The Growth of Industry Affects Factory Workers

Part 1

From colonial times until the mid-1800s, a person who wanted to start a business could do so easily. Only a small amount of money was needed to get started. The business person had to buy materials, find a suitable building for a shop or workroom, and hire a few workers. The owner was generally close to the workers and called them by their first names. If the owner of a business wanted to enlarge it, going in with others as partners was the solution. If one partner became sick or died, the others could carryon the business.

After 1865 things began to change. Everything was done on a larger scale. Factories became larger. Business people bought more materials. They put in new power-driven machines. They hired more workers to tend the machines. All of this cost a lot of money. Few had enough money to set up these new factories and hire all the workers needed. To obtain such large sums of money, a new form of business began, called the **corporation**.

How is a corporation formed? The corporation starts with shares of **stock**. These shares are offered for sale to people. Those who buy the stocks become owners of the corporation. They are called **stockholders** or shareholders. Usually the stockholders pick a **board of directors** to manage the corporation. If the corporation succeeds, the stockholders make money. They receive a share of the profits of the business. Some of these corporations grew large and came to be called big business.

The heads of the largest corporations were sometimes called **captains of industry**. Like the other pioneers in our history - the farmers, miners, and cattle ranchers - they helped America grow. They developed our coal, iron, and oil resources. They brought the country together by building railroads and telegraph and telephone lines. They brought many goods and comforts to the farmers and the city workers. By 1900 their ways of doing business had changed America into a land of factories and machines. Some of the pioneer leaders in American business were Cornelius Vanderbilt (railroads), Andrew Carnegie (steel), and John D. Rockefeller (oil). They helped make the United States the world's leading industrial nation.

The corporations also had some disadvantages. The few men at the head of big business grew richer and richer and had great power. A single corporation could control almost all of the oil produced in the country. A single man could own the mines, railways, and mills needed to make steel. When this was so, the corporation could charge the people whatever price it wanted for its goods. This is called a **monopoly**. A monopoly could even lower prices to make it hard for other people to succeed in businesses of the same kind. Once these others were driven out of business, the monopoly could raise its prices again.

Part 2

The growth of factories after the Civil War was hard on the workers. Conditions in most of these factories were poor. The factories were badly lighted. Many of the machines were unsafe and many accidents took place. Women and children sometimes worked as much as 15 hours a day with low pay. Factory workers took home about $5.00 a week for their labor. Most young people did not graduate from high school, for they had to go to work to help the family. In order to keep costs as low as possible, many employers were not willing to improve conditions in their factories.

It became harder and harder for the workers to leave their jobs. Until 1890, if the workers did not like the factory they could make a change. They could go West and stake out a farm. After 1900 there was little free land in the West. With the cheaper land gone, jobholders could not leave the factory jobs. Many immigrants were looking for work in the cities, so employers could find other workers to replace those who protested about conditions. Workers were still free to leave their jobs, but in many cases this meant they were free to starve.

Finally, the saddest fact about the Industrial Revolution was that machines often put people out of work. There were years when businesses found they could not sell the goods they made. If profits were small, the business needed fewer workers. These hard times are called depressions. Since the coming of the machine, more people suffer during a depression. The average person today depends upon other people for food and clothing. These items must be bought with money. If people are out of work, they cannot buy the things they need. Serious depressions in the United States took place during the years 1873¬1878, 1893-1897, and 1929 through the 1930s.

What could the working people do to improve their conditions? Workers decided that the best thing they could do was to follow the example of the business people - join together. They formed what we call labor or trade **unions**. The first large union in the United States was begun in 1869. It was organized by Uriah Stephens and was called the Knights of Labor. It was open to all workers, whether or not they had a skill. Men, women, blacks, whites, farmers, and factory workers, were all allowed to join. Within 20 years the Knights of Labor had 750,000 members. Most of these were unskilled workers. However, the union began to lose members during the 1890s. It was difficult to keep people with so many different skills in the same union.

The first successful leader of the American working people was Samuel **Gompers**. Gompers had three ideas about a trade union. First, the union should be made up only of skilled workers. These workers are well-trained. Second, skilled workers should belong to a union of their own craft or trade. There should be a union of carpenters only; another of plumbers; another of locksmiths. Such unions came to be called craft unions. Third, workers and employers should try to settle their differences through **collective bargaining**. This takes place when the employers and the union leaders meet together and talk over their problems. Both sides can then come to an agreement about wages, hours, rules, and working conditions.

In 1886 Gompers started the American Federation of Labor, or A.F.L. Many difficulties faced the unions. First, many employers did not believe they should be told how to run their businesses. They felt they should be able to hire and fire workers and set their wages. Employers often fired workers who joined a union. They called them "troublemakers." A large part of the public agreed with the employers. Second, the great number of immigrants provided a ready supply of workers. These newcomers were willing to take less money in order to get a job Third, women worked for less pay than men who did the same job. Women took little interest in the labor union, for many expected to leave their jobs when they married. Fourth, many white workers would not join unions that also included blacks. Finally, the government was often against them. Government troops were sometimes used to break strikes.

Should collective bargaining fail to bring about an agreement, each side may take other action. The workers may refuse to work until their demands are met. This is called a **strike**. The strikers may picket their place of work. This means that workers place themselves at the entrance to the plant and try to persuade other workers not to go to work. They ask customers not to buy from the plant. They try to keep the employer from hiring other workers to take their places during the strike. Workers and people who favor the workers may boycott, or refuse to buy, the business's product.

In a strike, an employer might close the plant and refuse to talk with the workers. This is called a *lockout*. The employer might find out the names of the union members who were the leaders. The employer might let other employers know who these people were. This is called a *blacklist*. Then other employers might not hire those people whose names were on the blacklist. Sometimes an employer refused to hire a worker unless he or she agreed in advance not to join a union. The worker pledged not to become a union member by signing a paper called a *yellow-dog contract*. To stop a strike the employer could ask for an injunction. An injunction is a court order to do or not to do something. The court could order that the workers stop their strike and return to their jobs.

The first big strike took place in 1877. At that time, four big railway lines in the East ordered a cut in pay for their workers. This was because of a serious business slowdown throughout the country. The men, making only $30 to $40 a month, were bitter. They went on strike. They were joined by other railroad workers in other states. Soon the trains did not run. There were fights between strikers and company officials. People were killed and wounded. Property was destroyed. The governors of four states asked for federal troops to stop the fighting. This was the first strike in which the army was used. The troops broke the strike and the strikers returned to work for less pay. Following this strike, there were many other long, costly, and bitter strikes.

The struggle for better working conditions and higher pay was a long and hard one. In 1900 most workers were earning about $400 to $500 a year and working about 10 hours a day. At first, the employers had the law on their side. Union members were thought to be little more than troublemakers. Not until the 1930s did the labor unions become strong enough to win better pay and improved working conditions for their members. In the meantime, the public was often caught in the middle of disputes between employers and workers.