

Chapter 3

“There are thousands out of work”

“A summer as slack as this is more than anyone remembers,” Olav wrote in late August 1904. The turmoil in the labour situation in New York had dashed their hopes of finding employment in the construction trades for the summer. Gustav was working, but Olav was again out of work. Gustav had acquired a wide range of work experience during his sailing years, and he had found a good temporary job. But Olav, with only farm experience, was having difficulty finding employment. They were living in Jersey City, associating with the Norwegian community there.

Gustav and Olav received news of the birth of Gustav’s daughter, Magnhild, in early July, shortly after they arrived in New York. Olav wrote, *“I must first send my congratulations to my sister-in-law. I hope it is a sweet little girl that you got, that may never give you any trouble”*

At the turn of the century, New York was enjoying a boom of construction and growth, a city second in size only to London, England. Waterways divided the city, while bridges and the transit system joined the area together. Brooklyn Bridge opened in 1883, and then in 1903 the Williamsburg Bridge opened, at the time the longest suspension bridge in the world. In 1904, both the Queensborough Bridge and the Manhattan Bridge were under con-

struction. The transportation system in New York was on three levels—street level, elevated railway and now the new subway system, which was about to open in October 1904, the longest, brightest and safest subway system in the world.

Skyscrapers were rising in the skyline. The newest skyscrapers were the thirty-storied Park Row Building and the triangular Flatiron Building. The new Macy's 34th Avenue store had opened, and Pennsylvania Station and the Singer Building were under construction. Immigrants supplied an abundance of labour. About half a million passed through Ellis Island that year and about a quarter of them remained in the city. But in 1904, those responsible for this astonishing growth in the city—the builders, employers and unions that represented the workers—were in a state of turmoil and conflict with each other.

Olav wrote, "*It is true that you at home will get no help from us this summer, but where are you going to turn when you are unlucky?*" Gustav and Olav had not been able to send money to their father, as they had promised.

In the construction industry, the Employers Association locked out the unions of the Building Trades Alliance in August for violating an arbitration agreement. The unions said the agreement was forced upon them. They claimed that in every case that was brought before the General Arbitration Board of the Employers Association, the decision was made in favour of the employers. The unions wanted a closed shop for union members, but the

employers wanted an open shop, so they could hire non-union workers. The defiant unions were going to take 32,000 men on strike, but the employers retaliated with a general lockout that would ultimately affect the employment of 100,000 workers. The unions sued the employers under the Anti-Trust Law, and then deposed their own president in favour of one who was less antagonistic. The Railway Union, representing the elevated rail employees and members moving over to employment in the subway, were on strike. The union wanted \$3.50 per day for a nine-hour day, but the employers held firm at \$3 per day for ten hours. In New York, 3,500 meat cutters and butchers went on strike in sympathy for their union in Chicago, but called it off after four weeks when they could see the strike was lost. There was discontent, strikes and riots across the country. *“If we could get hired on a steamboat we would take it until times got better. In the spring I am thinking about going inland to see if things are better there.”*

In order to understand the circumstances that Gustav and Olav encountered in New York in the summer of 1904 and in their work experience in the next few years, we must look back on the changes in American society following the Civil War.



Industrialization had begun prior to the Civil War, but it was after the Civil War that America made great advances in industry and manufacturing. During the war, the North pushed through legisla-

tion for high tariffs to protect home markets for industry, and gave railroads subsidies and land grants to open up the west. Although most good farming land was gone, the Homestead Act of 1862 provided free land for farmers. This increased both the number of customers for railroads and the marketplace for manufactured goods. Those who had made profits from industry during the war were in a position to take advantage of business opportunities during the period of reconstruction. By the end of the century, the United States had risen from fourth place to the position of world leader in industry.

State and federal governments wished to repair the devastation of the war and ease the country through postwar depression and reconstruction. The great increase in capital, an outpouring from governments during the war, was in the hands of business people eager to invest. In less than ten years, railroad mileage in the country more than doubled, creating a great demand for steel as well as for materials necessary to support the growing towns and cities across the country. The industries that saw the greatest growth during this time were involved in railroad construction, steel production and petroleum manufacture. The assembly line method of production arrived, with a wide range of new technologies and advancements, including electric lights, telephones, phonographs, electric street lamps, electric railways, internal combustion engines, automobiles, refrigeration and much more. The buoyant economy was interrupted three times by periods of financial crisis and depression, but

these interruptions did not halt the United States's march towards world industrial leader.

Businesses were highly competitive and aggressive. They wiped out competition in order to control market prices and wages and, of course, to increase their profits. Railroads charged high rates, discriminatory and predatory, giving kickbacks to preferred customers by secret agreements. There was no income tax and no government regulation. As an added bonus, businesses could translate their economic power into political power. During hard times, predatory companies bought out their rivals, consolidated their interests, and formed trusts and monopolies. Gradually the great wealth of the country fell under the control of fewer and fewer industry leaders. It was during this period that Charles Darwin released his theory on the survival of the fittest and Thomas Paine taught "That government is best which governs least." This thinking exactly suited the aspirations of business leaders.

The great expansion of industry led to changes in American society. Populations began to cluster around industrial centres. As wheat prices dropped from overproduction, farmers moved to the cities, joining the constant influx of immigrants. Cities grew, but vast numbers of the working poor lived in slums and tenements. The rising business and professional class gained a higher standard of living and the wealthy few lived lavishly.

Business made huge profits based on low wages to workers and an abundant supply of labour. Other workers often resented the steady influx of

immigrants and held them responsible for the low wages. Work hours were long, a ten- or twelve-hour day being the norm. Mass production and overproduction brought prices down a little prior to 1900, while wages remained constant. Although wages were low, purchasing power for workers did increase a little during this period.

Changes in working conditions had a great impact on the working class. Former independent craftspeople became wage earners as their skills and products became part of a manufacturing process and assembly line production. Those who once provided services and held positions of respect in the community now became company employees. Workers moved to company towns where they lived in company houses, shopped at company stores, and found all aspects of their lives governed by company policies. Unsafe workplaces were common, with high rates of industrial accidents and deaths, yet there were no social services to provide for those in unfortunate circumstances. Conditions for workers improved little, and workers became increasingly aware of the great chasm between their circumstances and that of the owners and management. This increased awareness resulted in the rise of union activity, precipitating a number of crises between union and management.



Across the United States in the 1880s, there were almost 10,000 strikes and lockouts, even though most workers did not belong to unions. A group of unions combined in 1884 to urge employers to

adopt the eight-hour day as the standard in industry. When the designated two-year period expired on May 1, 1886, few companies had complied, and workers across the country started going on strike. Leading businessmen combined to quell the strikes, calling in Pinkerton guards and police. At Chicago, an unidentified individual threw a bomb into a crowd, killing a policeman. Although there was no evidence of the bomber's identity, the courts held four labour leaders responsible and they were hanged. Businessmen used strike-breakers, and eventually workers returned to work when they could not hold out any longer. The company black-listed strike leaders and the unions were broken. The eight-hour day did not become an industry standard until 1935.

With the downturn in the economy in 1890, prices and markets for steel declined. At his steel refinery at Homestead, Illinois, Andrew Carnegie kept a firm hand on costs and preserved his profits by reducing wages and letting workers go. Workers objected to the cutbacks by voting overwhelmingly to go on strike. The company called in Pinkerton guards and the state sent in the militia, with ensuing violence. The company refused to talk to union leaders, agreeing only to talk to individual workers. After four months, the resources of the workers were gone and they went back to work. The company blacklisted strike leaders and successfully swept out the union.

A severe recession gripped the United States' economy in 1893, and at Pullman, Illinois,

orders for the luxury Pullman Palace Car declined. Pullman ordered layoffs and cut wages of workers by 25 per cent, but not those of management. The company also refused to cut rents in the company town, where rents were already higher than in the surrounding area, and wages were at a subsistence level. Workers formed the American Rail Union, and across the country 2,000 joined the union. When a union committee demanded that Pullman revoke the wage cuts, the company responded by discharging three union committee members. Union members voted to strike and set up picket lines. The union then refused to pull cars belonging to Pullman on any rail line across the country. In response, the management of twenty-four rail companies decided to support Pullman against the union and agreed to send the Pullman cars on mail trains. The union then refused to work on mail trains. The federal government did not want mail service disrupted, so they sent in troops and secured an injunction against a union leader, ordering him not to talk to any union members. The leader later went to jail for defying the injunction. The companies hired strike-breakers and would not rehire workers unless they signed a contract never to join a union while they were a Pullman employee. Union leaders were blacklisted. As intended, the American Rail Union was destroyed.

Demands for reform began to echo through the political system in the 1890s. The Populists demanded reforms such as graduated income tax, government ownership of railroads, loans for farm-

ers and an eight-hour day for labour. In 1896, the Populists joined the Democrats in fear of vote-splitting, and then disappeared from the political scene. One prominent group that agitated for a diverse range of political reform was later labelled “muck-rakers” by Teddy Roosevelt. This was an unorganized group of editorialists, writers and speakers who called for a great range of political reforms, including regulation of trusts, honest municipal government, improvements in health and safety, the rights of women and others. This group consisted of middle-class and professional workers. In the early years of the 20th century, journalists and newspapers editorialized their causes. The movement gained strength and became known as progressivism. However, reforms came about slowly.



For Gustav and Olay, the prospects for the winter of 1904-05 looked grim. They had worked very little over the summer and had accumulated debts. The harsh winter of the northeast was looming, when conditions would likely get worse. Through word of mouth in the Norwegian community, they heard of jobs available in lumbering in the Appalachian Mountains of Kentucky. This was an occupation they were familiar with from their property in Norway. They could obtain room and board from the company, and the company would repay their rail fare if they stayed six months. Best of all, there were prospects of employment throughout the winter months. They could see nothing better on their

horizon, so they were off to Kentucky in late September.



They transferred trains at Cincinnati for another eight-hour train ride south towards the Tennessee border. The train rolled through bluegrass country to a few miles south of Lexington, where it entered the rugged terrain of the Cumberland Plateau. This is a highly irregular area of once majestic mountains, eroded over time to become a highland carved by tortuous river channels that snake through narrow valleys. Trainmen used to call this route the “rat hole” division because the train darted in and out of so many dark tunnels. The whole area is carved by rivers and creeks, some with steep rock embankments, and crossed by numerous bridges. The hillsides and riverbanks of these valleys were covered with great stands of giant hardwoods, under which lay a great wealth of bituminous coal. The Big South Fork River flows north from Tennessee to the southern part of Kentucky, whence it flows north into the Cumberland River, west to the Ohio, and eventually to the Mississippi River. Gustav and Olav’s destination was five miles north of the Tennessee border on a site near the Big South Fork River.



After the Civil War, southern states were eager to improve their economies and looked for ways to convert their natural resources into cash. During a major recession in 1873, the state of Kentucky ordered a geological survey to identify and publicize

the great natural wealth of timber and coal in the Appalachian Mountains, one of the most rugged and isolated regions of the United States. During the same period, the city of Cincinnati decided it had to construct a railroad south to enhance its trade with the southern states. The railroad was completed through to Chattanooga, Tennessee by 1880. In order to make the railroad construction profitable, they engineered it to cross through this rugged area of previously untapped rich natural resources of timber and coal. When the Cincinnati Southern Railroad came through, the settlers of the area had daily communication with the outside world for the first time.

Native Americans had hunted and lived on the Cumberland Plateau for thousands of years, but in the previous hundred years, settlers of largely Anglo-Saxon stock had made their homes there, in isolated areas suitable for agriculture. They settled in the coves and hollows of the fertile valleys, along the rivers and creeks that wound through the rugged mountains. They also settled on the meadows of the plateau above the valleys. The grandeur of nature often surrounded their settlements: steep cliffs or escarpments, waterfalls and arches carved by the power of water through the hard rock.

The settlers were blessed with an abundance of water and virgin stands of timber: giant chestnuts, walnut, pine, oak, poplar, hickory, cedar, cherry and maple. In the forests and meadows they found such things as fruits, berries and nuts, as well as numerous livestock, to support them in their sub-

sistence living. To purchase whatever else they required, they brought to market their livestock: hogs, cattle, sheep, turkeys and other products. They herded their animals over dirt trails, some of which later became wagon roads. It sometimes took them weeks to deliver their stock to the cotton planters in the south.

The most established north-south road in this area of the Appalachians was the Somerset-Jacksboro Road. When the Cincinnati Southern came through in 1880, it roughly followed the route of this old road. Settlers, who had previously relied upon couriers for news from the outside, now had regular mail and newspaper delivery and passenger service on the train. When Justus Stearns built his town at the site of the old town of Hemlock on the Cincinnati Southern route, he built an electric plant and the residents experienced electricity for the first time in 1903.



Justus Stearns was originally from New York, but he married into a wealthy business family from Ludington, Michigan, and made his home there for the rest of his life. After the 1873 "Panic," he had gone broke, but started over again working as a clerk. (At that time economic depressions were known as "Panics.") By the 1880s, he had established his own store in Ludington and in 1885, a lumberyard. During a lumber boom in Kentucky in the late 1890s, Stearns heard reports of vast tracts of virgin timber in the southern Kentucky and Tennessee region. In 1898, he bought out his in-

laws' extensive commercial holdings in Ludington, including a hotel, lumber operations, salt mining operations, electric power plant, railroad and a 50,000-acre property, all of which he incorporated under the Stearns Salt and Lumber Company. He also had extensive holdings in the Midwest, the Pacific Northwest, the Great Lakes, New Orleans and Florida. By this time, Stearns had agents scattered around the country looking for business opportunities, with a special interest in increasing his depleting lumber resources in the Midwest.

In 1900, Stearns sent Al Kinne to Kentucky to secure properties to add to his timber holdings. By all accounts, William Alfred Kinne was an effective and amiable ambassador for Justus Stearns. He travelled extensively through Kentucky and Tennessee, his warm and outgoing nature winning him friendships with the mountain people.

In his travels, Kinne met up with Louis Bryant, a bright young mining engineer who had come into the area a few years earlier to consolidate mineral and land holdings acquired by his father. In 1893, in order to publicize the resources in the Kentucky Mountains, Bryant had taken a one-ton, thirty-six-cubic-foot block of bituminous coal from the Worley mine to the Chicago World's Fair. While Bryant had the expertise and holdings, he did not have the resources for development. The two would become friends, and Bryant later became a valuable associate of the Stearns Company, teaching them a great deal about coal mining. By 1901, Kinne had negotiated a twenty-five-year lease with Bryant

that called for the construction of a railroad and the opening up of mines in the area, and gave Stearns the right to harvest the timber in the area. Kinne had secured 50,000 acres in what became known as "The Big Survey."

In the spring of 1902, Stearns had his representative sign the articles of incorporation for the Stearns Coal Company, the Stearns Lumber Company, and the Kentucky and Tennessee Railroad. Legend has it that the papers were signed under an old gum tree that stood next to the site where the first company store was later constructed. The town site was at the location of the old town of Hemlock, at the crossroads of the Somerset-Jacksboro Road and the east-west road from Williamsburg to Monticello. The Big Survey included lands from three Kentucky counties and one from Tennessee. The Stearns Company had become the sole proprietor of the town of Stearns, governing all aspects of daily life for the residents there. In 1903, Justus Stearns sent his only son, Robert L. Stearns, to reside in the small company town in Kentucky to oversee all the operations in the community that bore his name.

When Gustav and Olav arrived at Stearns in late September 1904, the town was just two years old.