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## GROWING PAINS—AMERICA IN THE 1890s

The 1890s were a period of opportunity and challenge for the United States. George Washington and Thomas Jefferson would have scarcely recognized their country as it approached the twentieth century. The struggling republic that they helped mold had in the span of a century grown to become, in many respects, the strongest nation on earth.

Virtually everything had changed since America's early years. Not only had the United States emerged as an economic and political giant, but its people and their everyday lives had been radically altered. America's self-image had fundamentally changed as well—and with it the values that shaped the U.S. role in the world.

### THE CHANGING UNITED STATES

Population growth and economic expansion recast the face of America in the late nineteenth century. Much of the transformation was related to immigration.

Of the seventy million Americans living in the mid-1890s, more than 45 percent were immigrants or the children of immigrants. The pace of immigration rose sharply in the last two decades of the nineteenth century. Moreover, the immigrants themselves were broadening America's ethnic diversity.

Whereas earlier generations of immigrants had come largely from northwestern Europe, the wave of immigration that began in the 1880s drew substantially from eastern and southern Europe. Most of the new immigrants settled in the bustling cities of the northeast, where their presence was increasingly felt by America's business and political elite.

#### ***How did urban growth transform the United States?***

The rise in immigration went hand in hand with urban growth. In George Washington's day, less than 5 percent of America's population lived in towns or cities having eight thousand or more inhabitants. By the end of the nineteenth century, one-third of Americans were city dwellers. New York, with three million

people, was one of the largest cities in the world, and Chicago, at almost 1.5 million people, was not far behind. With bigger cities came problems some of which are familiar to Americans today: overburdened transportation systems, inadequate sanitation, rising crime, substandard housing, and political corruption.

With Americans pouring into the cities, agriculture began to slip from its central place in American society. At the time the United States gained independence, 90 percent of Americans made their living directly or indirectly off the land. By the end of the nineteenth century, manufacturing had overtaken agriculture as the leading source of national wealth.

During the 1890s, iron and steel production became the most important industry in the nation, surging ahead of meat packing and flour milling. The machine age was even making rapid inroads in the countryside, as farmers increasingly relied on railroads to receive supplies and ship their crops to market. Steam-driven farm machinery was even beginning to replace human and animal muscle in the fields.

#### ***How did trade make the United States a world power?***

International trade steadily gained significance in the U.S. economy. The annual value of American exports passed the \$1 billion mark during the 1890s, outdistancing imports by a sizable margin. The composition of U.S. exports shifted as well.

While cotton, grain, beef, tobacco, and dairy products had long been the mainstays of U.S. trade, American manufacturers were now competing successfully with their European counterparts in the international market. By 1900, nearly one-third of American exports consisted of manufactured goods.

U.S. leaders viewed their country's trade surplus as crucial to America's continued prosperity. As a result, U.S. foreign policy was geared toward finding overseas markets to buy the surplus output of America's factories and farms. Britain, Germany, and other wealthy nations, however, placed high taxes, or tariffs, on imported manufactured goods to protect

their own factories. European tariffs compelled U.S. exporters to turn to the less developed countries of Latin America and Asia to expand their sales. China, the most populous country in the world, was especially attractive.

## DEPRESSION JOLTS U.S. CONFIDENCE

America's optimism was badly shaken by a severe economic depression that struck in the spring of 1893. Sparked by the unexpected bankruptcy of two major railroads, panic selling on the New York Stock Exchange sent the value of shares tumbling. Within a year, more than five hundred banks and sixteen thousand businesses went bankrupt. Stockpiles of goods mounted, driving prices downward. Millions of Americans lost their jobs. For the nation's farmers, the depression of 1893 only worsened a slump in income that had begun in 1888. While signs of an economic recovery surfaced in late 1896, the United States did not regain the prosperity of the early 1890s until 1901.

### *Why was the money supply a divisive issue?*

Not surprisingly, pressure mounted on American politicians to put the U.S. economy back on track. Americans, however, were sharply divided about both the cause and the remedy for their country's economic problems.

Many attributed the depression to high interest rates stemming from a shortage of money circulating in the economy. Farmers, most of whom were in debt, supported an increase in the money supply to lower interest rates. Lower interest rates, they reasoned, would ease their debt burden and prop up crop prices.

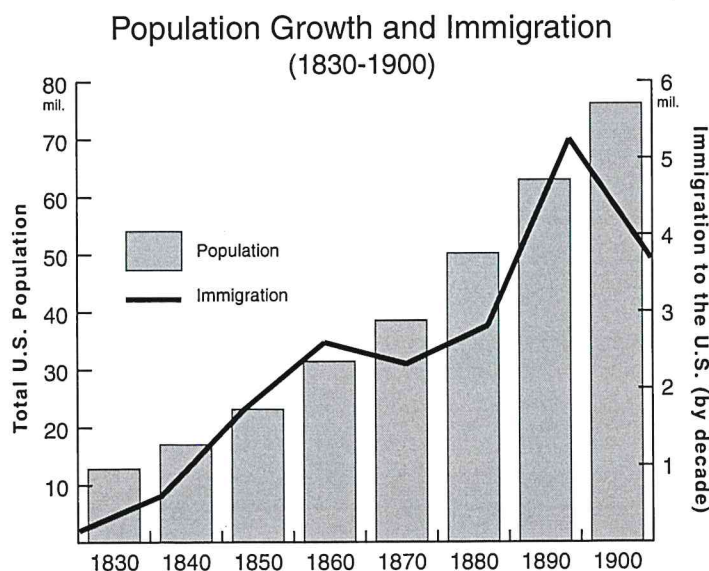
For the advocates of "cheap" money, silver was the answer to their difficulties. They wanted the government to back the value of the dollar with silver, in addition to gold, to enable the U.S. Treasury to issue more money. (The U.S. dollar has not been backed by any precious metal since 1971.)

Others, including President Grover Cleveland, held the opposite position. They believed that an excess of money in circulation had caused the depression. The proponents of "tight" money blamed a policy undertaken in 1878 to mint a limited amount of silver coins every year. The silver coins, in effect, increased the money supply, circulating alongside the dominant gold coins and paper currency backed by gold. In October 1893, Cleveland narrowly won Congress' approval to stop the coinage of silver. The measure, however, added to the public's anxiety about the economy. Many Americans sought to protect their savings by exchanging their paper currency for gold coins.

By early 1895, the drain on the U.S. Treasury's gold reserves had pushed the government to the brink of bankruptcy. U.S. officials were compelled to take a loan from New York investment banker J.P. Morgan. The fact that Morgan and his banking associates made several million dollars in commissions on the transaction infuriated supporters of cheap money and deepened their mistrust of Cleveland.

### *Why did labor unions strike?*

For workers, the depression brought home their vulnerability in the industrial economy. Many saw labor strikes as one of their few sources of leverage. In 1894 alone, more than 500,000 workers went out on strike and an additional 600,000 lost their jobs because of strike-related actions. The largest strike began at the Pullman Palace Car Com-



pany outside of Chicago and paralyzed railroad traffic in much of the central United States.

The Pullman strike began after the company's president, George Pullman, imposed five wage cuts within a year. Pullman insisted that he needed to reduce his labor costs in the face of declining business. The mayors of Chicago and Detroit urged Pullman to negotiate with the strikers, but he refused. Workers countered by widening the strike. The American Railway Union, whose members serviced trains throughout the country, refused to handle any trains which contained Pullman cars. The union's decision soon brought much of the nation's railroad system to a standstill. Even the delivery of mail was stalled by the strike.

The Pullman strike was ultimately broken by a split within the labor movement and the intervention of the federal government. The American Federation of Labor, a rival of the American Railway Union for leadership of the labor movement, voted against supporting the strike. Meanwhile, the Cleveland administration convinced federal judges to issue a ruling against the strikers on the grounds that they were blocking mail service and interstate commerce. Two days later, Cleveland sent 2,500 federal troops to Chicago, despite the objections of the governor of Illinois. Even with the end of the Pullman strike, however, labor disputes continued to boil over elsewhere in the country.

## THE CLOSING OF THE FRONTIER

In the minds of many Americans, the impact of the depression was compounded by the realization that their country was running out of open land. Since the foundation of the first colonies by European settlers, the North American continent had been seen as vast, bountiful, and largely empty. As settlers moved westward, the experience of taming the frontier shaped the American character. The abundance of fertile land for farming, the discovery of rich mineral resources, even the destruction of Native American societies, contributed to a belief that Americans had been specially blessed by God.

### *How did the frontier shape America's identity?*

Americans viewed themselves as belonging to a dynamic, expansionistic, opportunity-filled society. The values that defined the nation—resourcefulness, bravery, pragmatism, ingenuity, individualism, egalitarianism, and patriotism—were closely tied to the frontier.

In more practical terms, the frontier fueled the country's economic growth. Much of America's development in the nineteenth century stemmed from the exploration, settlement, and exploitation of the country's open spaces. The availability of cheap or, in some cases, free land also attracted a stream of immigrants from Europe and provided an outlet for the restless elements in American society. Although a

typical factory worker or farm hand earned less than \$2 a day, millions were inspired by the prospect of heading for the frontier to seek their fortunes.

The national census of 1890, however, revealed that

U.S. immigration 1850-1900: Leading Countries

* = less than 0.1%	1850-60	1860-70	1870-80	1880-90	1890-1900
Ireland	36.9%	24.4%	15.4%	12.8%	11%
Germany	34.8%	35.2%	27.4%	27.5%	15.7%
Britain	13.5%	14.9%	21.1%	15.5%	8.9%
Scandinavia	0.9%	5.5%	7.6%	12.7%	10.5%
Russia	*	0.2%	1.3%	3.5%	12.2%
Austria-Hungary	*	0.2%	2.2%	6.0%	14.5%
Italy	*	0.5%	1.7%	5.1%	16.3%

the United States no longer contained a huge, unbroken stretch of unsettled land. To be sure, there were still large pockets of open land that continued to draw settlers westward, but the frontier was officially no more.

In fact, the boundaries of the continental United States had been more or less set by the middle of the nineteenth century. On the east and the west, the country's limits were defined by two great oceans. To the north, negotiations with Britain had settled border disputes with Canada. In the southwest, the Mexican-American War and the Gadsden Purchase had established the extent of U.S. territory.

With the frontier closed, many Americans looked to the future with concern. Could their nation's prosperity be sustained without an abundance of open land and untapped resources? Would the divisions between economic classes harden and spark social tensions? Could the values of the frontier survive in a country that seemed to have reached its limits?

## LOOKING OVERSEAS

Many American businessmen and politicians believed that the challenges facing their country could be met by overseas economic expansion. They felt that the United States needed to catch up with Britain, France, and other European powers in extending America's influence abroad.

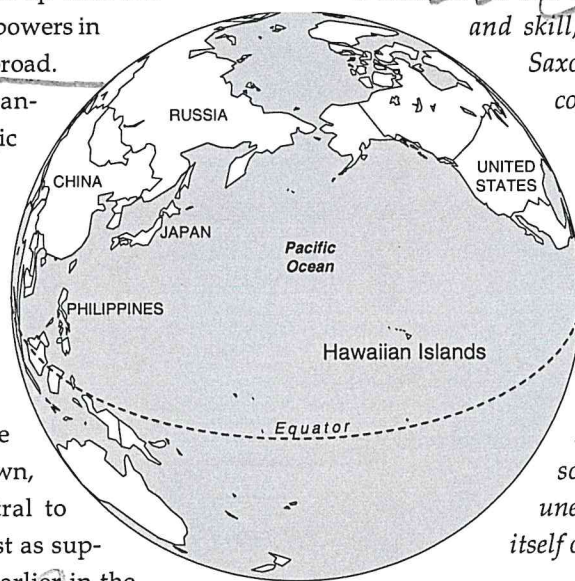
For some among the expansionists, acquiring a few strategic ports to service American ships and to open doors to foreign markets was sufficient. Others, however, wanted the United States to build a sizeable overseas empire as a means of securing export markets, raw materials, and cheap labor. The "imperialists," as they were known, considered their strategy central to America's role in the world. Just as supporters of "manifest destiny" earlier in the nineteenth century believed that America's mission

was to expand across the continent, the imperialists held that the course of history was pointing the United States abroad.

### How did "social Darwinism" seek to justify imperialism?

The conviction of the imperialists was grounded in an odd set of scientific theories known as "social Darwinism." Social Darwinism had its origins in Charles Darwin's theory of natural selection. According to Darwin, species evolve over time to adapt to their environment through natural selection. The followers of Darwin applied the same principles in an effort to chart the progress of humanity.

Social Darwinism soon entered the intellectual mainstream of the United States. Its proponents explained differences among the world's races and ethnic groups in terms of evolution. For social Darwinists, the cultures of Western Europe—and particularly the Anglo-Saxons of Britain—had demonstrated their superiority by extending their influence over much of the globe. Imperialism, in their opinion, reflected the "survival of the fittest." They considered the domination of Western European cultures as a natural process in the advancement of civilization. Some even viewed imperialism as part of God's plan.



*"It seems to me that God, with infinite wisdom and skill, is training the Anglo-Saxon race for an hour sure to come in the world's future...."*

*The unoccupied arable lands of the earth are limited, and will soon be taken.... Then will the world enter upon a new stage of its history—the final competition of races, for which the Anglo-Saxon is being schooled.... Then this race of unequalled energy...will spread itself over the earth."*

*—Rev. Josiah Strong*