and beef; fresh fruits and vegetables from California. Although many Americans continued to acknowledge the moral value of hard work, thrift, and self-sacrifice, the explosion of consumer goods and services promoted sweeping changes in behavior and beliefs, although in vastly and increasingly different ways.

a. “Conspicuous Consumption”

Labeled the “Gilded Age” by humorist and social critic Mark Twain, the era following the Civil War favored the growth of a new business class that pursued both money and leisure and formed national networks to consolidate their power. Business leaders built diverse stock portfolios and often served simultaneously on the boards of several corporations. According to economist and social critic Thorstein Veblen, the rich had created a new style of “conspicuous consumption.” The Chicago mansion of real estate tycoon Potter Palmer, for example, was constructed without exterior doorknobs. A vice president of the Chicago & Northwestern Railroad, Perry H. Smith, built his marble palace in the style of the Greek Renaissance. Conspicuous consumption reached toward new heights of extravagance. In New York, wealthy families hosted dinner parties for their dogs or pet monkeys, dressing the animals in fancy outfits for the occasion. New York’s Waldorf-Astoria hotel, which opened in 1897, incorporated the grandeur of European royalty, but with an important difference. Nearly all major museums and art galleries, including the Boston Museum of Fine Arts, the Philadelphia Museum of Art, the Art Institute of Chicago, and the Metropolitan Museum of Art in New York, were founded during the last decades of the nineteenth century.

b. Self-Improvement and the Middle Class

The older middle class comprised the owners or superintendents of small businesses, doctors, lawyers, teachers, and ministers and their families. Women and children stayed behind.

Middle-class women devoted a large part of their day to care of the home. By the end of the century, though, middle-class women had added shopping to their list of household chores. Whole families visited the new museums and art galleries. Middle-class families applied the same standards to their leisure activities. Soon, men and women began camping out, with almost enough amenities to re-create a middle-class home in the woods. A good-quality “bike” cost $100 and, like the piano, was a symbol of middle-class status. Leisure became the special province of middle-class childhood.

c. Life in the Streets

In San Francisco, city ordinances prevented Chinese from operating laundries in most of the city’s neighborhoods, and the city’s schools excluded their children. In most cities, African American families were similarly compelled to remain.

In the tenements, families often shared their rooms with other families or paying boarders. Despite working people’s slim resources, their combined buying power created new and important markets for consumer goods. Patent medicines for ailments caused by working long periods in cramped conditions sold well in working-class communities, where money for doctors was scarce.

The close quarters of the urban neighborhood allowed immigrants to preserve many Old World customs. In immigrant communities such as Chicago’s Germany North Side, Pittsburgh’s Poletown, New York’s Lower East Side, or San Francisco’s Chinatown, people usually spoke their native language while visiting their friends and relatives. Immigrants also replicated their native cuisine and married, baptized children, and buried their dead according to Old World customs.

German immigrants, for example, created Tin Pan Alley, the center of the popular music industry. At Coney Island or at Riverview, Chicago’s oldest amusement park, located on the city’s North Side, millions of working-class people enjoyed cheap thrills that offset the hardships of their working lives.

1. CULTURES IN CONFLICT, CULTURE IN COMMON

On New York’s Lower East Side, for instance, theater blossomed with dramas that Broadway would adopt years later, while children dreamed of going “uptown” where the popular songs they heard on the streets were transcribed onto sheet music and sold in stores throughout the city. Even so, just as the changes in production fostered conflict in the forms of strikes and workers’ protests, so, too, did the accompanying changes in the daily life of the community. Competing claims to the resources of the new urban, industrial society, such as public schools and urban parks, became more intense as the century moved to a close.

a. Education

Most high schools continued to serve mainly the middle class. This expansion benefited women, who previously had had little access to higher education. Meanwhile, coeducation grew at an even faster rate; by 1890, 47 percent of the nation’s colleges and universities admitted women. The proportion of women college students changed dramatically. Women constituted 21 percent of undergraduate enrollments in 1870, 32 percent in 1880, and 40 percent in 1910.

An even greater number of women enrolled in vocational courses. Other institutions, many founded by middle-class philanthropists, also prepared women for vocations. In 1884, the Chicago Manual Training School opened, teaching “shop work” along with a few academic subjects, and by 1895, all elementary and high schools in the city offered courses that trained boys for future jobs in industry and business.

Because African Americans were often excluded from colleges attended by white students, special colleges were founded shortly after the Civil War.

b. Leisure and Public Space

Most large cities set aside open land for leisure-time use by residents. New York’s Central Park opened for ice-skating in 1858, providing a model for urban park systems across the United States. In 1869, planners in Chicago secured funds to create a citywide system comprising six interconnected large parks, and within a few years, Lincoln Park, on the city’s north side, was attracting crowds of nearly 30,000 on Sundays. Trapped in overcrowded tenements or congested neighborhoods, they wanted space for sports, picnics, and lovers’ trysts. Eventually, most park administrators set aside some sections for playgrounds and athletic fields and others for public gardens and band shells. The Worcester, Massachusetts, park system, for example, allowed sports leagues to schedule events but prohibited pickup games. When working-class parents protested, city officials responded by instituting programs of supervised play, to the further dismay of the children.

In Chicago, when not riding the streetcars to the many beer gardens and taverns that thrived on the outskirts, Germans gathered in large numbers for picnics in the city’s parks.

Officials in St. Louis, for example, barred African Americans from the city’s grand Forest Park and set aside the smaller Tandy Park for their use.

c. National Pastimes

Vaudeville, the most popular form of commercial entertainment since the 1880s, also bridged middle- and working-class tastes. Baseball clubs formed in many cities, and shortly after the Civil War traveling teams with regular schedules made baseball a professional sport. The formation of the National League in 1876 encouraged other spectator sports, but for generations baseball remained the most popular.

To attract more subdued middle-class fans, the National League raised admission prices, banned the sale of alcohol, and observed Sunday blue laws. Baseball, like many other sports, soon became incorporated into the larger business economy. By 1870, a Chicago Board of Trade team emerged as the city’s first professional club, the White Stockings. Effectively excluded, African Americans organized their own traveling teams. Players occasionally organized to regain control over their sport. American sports had become big business.