Econ 323
Economic History of the U.S.
Prof. Eschker
Fall 2017
Today’s Topics

• Finish capital/technology, corporation
• Leading manufacturers
• Factory System
• Factory Life
• Labor Market Supply and Demand
• Women
• Immigrants
• Innovation
What were the leading Industries?

<table>
<thead>
<tr>
<th>ITEM</th>
<th>(1) NUMBER OF EMPLOYEES</th>
<th>(2) COST OF RAW MATERIAL</th>
<th>(3) VALUE OF TOTAL PRODUCT</th>
<th>(4) VALUE ADDED BY MANUFACTURE</th>
<th>RANK BY VALUE ADDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton goods</td>
<td>114,955</td>
<td>$52,666,701</td>
<td>$107,337,783</td>
<td>$54,671,082</td>
<td>1</td>
</tr>
<tr>
<td>Lumber</td>
<td>75,595</td>
<td>51,358,400</td>
<td>104,928,342</td>
<td>53,569,942</td>
<td>2</td>
</tr>
<tr>
<td>Boots and shoes</td>
<td>123,026</td>
<td>42,728,174</td>
<td>91,889,298</td>
<td>49,161,124</td>
<td>3</td>
</tr>
<tr>
<td>Flour and meal</td>
<td>27,682</td>
<td>208,497,309</td>
<td>248,580,365</td>
<td>40,083,056</td>
<td>4</td>
</tr>
<tr>
<td>Men's clothing</td>
<td>114,800</td>
<td>44,149,752</td>
<td>80,830,555</td>
<td>36,680,803</td>
<td>5</td>
</tr>
<tr>
<td>Iron (cast, forged, rolled, and wrought)</td>
<td>48,975</td>
<td>37,486,056</td>
<td>73,175,332</td>
<td>35,689,276</td>
<td>6</td>
</tr>
<tr>
<td>Machinery</td>
<td>41,223</td>
<td>19,444,533</td>
<td>52,010,376</td>
<td>32,565,843</td>
<td>7</td>
</tr>
<tr>
<td>Woolen goods</td>
<td>40,597</td>
<td>35,652,701</td>
<td>60,685,190</td>
<td>25,032,489</td>
<td>8</td>
</tr>
<tr>
<td>Carriages, wagons, and carts</td>
<td>37,102</td>
<td>11,898,282</td>
<td>35,552,842</td>
<td>23,654,560</td>
<td>9</td>
</tr>
<tr>
<td>Leather</td>
<td>22,679</td>
<td>44,520,737</td>
<td>67,306,452</td>
<td>22,785,715</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Eighth Census of the United States: Manufactures, 1860.
• Factory essentials and factory life
Essentials of Factories

- Standardized output over wide markets
- Production at a single site
- Organize workers differently
View of the Ewen Breaker of the Pa. Coal Co. The dust was so dense at times as to obscure the view. This dust penetrated the utmost recesses of the boys' lungs. A kind of slave-driver sometimes stands over the boys, prodding or kicking them into obedience. S. Pittston, Pa.
Young coal miners
Women in textile factory
Residence at Work

• Rhode Island System
  – Whole families employed

• Waltham System
  – Young single women employed
Relative Wages

• Relative wages or wage ratio:
  – Female wage compared to male wage

• Relative wage determines incentives:
  – If Low female/male wage ratio, then firm hires females
  – If High urban/rural wage, then workers move to city
Relative Wages

• Changes in relative wage is outcome of shifts in supply and demand
  – Female/male wage ratio rising as factory jobs open to women
  – Skilled/unskilled wage ratio rising with more immigration
  – Urban/rural wage ratio falling as immigrants moved to cities
  – U.S./British wage ratio falling as more immigrants left Britain for the U.S.
Additions to the U.S. Labor Force from Migration, 1800-1860