Studying the success of business leaders like Carnegie helped spur an intellectual movement called Social Darwinism. Drawing on Charles Darwin's ideas of evolution, Social Darwinists said that government should allow free competition in business to allow the best individuals to succeed. Most ordinary citizens could support this idea. It appealed to their work ethic and sense of personal responsibility.

Business leaders tried to gain control over an industry to ensure rising profits. Some used mergers to acquire other companies. If a firm controlled all the competition in an industry, it held a monopoly and could dictate business practices. J. P. Morgan became the largest steel producer by setting up a holding company. This kind of company bought out the stock of other companies. John D. Rockefeller controlled the oil refining industry by using trusts, in which different companies agreed to work together. Critics called such practices unfair to consumers and labeled business leaders as "robber barons."

In 1890, Congress decided to act and passed the Sherman Antitrust Act. It outlawed trusts, but the law was difficult to enforce, and the Supreme Court did not support it.

While industry boomed in the North, the South stayed agriculturally and economically depressed. Only industries such as mining, tobacco, and textiles grew. The devastation of the Civil War, lack of capital, and lack of urban centers were contributing factors.

Workers in these growing industries worked long hours in dangerous conditions for low wages. Wages were so low that all family members, including women and children, had to work. To improve their status, many workers began to organize into unions.

The National Labor Union, formed in 1866, persuaded the government to adopt an eight-hour day in government offices. The Knights of Labor pushed for an eight-hour day and equal pay for women. The American Federation of Labor (AFL) won higher wages and shorter work weeks for its members, skilled workers. Other unions organized unskilled workers. Some included women and African Americans. Japanese and Mexican workers also formed unions in the West.

Industry and government fought the unions. A great strike in 1877 stalled the nation's railroads for a week. Some cities erupted in riots. President Rutherford B. Hayes ordered the strikers to return to work. Labor organizers continued to try to enlist workers. Then a mass meeting in Chicago's Haymarket section became a riotous battle between police and workers. Steelworkers in Homestead, Pennsylvania, shut a Carnegie Steel plant until state troops allowed management to reopen the mill with strikebreakers. The strike continued, but eventually the strikers had to give in. A strike at Pullman's railcar factory in 1894 also resulted in violence and federal troops being brought in. All the workers lost their jobs.

Women labor organizers included Mary Harris "Mother" Jones and Pauline Newman, who organized garment workers. In 1911, a fire broke out in a clothing factory. Almost 150 women workers died, in part because they had been locked inside. The public was outraged and some reforms favoring workers were passed.

Business leaders used many tactics to prevent workers from organizing. They banned union meetings or fired union workers. When strikes did occur, some asked the courts to end them, saying that they violated the Sherman Antitrust Act by harming interstate commerce. By 1910, union membership was down to five percent of workers.

Review

1. What developments fueled industrialization?
2. Describe the growth and development of the rail industry and what impact it had.
3. How did the government try to regulate business? What happened to these efforts?
4. Describe working conditions of the time and union-management relations.