Essential Question:
– What factors led to the rise of the American Industrial Revolution from 1870 to 1900?

– L.O. SWBAT Analyze the SWBAT analyze the consequences of the rise of industrialization and big business on the economic, political, and social aspects of the United States.

– DOL Given multiple documents SWBAT analyze whether the consequences of industrialization and the rise of big business was hurtful or beneficial to the political, economic and social aspects of the U.S. with 80% accuracy.
During the Gilded Age, the United States experienced an industrial revolution.
The Civil War stimulated mass-production techniques that were used after the war to make industrial goods.

Stacked cannon balls, possibly a view of an arsenal yard in Washington, D.C. (NARA)
The Civil War stimulated mass-production techniques that were used after the war to make industrial goods. Industrial goods like iron, steel, and railroads were needed to rebuild the nation after the war and build America’s new cities.
America’s industrial revolution began as a wave of inventions.

Cash registers, typewriters, adding machines, made businesses more efficient.

Marconi’s wireless transmitter and Bell’s telephone revolutionized communication.

The Bessemer process created a cheap way to transform iron into stronger, lighter steel.

New inventions allowed for improved industrialization.
Thomas Edison (the “Wizard of Menlo Park”) was the greatest inventor of the 1800s.

In his New York research lab, he invented the 1st phonograph, audio recorder, and battery?

His most influential invention was the 1st electric light bulb.
America’s industrial revolution was fueled by 4 major industries (R.O.S.E.)

**Railroads, Oil, Steel, Electricity**
The railroad was America’s first “big business”...

Railroad construction grew in the years before the Civil War...

...But, tracks were owned by different companies and were not standardized.
During the Gilded Age, railroad construction boomed, led by tycoons like Cornelius Vanderbilt. Large companies bought small railroads, standardized gauges and schedules, and pooled cars.
Railroad expansion led to a boom in the economy. Railroads connected the East, South, and West and allowed for national trade and regional specialization. The 1st transcontinental railroad was finished in 1869. Eastern railroads were connected to the West by 4 great trunk lines. Railroads stimulated demand for coal, oil, iron, and steel.
Essential Question:
—What factors led to the rise of the American Industrial Revolution from 1870 to 1900?
Industrialization led to a demand for iron and steel.
Steel led to skyscrapers, longer bridges, stronger railroads, and heavier machinery.
The iron and steel industries were dominated by Andrew Carnegie.

Carnegie converted his mills to the Bessemer process and made the highest quality steel at the lowest price.

Carnegie Steel Company produced more steel than all the steel factories in Great Britain combined.

Carnegie best represented the American dream by rising from poor to richest man in the world.
Carnegie did not pay his employees very much and did not allow unions in his factories...

...but he was a philanthropist who gave money to New York City libraries, colleges, and performing arts institutions.

Andrew Carnegie (2.11)
Industrialization led to a demand for oil for lubrication and kerosene lighting.

The oil industry during the Gilded Age was dominated by John D. Rockefeller’s Standard Oil Company.

Rockefeller used ruthless tactics to buy out competing companies.

Standard Oil lowered costs and improved the quality of its oil products.

By 1879, Standard Oil sold 90% of the oil in America.
Rockefeller took advantage of his workers and used his fortune to influence the national gov’t...

...but Rockefeller gave away $500 million to charities, created the Rockefeller Foundation, and founded the University of Chicago.
Industrialization led to a demand for financing so banking became a significant part of the Gilded Age. American finance was dominated by JP Morgan. He was so influential that he bailed out the railroad industry when companies were in trouble. He helped ease an economic depression during the Panic of 1907. JP Morgan (3.08)
Industrialists like Vanderbilt, Carnegie, Rockefeller changed the way businesses were organized.

Businesses hired professional managers to oversee employees, improve efficiency, and manage finances.

Corporations became a more common business structure. Corporations used boards of trustees ("trusts") to manage the company... ...and holding companies to manage other subsidiary companies.
Corporations used mergers to increase profits.
Companies like Standard Oil used horizontal integration to buy similar companies to reduce competition.
Companies like Carnegie Steel used vertical integration to buy companies in order to gain materials needed to make or deliver their products.

<table>
<thead>
<tr>
<th>General Stages of steel production</th>
<th>Companies</th>
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<tr>
<td>Mining</td>
<td>Company A, Carnegie Steel, Company B, Company C</td>
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<tr>
<td>Transportation</td>
<td>Company D, Carnegie Steel, Company E, Company F</td>
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<tr>
<td>Smelting</td>
<td>Company G, Carnegie Steel, Company H, Company I</td>
</tr>
<tr>
<td>Refining &amp; Rolling</td>
<td>Company J, Carnegie Steel, Company K, Company L</td>
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Corporate mergers led to giant companies called monopolies that controlled the majority of an industry...

Because most monopolies were run by boards of trustees, monopolies became known as “trusts”
Monopolists justified their wealth in a variety of ways

The “Gospel of Wealth” argued that it is God's will for some men to gain great wealth so they could serve the public

Social Darwinism taught that natural competition weeds out the weak and allows the strong to survive

The government used laissez faire policies toward big business...

...the lack of regulation allowed businesses to become very powerful and exploitive

Andrew Carnegie  J Pierpont Morgan
Conclusions

- America was changed by the Industrial Revolution:
  - The United States led the world in industry, innovation, and wealth
  - Laissez-faire gov’t policies and new business tactics led to monopolies
  - But the gap between the wealthy monopolists and their poor immigrant workers grew wider
Were the industrial capitalists of the Gilded Age “robber barons” or “captains of industry”? Weigh their positive and negative effects.