Chapter 20: Industry and Empire, 1890-1900

Overview
As the nineteenth century ended, Americans faced economic collapse and their despair brought with it social conflict. Labor and capital were locked in conflict. But the 1890s was a decade in which the United States expanded its economic borders to become an international power. Political parties were fractured during the 1890s, voter participation declined, and Americans felt less of a personal stake in election campaigns. For proponents of foreign trade, McKinley’s election was the answer to prayers. Many in his party, called “jingoes,” believed that the United States should acquire colonies of her own, before someone else gobbled them up, and controlled global markets.

Key Topics
• The effect of economic turbulence on American institutions and ideas
• American leaders’ consciousness of modernity, and its influence on opinion and policy
• The origins of segregation
• The stakes of the 1896 election for America’s economic future. The link between the crisis in the American economy and imperial expansion

Review Questions
✓ Why did workers feel threatened by the kind of efficiency that Frederic W. Taylor promoted?
✓ The election of 1896 hinged on the question of whether the dollar would be backed by gold or silver. Explain why that issue would matter to a cotton farmer in North Carolina, a factory worker in Milwaukee, or to Andrew Carnegie.
✓ Eugene Debs and Samuel Gompers advocated different agendas and tactics for the American labor movement, just as Booker T. Washington and W. E. B. Du Bois did for the movement for civil rights. Which African-American leader would have been more likely to agree with Gompers? With Debs? Why?
✓ Did the United States annex Hawaii and the Philippines for the same reasons that it annexed Oregon or Arizona or for different reasons altogether?
✓ Business, intellectual, and political leaders in the 1890s had a different view of competition than we have today. Is competition -- among workers, companies, or nations -- beneficial or harmful to society?

Annotated chapter outline
Dealmaking in the White House: The culmination of two decades of economic chaos was ended when a desperate President Cleveland asked J. Pierpont Morgan, the premier financial manipulator, of the times, for help. Morgan offered a private loan and personal guarantee of the solvency of the nation’s treasury. International bond markets, hearing the news, calmed. As a result the nation’s political economy was permanently transformed.
The Crisis of the 1890s: As the nineteenth century ended, Americans faced economic collapse and despair brought with it social conflict. Labor and capital were locked in conflict.
• The economic depression of the 1890s spared no region of the nation or any sector of the economy.
• The United States reorganized itself to compete in the global marketplace: the Congress commissioned the construction of three steel battleships, it began serious discussions of building a canal linking the Atlantic and Pacific Oceans, and it reconceived the tariff all in an attempt to open foreign markets to American goods.
• The struggle between workers and employers for control of the workplace took on a new dimension at the end of the century. Employers relied on technology, scientific management,
and federal power; workers organized. Workers reacted with new unions and skilled workers took control of the labor movement.

- The struggle between employees and employers became violent in 1892 and again in 1894. Police and soldiers enforced management’s wishes.
- Between 1897 and 1904 more than 4000 companies merged to form 257 corporations. At the heads of these corporations, or holding companies, sat bankers, not industrialists.

**A Modern Political Economy:** Political parties were fractured during the 1890s. Republicans, Democrats, and Populists call for government action to deal with the economic crises, but there was no consensus in any party about what the government ought to do. The election of 1896 was, therefore, pivotal.

- The election of 1896 was fought over one question -- would the dollar be backed by gold or silver?
- The Democrats and the Populists favored silver over gold. The Republicans, who favored the gold standard, chose William McKinley to represent them. He was backed by J. P. Morgan.
- Not surprisingly the two candidates approached the voters differently. Bryan, the Democrat, campaigned among the voters—speaking on his own behalf, a technique that was considered undignified. McKinley’s supporters used publicity campaigns, slogans, and advertising. Voter turn-out was at an all-time high. McKinley was elected. From then to now, presidential campaign methods changed and the party platforms changed, too.

**The Retreat from Politics:** Following the election of 1896, voter participation declined and Americans felt less a personal stake in election campaigns. New strategies, especially on behalf of labor or the disfranchised, had to be devised.

- Cities grew in the South after the turn of the century but not because of industrial growth but because of commerce and the availability of services. As southern cities grew, they grew increasingly segregated. Work was also segregated with most better paying jobs denied African Americans.
- Segregation, which was something of a way of life in the South, was sanctioned by the United State Supreme Court in *Plessy v. Ferguson*.
- Booker T. Washington was perhaps the most recognized black man in America at the turn of the century. His philosophy of racial accommodation was articulated in a speech delivered in Atlanta, Georgia, at the Cotton States Exposition in 1895.
- Following the election of 1896, voter apathy began to show in lower and lower percentages of voter turnout. Middle- and upper-class voters sought to influence politics through interest groups rather than political parties.
- Workers also withdrew from politics in favor of redefined objectives in economic terms. The American Federation of Labor, founded in 1886, unionized skilled workers by focusing on issues that would improve the working lives of its members. Other unions, especially those organized around a special skill or trade followed, but all met stiff opposition from industry and the courts.

**American Diplomacy Enters the Modern World:** For proponents of foreign trade, McKinley’s election was the answer to prayers. Many in his party believed that the United States should acquire colonies of her own, before someone else gobbled them up, and control global markets. The United States should control these markets not only for economic reasons but also for strategic and religious reasons. McKinley came to embrace their views as his own.

- Alfred Thayer Mahan’s book *The Influence of Sea Power Upon History*, published in 1890, encapsulated the expansionist zeal. Mahan linked trade, a modern merchant fleet, superior naval power, and colonies, and they became the necessary ingredients for international superiority. Brooks Adams linked the closing of the American frontier with the need to open new frontiers in Asia in his book *Laws of Civilization and Decay*, published in 1895.
- China was the ultimate prize in international competition.
American support for Cuban revolutionaries and their bid for independence from Spain caused the United States to declare war against Spain on April 11, 1898. The war was over just four months from its start, but the United States controlled Manila Bay and Guam in the Pacific and Cuba and Puerto Rico in the Atlantic. The treaty ending the war with Spain gave Cuba independence from Spain, the rest of Spain’s colonies were given to the United States, and the Americans bought the Philippines for $20 million.

The annexation of colonies by the United States was not unanimously supported by all Americans. The “anti-imperialists” presented an array of moral, economic, and strategic arguments but their arguments, questions, and fears could not overcome the fantastic economic potential that an imperial America represented.

In the Philippines, Filipinos had fought to resist American colonialism. The war between the United States and the Philippines lasted from 1899 to 1904. It cost about 7000 American lives and tens of thousands of Filipino lives to war, disease, and starvation.

The United States almost arrived too late to China to enjoy in the partitioning of China to the European powers. The United States consoled itself and tried to expand its presence in the Open Door Note. The policy note recognized European spheres of influence but argued that the powers should keep their areas open to the trade of other nations. When the “Boxer Rebellion” broke out in 1900, European troops descended on China and McKinley ordered 5000 American soldiers from Manila to Tianjin. The philosophy behind the Open Door Policy guided American foreign policy in the twentieth century.

**Conclusion:** The United States became a prominent player in the imperial games played by the industrialized nations of the world. Economic demands as well as social Darwinism caused Americans to become ardent imperialists. The negative side of imperialism was hardly considered while at home segregation of the races and competition between workers and owners was common.

**Analytical reading** These questions refer to the passage “The Overseas Frontier” on pages 475-476.

1. Turner’s frontier thesis is one of the most famous and controversial theses in American history. Based on this and previous chapters, why had the existence of the frontier been so important to the American society?
2. With its passing, what would be lost to America and Americans?
3. Why would Theodore Roosevelt be a supporter of Turner’s thesis?

**Lecture Strategies**

The 1890s and Chapter 20, Industry and Empire, present you with the opportunity to help your students see the relationship between the demands and needs of the nation’s economy, the increasing power of the government and politics in managing the economy and foreign policy, and working Americans. Each aspect is in itself complex but incomplete if looked at in isolation. This chapter allows you to discuss the realignment of political parties and the election of 1896 and the concept of “diplomacy follows the dollar” by looking at the economic and cultural exploitation of the nonindustrialized world by the industrial powers, including the United States. Whether you use Central America, Cuba, Hawaii, or American Indians, the notion of cultural and political hegemony is never far from the surface.

The Spanish-American War is another good example of how politics and public opinion can be directed to a particular end. This is also a good opportunity to look at the role of the media, Pulitzer’s and Hearst’s competing newspapers, in influencing public and political opinion.

The relationship of the development of American colonies abroad and the closing of the American frontier (the Turner thesis) is also important for your students to understand. In light of the old notion of “manifest destiny” the pronouncement that there was no frontier left many Americans searching for a new frontier and colonies seemed to answer that need.
Your students should be able to study the *Plessy v. Ferguson* decision with the knowledge that it is this decision that the NAACP will spend the next fifty years attacking before the *Brown v Board of Education* (1954) decision. To help them understand the importance of the *Plessy* decision, an examination of segregation, the Fourteenth Amendment, and related issues, such as lynching, is important. Also interesting and pertinent to the discussion is the competition between the African-American factions represented by Booker T. Washington and W. E. B. DuBois.

Labor issues at the turn of the century are particularly interesting especially if you are helping your students see the competition between employers and workers. You have examples of this conflict in two of the bloodiest examples of labor violence in the United States in the Pullman and the Homestead strikes.

**Supplements:** Prentice Hall has developed a number of supplements that can enhance your lectures as well as your students’ comprehension and performance.

**American Stories: Biographies in United States History** by Katheryn A. Abbott and Patricia Hagler Minter. See Chapter 18, America Around the Globe, 1870-1920, for biographical sketches of William Jennings Bryan and Queen Liliuokalani.

**Documents Collection** see Part Twenty: America Around the Globe

*Josiah Strong, from Our Country 1885
*Henry Cabot Lodge, “The Business World vs. the Politicians” 1895
*Albert Beveridge, “The March of the Flag” 1898
*The Spanish-American War 1898
*William McKinley, “Decision on the Philippines” 1900
*The Boxer Rebellion 1900
*Theodore Roosevelt, Third Annual Message to Congress 1903
*Mark Twain, “Incident in the Philippines” 1924

The documents of particular relevance to this chapter are identified with an asterisk, although previous and subsequent parts have relevant documents.