READING FOCUS
- What impact did industrialization have on the gulf between rich and poor?
- What were the goals of the early labor unions in the United States?
- Why did Eugene V. Debs organize the American Railway Union?
- What were the causes and outcomes of the major strikes in the late 1800s?

MAIN IDEA
In the late 1800s, workers organized labor unions to improve their wages and working conditions.

Setting the Scene

"What shall the workers do? Sit idly by and see the vast resources of nature and the human mind be utilized and monopolized for the benefit of the comparative few? No. The laborers must learn to think and act, and soon, too, that only by the power of organization, and common concert of action, can . . . their rights to life . . . be recognized, and liberty and rights secured." —Samuel Gompers

Industrialization had lowered the prices of consumer goods, but in the late 1800s most factory workers did not earn enough to buy them. The successful entrepreneurs of the era had worked hard. Many, like Carnegie, had used their wealth to provide money for good works. Still, in hard times only the poor went hungry. Increasingly, working men and women took their complaints directly and forcefully to their employers.

Gulf Between Rich and Poor
In 1890, the richest 9 percent of Americans held nearly 75 percent of the national wealth. In the best of times, the average worker could earn only a few hundred dollars a year. Many workers resented the extravagant lifestyles of many factory owners. Poor families had little hope of relief when hard times hit. Some suffered in silence, trusting that tomorrow would be better. Others became politically active in an effort to improve their lives. A few of these individuals were drawn to the idea of socialism, which was then gaining popularity in Europe.

Socialism is an economic and political philosophy that favors public instead of private control

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VIEWING HISTORY Many wealthy industrialists enjoyed great personal wealth and luxurious comforts (left). In stark contrast, many workers lived in crowded boarding houses (right). Identifying Central Issues How did many workers respond to the contrast between the rich and poor?
of the means of production. Socialists believe that society at large, not just private individuals, should take charge of a nation's wealth. That wealth, they say, should be distributed equally to everyone.

Socialism began in the 1830s as an idealistic movement. Early Socialists believed that people should cooperate, not compete, in producing goods. Socialism then grew more radical, reflecting the ideas of a German philosopher named Karl Marx. In 1848, Marx, along with Friedrich Engels, wrote a famous pamphlet called the *Communist Manifesto*. In it they denounced the capitalist economic system and predicted that workers would one day overturn it.

Most Americans opposed socialism. The wealthy saw it as a threat to their fortunes. Politicians saw it as a threat to public order. Americans in general, including most workers, saw it as a threat to the deeply rooted American ideals of private property, free enterprise, and individual liberty.

**The Rise of Labor Unions**

A small percentage of American workers became Socialists and called for greater government intervention in the economy. Far more workers, however, chose to work within the system by forming labor unions.

**Early Labor Unions**

The early years of industrialization had spawned a few labor unions, organized among workers in certain trades, such as construction and textile manufacturing. The first national labor organization was the National Trades Union, which was open to workers from all crafts. It survived only a few years before being destroyed by the panic and depression of 1837.

Strong local unions resurfaced after the Civil War. They began by providing help for their members in bad times, but soon became the means for expressing workers' demands to employers. These demands included shorter workdays, higher wages, and better working conditions. National unions also began to reappear at this time.

In Baltimore in 1866, labor activists formed the National Labor Union, representing some 60,000 members. In 1872, this union nominated a candidate for President. It failed, however, to survive a depression that began the following year. Indeed, unions in general suffered a steep decline in membership as a result of the poor economy.

**The Knights of Labor**

Another national union, the Noble and Holy Order of the Knights of Labor, formed in Philadelphia in 1869. The Knights hoped to organize all working men and women, skilled and unskilled, into a single union. Membership included farmers and factory workers as well as shopkeepers and office workers. The union recruited African Americans, 60,000 of whom joined. After 1881, the union also recruited women members.

Under the leadership of former machinist Terence Powderly, the Knights pursued broad social reforms. These included equal pay for equal work, the eight-hour workday, and an end to child labor. They did not emphasize higher wages as their primary goal.

The leaders of the Knights preferred not to use the strike as a tool. Most members, however, differed with their leadership on this issue. In fact, it was a strike that helped the Knights achieve their greatest strength. In 1885, when
unions linked to the Knights forced railroad owner Jay Gould to give up a wage cut, membership quickly soared to 700,000. Yet a series of failed strikes followed, some of them violent. Membership dropped off, and public support for the Knights waned. By the 1890s, the Knights had largely disappeared as a national force.

The **American Federation of Labor** A third national union, the American Federation of Labor (AFL) formed in 1886 under the leadership of Samuel Gompers, a London-born cigar maker. Unlike the Knights of Labor, the AFL was a **craft union**. Rather than organizing all workers, the AFL sought to organize only skilled workers in a network of smaller unions, each devoted to a specific craft.

Between 1886 and 1892, the AFL gained some 250,000 members. Yet they still represented only a tiny portion of the nation’s total labor force. Few African Americans joined. In theory the AFL was open to African Americans, but local unions often found ways to exclude them from membership. Women, too, were not welcome in the AFL. Gompers opposed the membership of women because he believed that their presence in the work force would drive wages down.

Gompers and the AFL focused mainly on issues of workers’ wages, hours, and working conditions. This so-called bread-and-butter unionism set the AFL apart from the Knights of Labor. The Knights had sought to help their members through political activity and education. The AFL relied on economic pressure, such as strikes and boycotts, against employers. By using these tactics, the AFL tried to force employers to participate in **collective bargaining**, a process in which workers negotiate as a group with employers. Workers acting as a group had more power than a single worker acting alone. To strengthen its collective bargaining power, the AFL pressed for a “closed shop,” a workplace in which only union members would be hired.

The **Wobblies** The AFL’s policies did not suit all workers. In 1905, in Chicago, 43 groups opposed to the AFL founded the Industrial Workers of the World (IWW), or Wobblies. The IWW, which focused on unskilled workers, was a radical union that included many Socialists among its leadership. A number of IWW strikes were violent on both sides. During World War I, many IWW leaders were convicted of promoting strikes in war-related industries.

**Reaction of Employers** By and large, employers disliked and feared unions. They preferred to deal with employees as individuals. In addition, they feared that if they had to pay higher wages and meet the other demands of unions, their costs would go up and they would be less competitive in the marketplace. As a result, employers took measures to stop unions, such as

1. forbidding union meetings;
2. firing union organizers;
3. forcing new employees to sign “yellow dog” contracts, in which workers promised never to join a union or participate in a strike;
4. refusing to bargain collectively when strikes did occur;
5. refusing to recognize unions as their workers’ legitimate representatives.

In 1902, George F. Baer, the president of a mining company, reflected the opinions of many business leaders when he wrote: “The rights and interests of the laboring man will be protected and cared for—not by the labor agitators, but by the Christian men to whom God . . . has given control of the property interests of the country. . . .”

**Labor Day** The Knights of Labor sponsored the first Labor Day on September 5, 1882, as a tribute to the American worker. As the labor force grew, so did support for making this day an official national holiday. In 1887, five states passed laws giving Labor Day legal status. Finally, in 1894, days after President Cleveland sent troops to suppress the Pullman Strike, Congress passed the bill making Labor Day a national holiday. The “workingman’s holiday,” celebrated the first Monday of every September, has now also come to be associated with the end of summer vacations, a return to school, and one last long weekend for family barbecues and outdoor picnics before the autumn months arrive.

**Sounds of an Era**

Listen to the IWW song “The Commonwealth of Toil” and other sounds from the period of industrial expansion.
What prompted the railroad strike of 1877?

**Railroad Workers Organize**

The first major incident of nationwide labor unrest in the United States occurred in the railroad industry. The violent strike of 1877 touched off a wave of strikes and bitter confrontations between labor, management, and the government in the decades to follow. It also led to reform and reorganization within the labor movement itself.

**The Great Railroad Strike of 1877**

The strike began in July 1877, when the Baltimore and Ohio Railroad announced a wage cut of 10 percent in the midst of a depression. This was the second wage cut in eight months. Railroads elsewhere imposed similar cuts, along with orders to run “double headers,” trains with two engines and twice as many cars as usual. The unusually long trains increased the risk of accidents and the chance of worker layoffs.

Railway workers reacted angrily. Workers in Martinsburg, West Virginia, were the first to declare a strike. When they tried to prevent others from running the trains, they clashed with local militia. Violence spread rapidly to Pittsburgh, Chicago, St. Louis, and other cities. After rioting strikers and sympathizers attacked railroad property, state governors requested assistance from the federal government. President Rutherford B. Hayes responded by sending in federal troops to restore order.

A week later in Pittsburgh, soldiers fired on rioters, killing and wounding many. A crowd of 20,000 angry men and women reacted to the shootings by setting fire to railroad company property, causing more than $5 million in damage. President Hayes again sent in federal troops. From the 1877 strike on, employers relied on federal and state troops to repress labor unrest. A new and violent era in labor relations had begun.

**Debs and the American Railway Union**

At the time of the 1877 strike, railroad workers mainly organized into various “brotherhoods,” which were basically craft unions. Eugene V. Debs had taken a leadership role in the Brotherhood of Locomotive Firemen. He spoke out against the 1877 strike. The mission of the brotherhood, according to Debs, was “not to antagonize capital.” Although he was initially opposed to strikes because of their confrontational nature, Debs gained sympathy for the strike as he became more involved in the labor movement.

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### Comparing Primary Sources

**Labor Unions**

In 1883, the Senate Committee on Education and Labor held a series of hearings concerning the relationship between workers and management. The committee heard these opposing views about the need for labor unions.

**Analyzing Viewpoints** Compare the main arguments made by the two speakers.

**Testimony of a Labor Leader**

“The laws written [by Congress] and now in operation to protect the property of the capitalist and the moneyed class generally are almost innumerable, yet nothing has been done to protect the property of the workingmen, the only property that they possess, their working power, their savings bank, their school, and trades union.”

—Samuel Gompers, labor leader

**Testimony of a Factory Manager**

“I think that ... in a free country like this ... it is perfectly safe for at least the lifetime of this generation to leave the question of how a man shall work, and how long he shall work, and what wages he shall get to himself.”

—Thomas L. Livermore, manager of a manufacturing company
Debs, however, never thought violence had a place in strikes. He believed that the violence of the 1877 strike had resulted in part from the disorganization and corruption that existed within the brotherhoods. As a solution to this problem, and in an attempt to avoid future violent strikes, Debs proposed a new **industrial union** for all railway workers. Industrial unions organized workers from all crafts in a given industry. The American Railway Union (A.R.U.), formed in 1893, would replace the existing craft brotherhoods and unite all railroad workers, skilled and unskilled. Its primary purpose would be to protect the wages and rights of all the employees.

> "If fair wages were the return for efficient service, then harmonious relations may be established and maintained ... and the necessity for strike and lockout, boycott and blacklist, alike disastrous to employer and employee, and a perpetual menace to the welfare of the public, will forever disappear."

—Eugene V. Debs

**Strikes Rock the Nation**

From 1881 to 1900, the United States faced one industrial crisis after another. Some 24,000 strikes erupted in the nation’s factories, mines, mills, and rail yards during those two decades alone. Three events were particularly violent: the Haymarket Riot and the Homestead and Pullman strikes.

### Haymarket, 1886

On May 1, 1886, groups of workers mounted a national demonstration for an eight-hour workday. “Eight hours for work, eight hours for rest, eight hours for what we will,” ran the cry. Strikes then erupted in a number of cities.

On May 3, at Chicago’s McCormick reaper factory, police broke up a fight between strikers and **scabs**. (A scab is a negative term for a worker called in by an employer to replace striking laborers. Using scabs allows a company to continue operating and to avoid having to bargain with the union.) The police action caused several casualties among the workers.

Union leaders called for a protest rally on the evening of May 4 in Chicago’s Haymarket Square. A group of **anarchists**, radicals who oppose all government, joined the strikers. Anarchists addressed workers with fiery speeches, such as this one by newspaper editor August Spies:

> "You have endured the pangs of want and hunger; your children you have sacrificed to the factory-lords. In short, you have been miserable and obedient slaves all these years. Why? To satisfy the insatiable greed, to fill the coffers of your lazy thieving masters?"

—August Spies

At the May 4 event, someone threw a bomb into a police formation, killing one officer. In the riot that followed, gunfire between police and protesters killed dozens on both sides. Investigators never found the bomb thrower, yet eight anarchists were tried for conspiracy to commit murder. Four were
VIEWING HISTORY The violence of the Haymarket Riot, depicted here, troubled many Americans. Recognizing Cause and Effect What were the effects of the incident at Haymarket on the union cause?

Reading Check What were the benefits and drawbacks of Pullman's town?

Hanged. Another committed suicide in jail. Governor John P. Altgeld of Illinois decided later that the convictions resulted from public outrage rather than evidence. He pardoned the remaining three anarchists.

The press and the public blamed the Knights of Labor for the Haymarket Riot, although the union's involvement was never proved. Public disapproval contributed to the decline of the Knights of Labor after 1886. Much of the American public came to associate unions in general with violence and radical ideas.

**Homestead, 1892** In the summer of 1892, while Andrew Carnegie was in Europe, his partner Henry Frick tried to cut workers' wages at Carnegie Steel. Carnegie knew about the contract negotiation and had left Frick to handle it. The union at the Carnegie plant in Homestead, Pennsylvania, called a strike.

Frick had a plan for defeating the union. On July 1, he called in the Pinkertons, a private police force known for their ability to break strikes. Under cover of darkness on July 5, some 300 Pinkertons moved up the Monongahela River on barges. In a shootout with strikers on shore, several people died and many were wounded.

At first Americans generally sympathized with the striking workers. Then, on July 23, anarchist Alexander Berkman tried and failed to assassinate Frick. Although Berkman was not connected with the strike, the public associated his act with the rising tide of labor violence.

The union called off the Homestead Strike on November 20. Homestead reopened under militia protection. "I will never recognize the union, never, never!" Frick declared. Carnegie claimed that he believed in unions. However, Carnegie Steel (and its successor, U.S. Steel) remained nonunionized until the late 1930s.

**Pullman, 1894** Like the strike of 1877, the last of the great strikes involved the railroad industry. Inventor George Pullman had developed a luxury sleeping car that was slightly larger than existing railroad cars. Known as Pullman cars, they were so successful that Pullman needed a steady source of labor to meet growing demands. He believed he could attract a solid, dedicated labor force by constructing a town made just for workers.

Built in 1880, twelve miles south of Chicago's business district, the town of Pullman provided its workers with everything they could possibly need: parks, a miniature lake, schools, a theater, a church, and paved sidewalks lined with shade trees. Pullman also maintained remarkable health and sanitation conditions, athletic programs, and a military band.

However, Pullman held his town to high standards, which workers sometimes viewed as unfriendly. Many workers felt that Pullman exercised too much control over their lives. Pullman's ban on alcohol in the town, for example, angered many residents. While these factors did not directly cause a strike, they provided a tense backdrop for the events about to occur. Conditions in the town took a turn for the worse after the Panic of 1893. Pullman laid off workers and cut wages by 25 percent. Meanwhile, he kept rent and food prices in his town at the same levels.

In May 1894, a delegation of workers went to him to protest. In response, Pullman fired three of the workers, an act that led the local union to go on strike.
Pullman refused to bargain and instead shut down the plant. Badly needing help, the workers turned to the newly formed American Railway Union and Eugene V. Debs for support.

One month earlier, the A.R.U. had achieved success when they supported striking workers on James J. Hill's Great Northern Railroad. Following that victory, membership in the union rose to over 150,000 members, 3,000 percent more than the previous year. The A.R.U.'s triumph led many railway workers to feel optimistic about their cause.

Although Debs was hesitant to join this strike, the delegates of the A.R.U. voted to support the strike and called for a boycott of Pullman cars throughout the country. Widespread local strikes followed. By June 1894, some 260,000 railway workers had joined in the Pullman Strike. Debs instructed strikers not to interfere with the nation's mail, but the strike got out of hand. It completely disrupted western railroad traffic, including delivery of the mail.

Railroad owners, organized as the General Managers Association, turned to the federal government for help. By arguing that the mail had to get through and citing the Sherman Antitrust Act, Attorney General Richard Olney won a court order forbidding all union activity that halted railroad traffic. The American Railway Union, he argued, had formed an illegal trust and was restraining free trade. Two days later, on July 4, President Grover Cleveland sent in 2,500 federal troops to ensure that strikers obeyed the court order. A week later the strike was over.

The Pullman strike and its outcome set an important pattern. In the years ahead, factory owners appealed frequently for court orders against unions. The federal government regularly approved these appeals, denying unions recognition as legally protected organizations. This official government opposition helped limit union gains for more than 30 years.

**Assessment**

**Reading Comprehension**

1. **Why did socialism appeal to some Americans in the late 1800s?**
2. **How did early labor unions in the United States differ in their organization and in the methods they used to achieve their goals?**
3. **Why did the railroad strike in 1877 prompt Eugene V. Debs to create an industrial union?**
4. **How successful were labor unions at the end of the century?**

**Critical Thinking and Writing**

5. **Making Comparisons** Compare socialism and the labor movement as two different responses to the growing gulf between the rich and the poor. How did their goals differ?
6. **Writing a Letter** Write a letter to President Hayes regarding the strike in Martinsburg, West Virginia, in 1877. Try to persuade the President either to send troops in to stop the strike or to refuse to intervene.

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