

Chapter 6: Expansion of American Industry

In the years after the Civil War new technology revolutionized American Life. The inventions and technologies created huge business opportunities for American industrialist.

- I. A Technological Revolution
 - A. New Forms of Energy
 - 1. Thomas Edison and George Westinghouse both worked wonders with electricity
 - B. Advances in Communication
 - 1. The telegraph and the telephone both revolutionized communication in the 1800's
 - 2. Alexander Graham Bell set up a company to build long distance telephone lines.
 - C. Railroads Create a National Network
 - 1. The government contributed to the building of a transcontinental railroad by awarding loans and land grants to private companies to build the railroad.
 - 2. Railroads played a key role in revolutionizing industry in the United States.
 - 3. The ability to communicate with a moving train helped avoid collisions.
 - D. The Bessemer Process
 - 1. Steel is lighter and stronger than iron. The Bessemer process made making steel easier, and less expensive so it could be mass produced.
 - 2. Without this development there would not have been projects like the Brooklyn Bridge.

Big business created wealth for its owners and for the nation. But it also prompted controversy and concern over its methods

- II. The Growth of Big Business
 - A. The expansion of American industry was sparked by technological advances and financial investments.
 - B. Robber Barons or Captains of Industry?
 - 1. Robber Barons imply that business leaders built their fortunes by stealing from the public.
 - 2. Captains of Industry suggest that business leaders served their country in a positive way by creating jobs and wealth for many people.
 - 3. The truth is somewhere in between these two titles. Because some big business leaders did the right thing, and some did the wrong thing, and some did a little of both.
 - C. Social Darwinism
 - 1. According to Darwin all animal life had evolved by a process of "Natural Selection"
 - 2. Social Darwinism takes this concept and applies it to human society.
 - a. Which means that the government should not interfere with business dealings
 - b. This means no government intervention to protect workers.
 - c. They believed that competition should decide who succeeds in business and becomes rich.
 - D. Gaining a Competitive Edge
 - 1. Andrew Carnegie gains control of the steel industry by practicing Vertical consolidation. He was able to control the cost of every element of the process.
 - 2. John D. Rockefeller gains control of the oil industry by forming Trust. These Trust helped them sidestep the laws against forming monopolies.
 - 3. Because of these types of practices most Americans did not trust wealthy industrialist.
 - 4. Congress passes the Sherman Antitrust Act to prevent industries from cutting off competition.

The abundant natural resources, inventive minds, and risk-taking entrepreneurs of the United States all contributed to the nation's industrial expansion. Industry relied on laborers, who worked in low-paying, unskilled jobs and often in unsafe factories.

III. Industrialization and Workers

- A. 14 million people immigrated to the US between 1860 and 1900
- B. As a result of Industrialization immigrants and former farmers had new economic prospects
- C. Most laborers worked 12 hours a day, six days per week
- D. Business hired children as a cheap source of labor
- E. Children often left school, ending their educational opportunities, at the age of 12, to commit fulltime to the work force

In the late 1800's, workers organized labor unions to improve their wages and working conditions. Unions allowed them to have a voice directly to their employers.

IV. The Great Strikes

- A. The Rise of Labor Unions
 - 1. The American Federation of Labor only allows skilled workers into their union.
 - 2. Some employers forced workers to sign "Yellow Dog" contracts, promising they would not join a labor union.
- B. Strikes Rock the Nation
 - 1. From 1881 to 1900 the US faced one industrial crisis after another. There were 24000 strikes in the nation's factories, mines, mills, and railroads.
 - 2. The Pullman strike cripples the nation's railroad system.
 - a. The government responds by sending in military troops to help destroy the union.
 - b. As a result of the Pullman strike the government spent the next 30 years denying the recognition of legal unions.