



Business and Labor in Ohio to 1903

Learn about the evolution of Ohio's economy from its earliest stages to its emergence as one of the world's largest industrial centers, as well as its adjustments to the modern economy.

Settlement to the Mid-19th Century

Business activity in early Ohio revolved primarily around agriculture. Wholesale and retail traders made a variety of goods available to Ohioans, including agricultural commodities, salt, tobacco, alcohol, household goods, and other necessities. Industries of the early period, though small and few, were important to the livelihoods of Ohioans: salt works, grain and textile mills, lumber, saw mills, and tanneries are but a few examples of early manufacturing. Shipbuilding was a particular strength in several Ohio cities, including Marietta, Steubenville, and Cincinnati.

The mineral industries were also growing in number throughout the state. Iron forges first appeared in Ohio in the Mahoning River Valley in the early 1800s, and expanded rapidly as the century progressed. Another important area for early iron production was the Hanging Rock region of south-central Ohio, where scores of furnaces were built during the first half of the 19th century. During this period, many other foundries were built in Ohio, and by the 1850s, Ohio led the nation in many areas of iron production. Coal was also an important industry, especially as steam became a widely-used power source. Clay and shale production was one of Ohio's particular industrial strengths, and pottery, stoneware, and other ceramic objects came to be associated with central and eastern Ohio, most notably Zanesville and East Liverpool.

Cincinnati was known nationally for its meat-packing industry, so much so that it acquired a reputation for being a "porkopolis." Packers there developed a conveyor system for processing meat that was later adapted by many other industries. The byproducts of slaughterhouses were also made available to other businesses that produced soap, candles, glue and other products. Proctor and Gamble was one of the early beneficiaries of these byproducts. As the principal center of commercial activity in the first half of the 19th century, Cincinnati also became a national leader in the production of clothing, beer, and furniture.

Mid-19th Century to 1903

While economic growth was steady in the first half of the 19th century, and the value of manufactured goods more than tripled during this time, it was during the latter half of the century that Ohio underwent an industrial expansion of enormous proportions. In addition to harboring the raw mineral materials of industrial production, Ohio also built a transportation infrastructure that was the envy of the nation, first with its roads and canal system and later with its extensive rail and interurban system.

With respect to mineral industries, coal and iron continued to grow, and the steel industry stimulated new economic change. Ohio was third in coal production by 1880. In addition, important new industrial centers were emerging in the Cleveland-Youngstown region for the production of iron and steel. The Cleveland Iron Mining Company, Pick and Mather



Company, Jones and Laughlin, Republic Steel, and Youngstown Sheet and Tube are among the companies that flourished along this iron-steel corridor.

Oil also figures centrally into the economic history of this region of Ohio. Cleveland became a national center for the refining of crude oil, and Standard Oil of Ohio became its leading refinery. In time, the company—headed by Ohio native John D. Rockefeller—attained a monopoly position in Ohio and across the country, and became the target of federal anti-trust prosecution. Although the Standard Oil Trust was legally dissolved in 1892, it survived in a different form up to 1911, when the Supreme Court more decisively broke up the monopoly.

Akron has long been associated with the tire and rubber industry, beginning in 1871 when Benjamin F. Goodrich decided that the city was perfect for his rubber manufacturing plants. Although the B. F. Goodrich Company had a shaky start and almost went bankrupt in 1875, the firm began to thrive by the end of the century. It was about this time, however, that two formidable competitors emerged: the Goodyear Tire and Rubber Company and the Firestone Tire and Rubber Company. In contrast to the B. F. Goodrich Company, these two companies were founded by Ohio natives Frank A. Seiberling (Goodyear) and Harvey Firestone (Firestone). One market for rubber tires that was just emerging at century's end was automobile industry, and while Henry Ford may have gotten most of the press, Alexander Winton deserves as much acclaim for his many innovations in automobile design. Based in Cleveland, the Winton Motor Car Company was one of the first manufacturers of gas-powered automobiles in America.

While Ohio's prominence as an agricultural producer was declining toward the end of the century, its prominence as a producer of agricultural machinery was on the rise. For example, Springfield's Champion Machine Company was manufacturing agricultural implements for use throughout the nation. Heavy machinery was also being manufactured by the Marion Steam Shovel Company, whose shovels were used extensively in the digging of the Panama Canal.

To keep up with the sales generated in this new economy, a device was needed to process transactions. In Dayton, a man named James Ritty invented the cash register, and another Daytonian, James Patterson, created a successful business to produce the new machine. National Cash Register was formed in 1881 and still exists today.

Other prominent businesses grew up in Ohio during the 19th century. After Edward Libbey moved to Toledo in 1888 and founded the Libbey Glass Company, the city soon became famous for its glass and billed itself as the "glass capital of the world." Ferdinand Schumacher invented oatmeal to feed soldiers during the Civil War, and subsequently set up shop to sell the popular cereal to civilians after the war ended. Schumacher's company later became the American Cereal Company, the forerunner of Quaker Oats. Proctor and Gamble was already one of the largest companies in Cincinnati by the mid-19th century and continued growing at a steady rate, in part due to its extensive and successful use of advertising to attract business.



Labor

The industrial revolution in Ohio could not have taken place without the sweat and sacrifice of working men and women. Although in times of economic expansion, jobs were abundant, industrial wages were often quite low. And if the economy took a turn for the worse—as in the aftermath of the 1873 and 1893 panics—widespread unemployment could result. Moreover, this was an era lacking in social safety nets and worker benefits to buffer against the effects of economic vagaries.

Long hours and poor working conditions often characterized the factories of the 19th and early 20th centuries. If men received low wages, women and minorities received even less. Children were also often exploited in many industries. Mechanization reduced the need for skilled labor and made it possible to employ large amounts of cheap labor to perform routine work.

The first stirrings of a significant labor movement began in Cincinnati in the 1840s and 1850s. Although few concrete benefits were secured in those years, the voice of a new labor was beginning to make itself heard. Later in the century, unions began to unite workers across the state. One of the first strong unions was the Brotherhood of Locomotive Engineers, headquartered in Cleveland.

Some of the state's bitterest labor struggles occurred in coal mining industry, where low wages, dangerous working conditions, and company dependencies oppressed thousands of mine workers. To counteract these practices, coal miners in the Tuscarawas, Mahoning, and Hocking valleys joined the American Miners' Association in 1863 and later organized an Ohio Miners' Amalgamated Association. In addition to miners, the workers in many other Ohio industries organized into unions, including workers in the iron and steel industries, rubber, pottery, glass, brewing, and other areas.

The struggles of business and labor did eventually lead to new legislation and improvements in working conditions. While labor laws enacted during the latter half of the 19th century were often narrow in scope and inconsistently enforced, issues regarding child labor and sanitary conditions in factories were already being taken seriously. In addition, many businesses were doing better for their workers, including providing worker welfare programs, safer and more attractive working facilities, and more fringe benefits.

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