HISTORY OF THE LABOR MOVEMENT IN THE UNITED STATES

VOLUME II: From the Founding of the American Federation of Labor to the Emergence of American Imperialism

BY PHILIP S. FONER

INTERNATIONAL PUBLISHERS, *NEW YORK*

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History of the Labor Movement in the United States, VOLUME I: *From Colonial Times to the Founding of the American Federation of Labor*

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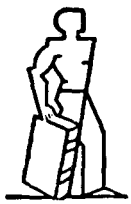

INTERNATIONAL PUBLISHERS, *NEW YORK*

To My Daughters
Lidgie and Laura

ABBREVIATIONS USED IN FOOTNOTES AND REFERENCE NOTES

AFL Corr.—American Federation of Labor Correspondence, American Federation of Labor Archives, American Federation of Labor Building, Washington, D. C.

BL.—Bancroft Library, University of California, Berkeley, California.

GLB.—Samuel Gompers Letter-Books, American Federation of Labor Building, Washington, D. C.

JCL.—John Crerar Library, Chicago, Illinois.

LC.—Labadie Collection, University of Michigan, Ann Arbor, Michigan.

L of C.—Library of Congress, Washington, D. C.

NYPL.—New York Public Library, New York City.

PHC.—Terence V. Powderly-John W. Hayes Correspondence, Mullen Library of the Catholic University of America, Washington, D. C.

PLB.—Terence V. Powderly Letter-Books, Mullen Library of the Catholic University of America, Washington, D. C.

PP.—Terence V. Powderly Papers, Mullen Library of the Catholic University of America, Washington, D. C.

WSHS.—Wisconsin State Historical Society, Madison, Wisconsin.

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PREFACE

In 1947, the first volume of my *History of the Labor Movement in the United States* was published. It covered the period from colonial times to the founding of the American Federation of Labor which dates its inception from 1881, the year the Federation of Organized Trades and Labor Unions was formed.

The present volume carries the story from 1881 to the close of the nineteenth century. While the scope is small in comparison with that covered by the preceding volume, the issues and events discussed are of great importance for an understanding of the emergence of the modern labor movement. The volume covers the two decades which set the mould and the outlook of organized labor for many years to come. These years marked the rise and decline of the Knights of Labor, the early development of the American Federation of Labor, the formation of the Socialist Party, the rise and decline of Populism, the growth of monopoly capitalism and the emergence of American imperialism. During these years the modern labor movement came into being in the United States.

In April, 1897, Professor W. M. Burke of Oberlin College wrote to Samuel Gompers and inquired if the A. F. of L. President could recommend a book that would give a thorough and accurate history of the labor movement during the 1880's and 1890's. Gompers informed his correspondent that the history of the labor movement for the period indicated "is not yet written. . . . Most of it is in the correspondence in the archives of our office and having been so engrossed with the work there have been few to write it, and thus far we have had none who have had the leisure and opportunity to take up this line of work."

The history of the labor movement in the 'eighties and 'nineties has not been ignored since Gompers replied to his correspondent. But none of the books covering these decades, including the monumental work by John R. Commons and his associates at the University of Wisconsin, were based on the source material in the archives of the American Federation of Labor. From its very inception, the files and records of the A. F. of L. remained closed to all but the officials of the organization. Scholars interested in the beginnings of the modern American labor movement were compelled to tell this dramatic and important story without the benefit of the most important source material.

The present writer was fortunate in obtaining access to the vast collection of manuscript sources in the A. F. of L. headquarters. I spent many

months in the basement of the A. F. of L. Building and in the Samuel Gompers Memorial Room examining thousands of crates, letter boxes and file drawers containing literally hundreds of thousands of letters and documents from labor organizations and leaders the world over. I am indebted to Florence Thorne and others at the American Federation of Labor for the opportunity to study and make use of this enormous collection.

Next to the manuscript sources in the A. F. of L. headquarters, the most important collection examined in the preparation of this volume was the papers of Terence Vincent Powderly, General Master Workman of the K. of L., which are in the possession of the Mullen Library of the Catholic University of America. Consisting of about 75,000 letters, letterbooks, diaries and scrapbooks of press clippings, this collection is an invaluable source for the understanding of the rise and decline of the Knights of Labor. I am indebted to Father Henry J. Browne of the Catholic University of America for the opportunity to study and make use of this important collection.

In addition to these two major sources, I have had access, in preparing this volume, to the collections of manuscripts, newspapers, pamphlets and published and unpublished monographic studies in scores of libraries and historical societies. I wish to take the opportunity to thank the staffs of the Wisconsin State Historical Society, the Library of Congress, the Labadie Collection of the University of Michigan, the Bancroft Library of the University of California, the Minnesota Historical Society, the John Crerar Library, Chicago, the British Museum, the Rand School, the Public Libraries of New York, Boston, Chicago, the libraries of the following colleges and universities: Wisconsin, Harvard, California, Southern California, Mount Holyoke, Radcliffe, Cornell, Columbia, Leland Stanford, Chicago, New York, Minnesota, Howard, Western Ontario, Princeton, Pennsylvania, Tulane.

PHILIP S. FONER

Croton-on-Hudson, New York
November, 1955

CHAPTER I

The Industrial Scene, 1880-1890

"The times are revolutionary," wrote the fiery labor journalist, John Swinton, in the middle 'eighties. "The energies of mankind in our day are immense. There is an extraordinary activity of the powers of life in our age. The world seems to be whirling more rapidly than ever before. Vast changes have been brought about in our generation; others are in progress; yet others are impending. There is a new spirit abroad, and its manifestations are everywhere. Things are in the saddle. Questions from which there can be no escape are before us." [1]

This contemporary observation is an appropriate introduction to the turbulent years of the 'eighties with their convulsive upheavals and pulsating economic movements. Never before had the nation witnessed labor struggles of such vigor and scope. In cities and towns the armies of labor organized and gave expression to the pent-up bitterness of years of exploitation in a series of strikes which shook the nation to its foundation. "The year 1886," a contemporary report stated, "has witnessed a more profound and far more extended agitation among the members of organized labor than any previous year in the history of our country. . . . The year 1886 will be forever remembered as one of the greatest importance in the battle waged between capital and labor." One historian speaks of 1886 as a "revolutionary year," and in 1887, Frederick Engels, co-founder with Karl Marx of scientific socialism, wrote that during ten months "a revolution has been accomplished in American society such as, in any other country, would have taken at least ten years." [2]

INDUSTRIAL GROWTH

The ending of slavery by the Civil War assured the establishment of industrial capitalism as the dominant economic system throughout the country. At once there took place an almost unprecedented economic

expansion. From 1860 to 1894 the United States jumped from fourth to first place in the production of industrial goods, in the latter year accounting for one-third of the world's output, or more than twice as much as Great Britain.

The rise of the United States to a position of industrial preeminence was especially apparent during the 1880's. The number of wage earners in manufacturing increased from nearly 2,750,000 in 1880 to 5,880,000, in 1890, and the percentage of the population engaged in manufacturing for the nation as a whole increased from 5.45 in 1880 to 7.5 in 1890. The railway mileage of the United States expanded from 93,239 to 163,579 in the decade 1880-1890, and by the end of the decade this country had more miles of railroad than all of Europe and about half the mileage of the world. The output of American iron and steel in 1870 was less than that of England and France, but by 1890 the United States had left them far behind and was producing more than one-third of the world's supply. Between 1875 and 1885, the production of steel in Pennsylvania swelled from 143,374 tons to 1,109,034. The total extraction of bituminous coal in 1880 reached 41,800,000 tons; the figure in 1890 was 99,400,000 tons.

Capital investments in manufactures almost tripled in the decade, rising from $2,790,000 in 1880 to $6,525,000 ten years later. Dr. Josiah Strong estimated the wealth of the United States in 1880 at $43,642,000,000 and in 1890 at $61,459,000,000.[3]

RISE OF TRUSTS

The rapid growth of American industry in the 1880's was accompanied by a tremendous concentration of capital and the appearance of giant corporations. The trend towards monopoly operated in almost every branch of industry. Commissioner of Labor Frank A. Fowler of Wisconsin summed up the situation with the statement that "almost every principal necessity is kept up in price by combinations, rings, and pools."[4]

The pool, which appeared after the panic of 1873 and was widely used by railroads, was an organization of business units the members of which controlled prices by apportioning the available market by means of price agreements. In the Interstate Commerce Act of 1887 the pool was declared illegal. This had slight effect on the trend towards monopoly since the pool was already being replaced by the trust. In this form of organization the stockholders deposited with a board of trustees a controlling portion of their stock, receiving stock certificates. The Standard Oil Company used this device as early as 1879, by which time it controlled 95 percent of the oil refining business.

With the remarkable success of the Standard Oil Company, the trust quickly became the most popular form of combination in American in-

dustry. In 1884, the American Cotton Oil Trust was formed, followed a year later by the National Linseed Oil Trust. In 1887, there were formed the Distillers' and Cattle Feeders' Company (Whiskey Trust), the Sugar Refining Company (Sugar Trust), the National Lead Trust, the Cordage Trust, and others.[5]

The extent the trust movement had reached by 1890 is well described in the following article in the San Francisco *Argonaut*, reprinted in *Public Opinion* on February 22, 1890:

"The extent to which the organization of trusts has been carried is barely realized by those who have not kept account of the organization of these modern monopolies. To give a complete list of trusts, of their torturous workings, is impossible. . . . Let us glance, however, at a few of the articles known to be controlled by trusts. If a man desires to build a house he must obtain lumber from a lumber trust, nails from a nail trust, earthenware from an earthenware trust; the painter whom he employs gets linseed oil from a linseed oil trust and white lead from a white lead trust; if he puts a fence around his place he has his choice between patronizing the lumber trust or the barbed wire trust. The oil cloth for his floors is controlled by a trust; the stove for his kitchen comes from a trust. The slates and slate's pencils, the rubber shoes and castor oil for his children are under control of trusts. Trusts control the sugar and salt for his table, the paper bags for his business, if he be a retailer. If he be a farmer, he is affected by the plow-steel trust, the railroad that carries his produce is oppressed by the steel rail trust, the Bessemer steel trust, the iron nut and washer trust. He may, perhaps, avoid other trusts but he is in danger of coming under the influence of the jute bag trust, the cordage trust, the borax trust, the cottonseed oil trust, or the copper, lead, zinc, nickel or tin trust. And after having passed through life surrounded and hedged in by trust, he dies only to fall into the hands of the National Burial Case Association, or undertakers' trust." [6]

In the 1880's the foundation was also being laid for the domination of finance-capital in the twentieth century. Already giant banking houses such as J. P. Morgan & Co. were emerging, absorbing the properties of smaller banks and extending their control over railroads and industrial corporations.[7]

Monopoly, in short, was already becoming the dominant feature of American capitalism. The age of the small manufacturer, the age of free competitive enterprise was passing. It was being replaced by what was widely called in the 'eighties "The New Feudalism." Said President Grover Cleveland in a message to Congress on December 3, 1888: "As we view the achievements of aggregated capital, we discover the existence of trusts, combinations and monopolies, while the citizen is struggling far in the rear or is trampled to death beneath an iron heel. Corporations, which

should be carefully restrained creatures of the law and servants of the people, are fast becoming the people's masters." [8]

ROLE OF THE MACHINE

The increasingly important role of the machine was among the most important developments of the 'eighties. During that decade the total horsepower employed in manufacturing establishments in the United States was augmented by 85 percent. Again, the number of patents issued increased from an annual average of about 13,000 for the 'seventies to about 21,000 for the 'eighties. This significant increase reverberated in industries which previously were never affected by the machine. "The displacement of labor by machinery in the past few years," Samuel Gompers solemnly asserted in 1887, "has exceeded that of any like period in our history." The New York Bureau of Labor Statistics summed up a nationwide trend when it pointed out in 1894 that although there had been a great growth in the use of machinery in New York State since 1880, the percentage of increase in the number of workers had been small. One labor spokesman in 1888 declared that it would be more accurate to call "labor-saving machines" "wage-saving and labor displacing machines." [9]

With the rapid spread of the factory system, large-scale methods of production, and the introduction of machinery, wage-earners discovered a radical alteration in their status. No longer employed as self-respecting handicraftsmen, more and more workers were becoming mere adjuncts to a great machine. Their working conditions were directed to a great extent by managers representing impersonal and absentee corporation owners. Workers all over the country complained that they had to "suffer under insolent, unscrupulous bosses, rapacious foremen, greedy and unsympathetic managers, wealthy and avaricious contractors, brutal and egotistical capitalists." [10]

It was not unusual to find that in many factories the men were looked upon as nothing more than parts of the machinery they operated. A New England clergyman deplored "the increasing tendency to regard the operative simply as a wheel, or a pin to a machine. He is, in the eyes of employers, very much what a mule or a spindle is, and no more. . . . They care not who or what the operative is, or where he lives, or what his character, except as any of these things bear on profit." There is ample testimony from employers themselves confirming this statement. Thus a Massachusetts manufacturer, a member of the Legislature, declared, according to Gompers: "I regard my employees as I do a machine, to be used to my advantage, and when they are old and of no further use, I cast them in the street." [11] And with increasing speed-up of the machines,

young workers found themselves rapidly becoming "old and of no further use." A foreman in a Massachusetts shoe shop bluntly told a labor leader: ". . . I can take an able-bodied young man eighteen years of age, without a physical blemish, and put him to work at either one of those machines and bring gray hairs in his head at twenty-two." [12]

CONTRAST BETWEEN WEALTH AND POVERTY

"There are too many millionaires and too many paupers," declared the *Hartford Courant* in 1883. All of America was a land of contrast. At one end of the scale was magnificence unstinted. The "robber barons" who made up the new plutocracy consisted of an array of "millionaires whose riches," Engels noted, "can hardly be expressed in our miserable marks, guldens, or francs. . . ." Vying with each other in "conspicuous waste," the "monied aristocracy" of the Gilded Age—the Goulds, Vanderbilts, and others—accentuated the widening gap between "those who have but toil not and those who toil but have not." Their arrogant display of wealth caused even Henry Clews, a prominent Wall Street banker, to comment in his memoirs: "If any facts could be supposed to justify the doctrines of socialism and communism it would be the sudden creation of such fortunes as these which within a very few years have come into the hands of our railway magnates." [13]

What were conditions like at the other end of the scale? To answer this question we must turn to an examination of the wages, hours of labor, and living conditions of the American working class.

Reliable figures of aggregate wages in the 1880's are lacking, but there is much truth to Samuel Gompers' statement, in 1883, that "the wage of working men is less now than it was in 1870." The United States Census of 1870 estimated the average annual income at a little over $400 per capta; the Census of 1880 placed it at a little over $300 per capita. In Pennsylvania this downward trend was borne out in the wages paid by the largest mining companies in the Pittsburgh district; the miners were paid ninety-two cents per ton of coal mined in 1880; ten years later they were receiving seventy-nine cents for the same amount extracted. In the annual report of the Massachusetts Bureau of Labor for 1883, Commissioner Wright demonstrated that the workingmen's share of the return on their own labor from 1875 to 1880 "so far from increasing has decreased one-sixth." In Illinois, a study of the wage-records of 114 establishments from 1882 to 1886 revealed that of these, 71 showed a decrease, 23 an increase, and 20 no change. This downward trend was confirmed by *Bradstreets'* in a survey conducted in 1885. It found that wages had been cut 15 percent on the average, ranging from 40 percent in coal mining to a low percentage in the building trades.[14]

A variety of factors operated to force wages down.

The opening years of the 'eighties were marked by a depression from which the country did not fully recover until 1886. At the depths of this depressed period there were close to a million unemployed workers in the United States. Factories closed and wages were reduced. "We could not possibly print all the past week's reports of wage-cutting and discharging of hands in scores of industry all over the country. They would overflow this paper," *John Swinton's Paper* noted late in 1884. Every passing week brought fresh evidence of the truth of this journal's observation "that it is the unemployed who fix the rate of wages for the workers."

"I stand every morning in my factory," said a New England manufacturer in 1884, "and am obliged to refuse the applications of men who want to come to work for a dollar a day . . . and women begging for the opportunity to work for 50 cents a day. . . . It is evident . . . that there are a large number of men who desire to be employed at the low rate of wages now prevailing, and who cannot find employment." [15]

ROLE OF IMMIGRATION

As in the past, a major method used by the capitalists to force down wage scales was the creation of labor surpluses. The reservoir of labor was flooded by the shift of population from the country to the city. It was enormously increased by the huge wave of immigration. The total number arriving during the decade 1880-1890 was more than five and one-half million; two and one-half million more than during the previous decade, and one and one-half million more than during the 'nineties.[16]

To the discontented peasant in Italy, Hungary, Rumania, Germany, and the Scandinavian countries, to the Jews in tsarist Russia facing progroms and increased restrictions on their freedom to live and work, the glowing descriptions of life in America evoked eager responses. These descriptions were laid before them by steamship companies desirous of carrying full cargoes of immigrants on each trip to America and by commission agents working for industrialists seeking unskilled labor, for railroad land companies eager to settle prospective customers and land buyers along the lines of their roads, and for States seeking people to help develop their agriculture and industry. Circulars distributed by these agents told poverty-stricken European peasants that they could make from $2.50 to $3.50 per day in the Pennsylvania coal regions or in the New England textile factories.[17]

The average European immigrant staggering down the gangplank with a heavy pack on his shoulders faced the immediate and pressing problem of earning a livelihood in a strange land. In the vast majority of cases, he was taken over by labor bureaus and sent out to work on railroads,