**Haymarket Affair**

Haymarket Affair (1886).On 1 May 1886, workers throughout the United States struck to win the eight‐hour day. On 4 May in [Chicago](http://www.encyclopedia.com/doc/1O119-Chicago.html), the strike's center, workers gathered in Haymarket Square to protest a police attack on strikers the previous day that had left at least two dead. The meeting was called by anarchists affiliated with the revolutionary International Working People's Association. The rally was ending when a police squad under Inspector John Bonfield commanded the crowd to disperse. Suddenly someone threw a dynamite bomb into the ranks of the police. One officer died instantly and seven later succumbed, most as a result of bullets fired by panicked policemen.

Many Americans, including preeminent ministers, journalists, and conservative politicians, saw the bombing as part of a conspiracy by anarchist‐inspired immigrants designed to overthrow the republic. Responding to public hysteria, Chicago officials banned public meetings and processions. Eight anarchist leaders stood trial for conspiracy to commit murder. Although the identity of the bomb thrower remained unknown, a court convicted the anarchists of murder. On 11 November 1887, August Spies, Albert Parsons, George Engel, and Adolph Fischer were hanged; Louis Lingg had earlier committed suicide. Illinois governor John P. Altgeld (1847–1902) commuted the sentences of the other three in 1893. The novelist William Dean [Howells](http://www.encyclopedia.com/doc/1O119-HowellsWilliamDean.html) was one of the few prominent figures to protest the executions.

The Haymarket tragedy was part of a reaction by [business](http://www.encyclopedia.com/doc/1O119-Business.html) leaders and public officials to labor's “great upheaval” of the mid‐1880s, including the rapid growth of the [Knights of Labor](http://www.encyclopedia.com/doc/1O119-KnightsofLabor.html). Despite repression, skilled workers made significant progress in organizing unions and winning trade agreements after Haymarket. The [American Federation of Labor](http://www.encyclopedia.com/doc/1O119-AmericanFederationofLabor.html) sponsored another nationwide eight‐hour strike on 1 May 1890 and in Paris the Socialist Second International adopted 1 May as an international labor day. Revolutionary [anarchism](http://www.encyclopedia.com/doc/1O119-Anarchism.html), meanwhile, evolved into the syndicalism that flourished at the margins of the labor movement in the early twentieth century.

1. Why were police at the Haymarket riot to begin with?
2. What happened as the police try to break up the rally?
3. How did this event shape the public opinion about unions?

**PULLMAN STRIKE**

The Pullman Strike of 1894 was one of the most influential events in the history of U.S. labor. What began as a walkout by railroad workers in the company town of Pullman, Illinois, escalated into the country's first national strike. The events surrounding the strike catapulted several leaders to prominence and brought national focus to issues concerning labor unrest, socialism, and the need for new efforts to balance the economic interests of labor and capitalism.

In 1859, 28-year-old George M. Pullman, an ambitious entrepreneur who had moved from New York to Chicago, found success as a building contractor. When a new sewage system was installed that necessitated the raising of downtown buildings by ten feet, he ran a business where he oversaw large teams of men working with huge jacks to raise the buildings. Pullman quickly became wealthy.

Continuing his penchant for innovation, Pullman turned in 1867 to the subject of railroad travel and created a new line of luxury railroad cars featuring comfortable seating, restaurants, and improved sleeping accommodations. As demand for the "Pullman coaches" grew, Pullman further demonstrated his financial acumen. He did not sell his sleeping cars; instead he leased them to railroad companies. By 1893, the Pullman Company operated over 2,000 cars on almost every major U.S. railroad, and the company was valued at $62 million.

A firm believer in capitalism and moral uplift, Pullman gathered a group of investors and began to build the nation's first model industrial town near Lake Calumet on the southwest edge of Chicago. Between 1880 and 1884, the village of Pullman was built on 4,000 acres. In addition to the company's manufacturing plants, the town contained a hotel, a school, a library, a church, and office buildings as well as parks and recreational facilities. Houses were well-built brick structures that featured cutting-edge conveniences of the era such as indoor plumbing and gas heat. Other innovations included regular garbage pick-up, a modern sewer system, and landscaped streets. An equally firm believer in the necessity of making a profit, Pullman operated his town as he operated his company, leasing the housing to his workers and selling them food, gas, and water at a 10 percent markup.

A significant drop in the country's gold reserves, prodigious spending of U.S. Treasury surpluses, and the passage in 1890 of the Sherman Silver Act led to the financial panic of 1893. The ensuing corporate failures, mass layoffs of workers, and bank closings plunged the country into a major depression. In response, the Pullman Company fired more than a third of the workforce and instituted reduced hours and wage cuts of more than 25 percent for the remaining hourly employees. Because Pullman had promised the town's investors a 6 percent return, there was no corresponding reduction in the rents and other charges paid by the workers. Rent was deducted directly from their paychecks, leaving many workers with no money to feed and clothe their families.

In desperation, many workers joined the newly established American Railway Union (ARU) that claimed a membership of 465 local unions and 150,000 workers. ARU organizer and president eugene v. debs had become nationally prominent when he led a short but successful strike against the Great Northern Railway in early 1894. In May 1894, the workers struck the Pullman Company. Debs directed the strike and widened its scope, asking other train workers outside Chicago to refuse to work on trains that included Pullman cars. While the workers did agree to permit trains carrying the U.S. mail to operate as long as they did not contain Pullman cars, the railroads refused to compromise. Instead, they added Pullman cars to all their trains, including the ones that only transported freight.

Despite repeated attempts by the union to discuss the situation with Pullman, he refused to negotiate. As the strike spread, entire rail lines were shut down. The railroads quickly formed the General Managers Association (GMA) and announced that switchmen who did not move rail cars would be fired immediately. The ARU responded with a union-wide walkout. By the end of June, 50,000 railroad workers had walked off their jobs.

The economic threat and sporadic violence led the GMA to call for federal troops to be brought in. Illinois governor John P. Altgeld, who was sympathetic to the cause of the striking workers, refused the request for troops. In July, U.S. attorney general richard olney, who supported the GMA, issued a broad injunction called the Omnibus Indictment that prohibited strikers and union representatives from attempting to persuade workers to abandon their jobs.

When striking workers were read the indictment and refused to disperse, Olney obtained a federal court injunction holding the workers in contempt and, in effect, declaring the strike illegal. When the workers still refused to end the strike, Debs and other leaders were arrested and Olney requested the federal troops saying they were needed to move the mail. President grover cleveland sent more than 2,000 troops to Chicago, and fighting soon broke out between the rioting strikers and soldiers. Soldiers killed more than a dozen workers and wounded many more.

With strike leaders in prison and a growing public backlash over the looting and arson committed by some striking workers, the strike was effectively broken. Most of the workers returned to their jobs in August, although some were blacklisted and never again worked for the railroads. Debs was charged with contempt of court for disobeying the court injunction and conspiracy to obstruct the U.S. mail. clarence darrow, an attorney who had quit his job as general counsel of the Chicago and North Western Railway, defended Debs and the other ARU leaders, but they were convicted and spent six months in prison. They were released in November 1895.

Darrow went on to become a prominent defense attorney as well as a well-known public orator. Debs, whose contempt of court conviction was upheld by the U.S. Supreme Court in *In re Debs*, 158 U.S. 564, 15 S.Ct. 900, 39 L.Ed. 1092 (1895), was further radicalized by his experiences. In high demand as a popular speaker particularly in the industrial states of the North, Debs became the influential leader of the Socialist Party, running for president several times between 1900 and 1920.

Pullman, who continued to regard himself as a morally upright man despite the critical findings of a presidential commission appointed to investigate the strike, died in 1897. Fearful that his body might be degraded or stolen by former strikers, Pullman's family had his body buried in a concrete and steel casket in a tomb covered with steel-reinforced concrete. In 1971, the former "company" town of Pullman was designated as a national landmark district.

The Pullman Strike of 1894 and its aftermath had an indelible effect on the course of the labor movement in the United States. The use of federal troops and the labor injunction sent a message to U.S. workers that would not change until the new deal of the 1930s. The polarization of management and labor would continue for decades.

1. Why were wages reduced in 1893?
2. How did the workers react to their situation in 1894?
3. Why were the companies firing union workers?
4. Why did the workers not want to go in strike initially?

**GREAT RAILROAD STRIKE OF 1877**

In July 1877 West Virginia was the scene of a railroad strike that soon became the first nationwide strike in United States history. The trouble began when an economic depression led railroad companies to cut wages. Workers in West Virginia withheld their labor, and paralysis quickly spread to railways in the East and the Midwest in what became known as the Great Railroad Strike of 1877.

In reaction to a business slump, the Baltimore and Ohio Railroad in West Virginia cut wages for all employees by ten percent, including the president of the company. During the nineteenth century wages for unskilled laborers were meager, averaging $10 per week, although skilled workers could earn $20 per week. Since a 10 percent cut in pay caused a financial crisis for the families of many railroad workers, a number of train firemen refused to accept the wage cut and went on strike. The Great Railroad Strike of 1877 began.

The Baltimore and Ohio Railroad firemen were soon joined by the employees of other rail lines in a sympathy strike. The railroad network itself insured that sympathizers stretched beyond the state of West Virginia, and strikes later broke out in Illinois, Indiana, Kentucky, and Pennsylvania. It wasn't long before over half of all American railway line were closed.

In Martinsburg, West Virginia, a small number of local volunteer militiamen tried to break strike against the Baltimore and Ohio. Several strike leaders were arrested, but a supportive crowd quickly rescued them. West Virginia's governor Henry Matthew attempted to send in more military support for the beleaguered town. But the militia company called to suppress the strike would not mobilize, since many of its volunteers were railroad workers or had family ties to railroad workers. West Virginia had four organized militia units, but since two of them sympathized with the strikers, the state had need of re-enforcement. Governor Matthews requested federal troops from President Rutherford B. Hayes (1877–1881) to help end the strike. The state's appeal was followed by similar requests from Kentucky and Pennsylvania. President Hayes had the resources and complied. Federal troops were available because the end of Reconstruction saw the withdrawal of many soldiers from the South.

The worst violence took place in Pittsburgh, where local militia ordered to break the strike instead sided with the workers. Federal troops arrived, and ten strikers were killed when violence erupted. Enraged by the deaths of the strikers, a crowd attacked the federal troops, driving them from the city. The mob then turned to destroying railroad property. Additional strikes occurred along the nation's railroad lines, and federal troops continued to provide assistance to beleaguered states unprepared to deal with the strikers and their widespread support.

At the height of the 1877 strikes, eleven states called 45,000 Guardsmen into service. The War Department committed 2,100 regular troops. By August 2, 1877, the strikes were over. Order was restored and the trains were running again. Military force, assisted by managerial restraint, ended the walkout. The wages of railroad workers were restored or at least not cut further.

Newspapers blamed the strike on Communists and Communist sympathizers. President Hayes, however, was just as quick to deny the involvement of Communists. The attacks, he said, were directed against the railroads and not against property in general, as one would expect if the strike was Communist inspired.

Hayes was both praised and criticized for his use of federal troops. Striking workers and their sympathizers, many of whom were Civil War (1861–1865) veterans, deeply resented his employment of federal troops to break the strike. On the other hand, the president's supporters pointed to his cautious use of the troops and his reluctance to cause bloodshed. Critics, including Pennsylvania Railroad president Thomas Scott, charged that the president waited too long to call in the troops and that the wide scope of the strike was a result of the government's failure to protect the private property of the corporation and its shareholders.

Regardless of blame, the Railroad Strike of 1877 revealed serious labor unrest throughout the nation. The railroad industry targeted unions as a main source of their labor problems, and states re-examined their need for a well-equipped and trained militia. This widespread strike was among the first acts of what was to become a national labor movement.

**HOMESTEAD STEEL STRIKE**

The industrialization of the United States in the second half of the nineteenth century involved a complex and unsettling social and economic transformation of U.S. society. The spread of factory towns, urban living, transportation networks, and new technologies were catalysts for the reorganization of American life. So, too, were the emergence of the American corporation, which concentrated industrial wealth and power in the hands of a new economic elite, and the mass labor union, which sought to protect the burgeoning ranks of factory workers. The Homestead Steel Strike of 1892, which pitted the industrialist Andrew Carnegie (1835–1919) against the Amalgamated Association of Iron and Steel Workers, was one of the most dramatic expressions of the sharpening conflict between the corporation and the union—between capital and labor—on the terrain of industrializing America.

Homestead, Pennsylvania, was the center of Andrew Carnegie's enormous steel empire, the Carnegie Steel Corporation, which produced fully one-quarter of the world's steel by 1892. Its work force was concentrated in Homestead, a town of 12,000. Most of the steelworkers belonged to the Amalgamated Association of Iron and Steel Workers. With 24,000 members, the union was one of the most important members of the American Federation of Labor (AFL).

Carnegie himself, along with most other business leaders of the time, possessed a deep opposition to unions. He viewed the Amalgamated as a dangerous organization that not only weakened his ability to treat labor as a freely disposed commodity, but also resisted his attempts to introduce technological advances. Carnegie was also well aware that the threat of a strike, which was fully endorsed by the AFL, could cripple his steel empire if it was carried out effectively. For their part, the Homestead workers, reflecting the attitudes of other steelworkers of the time, believed Carnegie was generally insensitive to their needs. In particular, they were upset that he refused to share the profits of more efficient production techniques.

In July 1892, as his contract with the AFL was about to expire, Carnegie decided to crush the steel workers union. He instructed his general manager, Henry Clay Frick, to announce that the steel mill would now employ non-union workers and pay lower wages. This started a general strike by the Amalgamated, which set up committees to run the strike and prepare the town. Carnegie, who left on vacation for Europe, transferred operational control to Frick, whose hatred of unions was well known. Frick proceeded to employ 300 company guards hired through Pinkerton's National Detective Agency to seize the millworks from the strikers. On July 5, the guards used river barges in an attempt to land near the factory under the cover of night. The strikers were waiting for them and a battle lasted for eight hours. When it was over, 35 men lay dead and 60 others were seriously wounded.

Even before the violent clash, public opinion was running against the strikers through no fault of their own. An agitator named Alexander Berkman had earlier attempted to assassinate Frick in his office. The failed attack brought much sympathy for Frick and significant discredit to the strikers. The news of the deadly confrontation between strikers and Pinkertons further turned opinion against the Amalgamated. Pennsylvania sent 4000 militiamen to occupy the factory, which was soon turned over to management. Nonunion workers were hired and the millwork resumed normal operations. Four months later, the Amalgamated voted to end the strike, but the organization was now crushed, effectively ending unionism in the steel industry. More important, the struggle crippled the AFL and weakened efforts to organize labor throughout the United States.

**CREDIT MOBILIER SCANDAL**

**Summary #1**

News broke that members of Congress had been involved in rail industry corruption. The Union Pacific Railroad company had been hired to build part of the transcontinental railway. Instead of hiring outside contractors to complete the construction, however, Union Pacific vice president Thomas Durant and Union Pacific’s other largest stockholders organized their own construction company—Crédit Mobilier—and awarded the UP building contract to themselves. Durant and other Crédit Mobilier executives reaped major profits for themselves from the construction, which was financed largely by government subsidies, overcharging for the cost of construction and nearly bankrupting Union Pacific. Durant also distributed Crédit Mobilier stock to several members of Congress who had been influential in railroad legislation. Union Pacific came to be worth almost nothing, and while Durant and other major UP stockholders had made themselves rich, many others were left with worthless securities. After Durant’s scheme came to light, eleven members of Congress were accused of accepting shares of Crédit Mobilier's stock and contributing to the corruption of the rail industry.

**Summary #2**

When the Union Pacific Railroad was authorized to construct a transcontinental railroad with substantial financial support from the federal government, officers and directors of the company devised a plan to make an immediate profit from its construction by fraud. The vehicle for this fraud was a company called Credit Mobilier of America.

The method was to have Credit Mobilier, which was entirely controlled by the same people, bill the Union Pacific for the costs of constructing the railroad. There was no "market value" of the work, as there were no other bidders, so UP paid much more than Credit Mobilier spent. As a publicly traded company, Credit Mobilier could point to a record of profits that demonstrated that it was efficient and profitable, so its shares traded at a high price.

In 1867, Congressman Oakes Ames of Massachusetts, whose family business had made him a fortune producing shovels and similar items, became the head of Credit Mobilier. Since the United States Treasury was indirectly the source of payment for Credit Mobilier`s invoices to UP, and since everything depended on the continued willingness of Congress to make appropriations, Ames distributed shares of Credit Mobilier to members of Congress at prices well below market. Those members merely had to sell the stock at market to reap large profits.

The scandal broke into public view during the election of 1872. During the subsequent Congressional investigation, it was found that more than thirty individuals representing both parties had received benefits, including the future president James A. Garfield.

While improper, most if not all of the activities of Credit Mobilier were legal at the time. Ames was censured and his expulsion was recommended, but he died shortly afterwards. Years later, the Massachusetts Legislature "exonerated" Ames for his activities.

**Summary #3**

News broke that members of Congress had been involved in rail industry corruption. The Union Pacific Railroad company had been hired to build part of the transcontinental railway. Instead of hiring outside contractors to complete the construction, however, Union Pacific vice president Thomas Durant and Union Pacific’s other largest stockholders organized their own construction company—Crédit Mobilier—and awarded the UP building contract to themselves. Durant and other Crédit Mobilier executives reaped major profits for themselves from the construction, which was financed largely by government subsidies, overcharging for the cost of construction and nearly bankrupting Union Pacific. Durant also distributed Crédit Mobilier stock to several members of Congress who had been influential in railroad legislation. Union Pacific came to be worth almost nothing, and while Durant and other major UP stockholders had made themselves rich, many others were left with worthless securities. After Durant’s scheme came to light, eleven members of Congress were accused of accepting shares of Crédit Mobilier's stock and contributing to the corruption of the rail industry.

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1. Why was the Credit Mobilier Company founded?
2. How did the company make most of its money?
3. How did many members of Congress benefit from Credit Mobilier?
4. Why did so few people get into legal trouble because of this scandal?