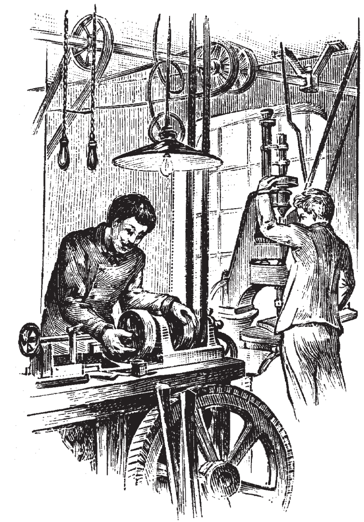
Unit 3 1865 – 1900	# Growing Industry and Big Business



In the decades after the Civil War, business and industry in America grew rapidly. The 35 years from 1865 to 1900 saw the rise of a modern steel industry, the development of the oil business, the first electric light bulb, and the first telephone. New railroad lines spread across the nation. It was a time of great hopes and opportunities.

The growth of big business changed America in ways that are still visible today. Businessmen like John D. Rockefeller and Andrew Carnegie showed how large scale production can make products better and more affordable for everyone.

This unit tells the story of the great progress America made as it transformed from a mostly agricultural (farming) nation to an industrial nation.

Internet resources:

www.fasttrackteaching.com/ffap

Words and people to know:

agriculture / agricultural	iron ore	Andrew Carnegie
industrialization	national markets	John D. Rockefeller
textile / textiles	advertising	J.P. Morgan
assembly line	mail order catalogs	competition
immigration	Alexander Graham Bell	monopolies / trusts
financial resources	Thomas Edison	mechanization
natural resources	Captains of Industry	reaper
raw materials	Cornelius Vanderbilt	consumer goods

Contents & References

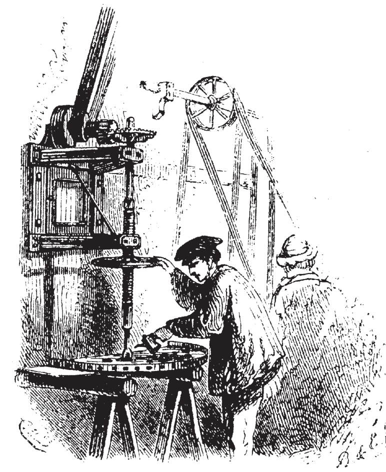
Internet Support Site: www.fasttrackteaching.com/ffap

Notes:

Outline – Growing Industry and Big Business

1. Industrialization (the growth of industry) had a great impact on the U.S.

A. Between the end of the Civil War (1865) and the start of World War I (1914), America changed from a mostly agricultural (farming) nation to an industrial nation.



2. Reasons why industries grew rapidly.

A. Access to raw materials and energy.
B. A large work force, especially from immigration.
C. Inventions of many kinds, including:
 * railroads
 * telephone – Alexander Graham Bell
 * electric light bulb – Thomas Edison
D. Financial resources (money, bank loans) were available.

3. Reasons for the rise of big business.

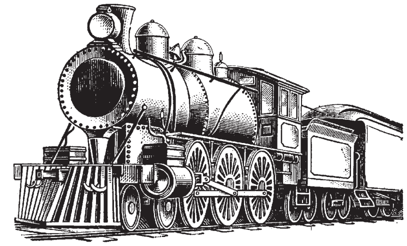
A. National markets were created by improved transportation.
B. Advertising and mail order catalogs developed.
C. Lower cost of production with machines and assembly lines.
D. A lack of competition in some industries.
 * monopolies (also called trusts) - businesses that gained control of all or almost all of the market for a product.

4. "Captains of Industry" led the growth of some big businesses.

A. Cornelius Vanderbilt – shipping and railroads
B. Andrew Carnegie – steel
C. John D. Rockefeller – oil
D. J.P. Morgan – banking

5. Improvements in transportation linked resources, factories, and markets.

A. Factories often located near rivers and railroads for better access to transportation.
B. Steamships and railroads moved natural resources to eastern factories.
 Example: iron ore was carried to steel mills.
C. Steamships and railroads moved finished products from factories to markets (stores) all over the country.
D. Railroads became most important, because they could move large quantities of products anywhere tracks could be built.



6. Some industries were concentrated in specific cities or regions.

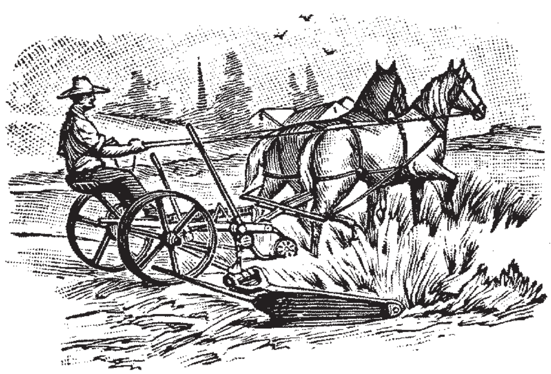
A. Textiles (cloth making) – the New England states.
B. Meat packing – Chicago, Illinois.
C. Steel industry – Pittsburgh, Pennsylvania.
D. Automobiles – Detroit, Michigan.

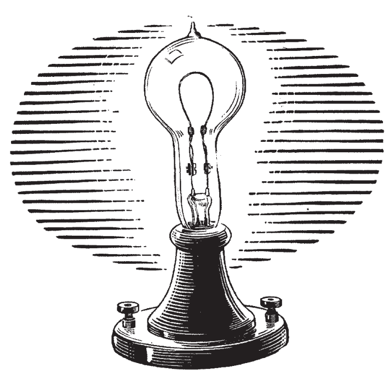
7. Changes in farm and city life.

A. **On farms:** Mechanization increased crop production and reduced farm labor needs.
  * Example: the reaper, a machine for harvesting wheat, made it possible to grow more wheat with fewer workers.

B. **In Cities:** Industrial development (the growth of many new factories) created an overall increase in labor needs.
  * Example: steel mills in Pittsburgh needed thousands of new workers.

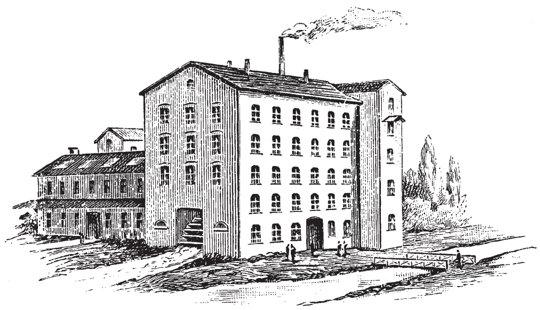
C. **In all areas:** Industrialization gave more Americans a better life.
  * Products (consumer goods) were better quality and more widely available.
  * Prices became more affordable.
  * Consumer goods became more accessible with the growth of department stores in cities and mail order catalogs.



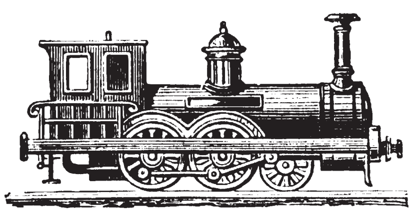


Timeline: America Becomes an Industrial Nation

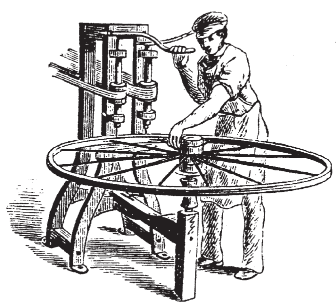
1800	
1810	
1820	
1830	
1840	
1850	
1860	
1870	
1880	
1890	
1900	



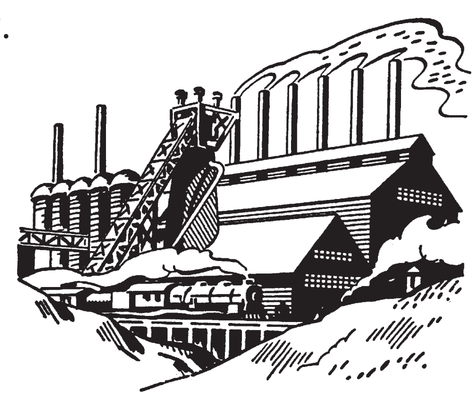
Factories using machines to make textiles (cloth), shoes, and other products spread in the Northeast.



Railroads spread throughout the Northeast, the Midwest, and much of the South.

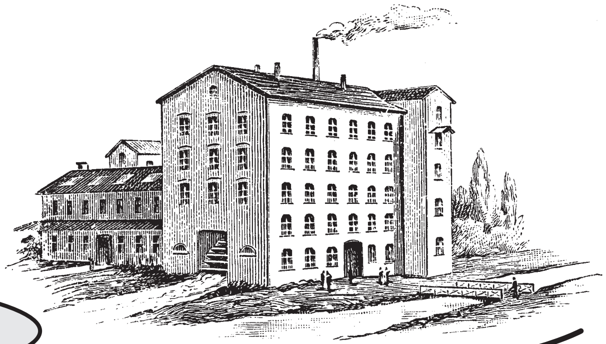


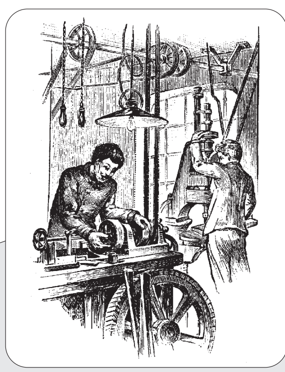
New inventions and better machines led to the rapid growth of industry and large factories. Most were in the Northeast and the Midwest.

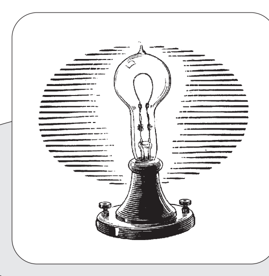


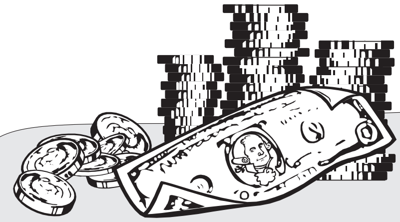
Why Did Industry Grow So Rapidly?

What were the main factors that led to the rapid growth of industry in the decades after the Civil War?



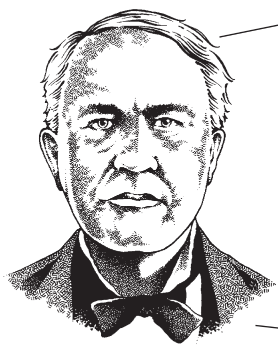




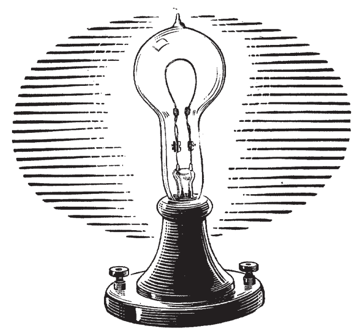


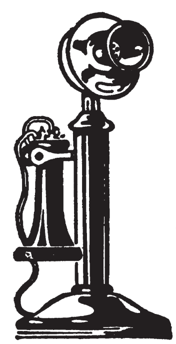
Inventions Helped the Growth of Industry

Inventors and inventions played a key role in the growth of new industries in the U.S.! Here are just a few of the most famous examples:



Thomas Edison

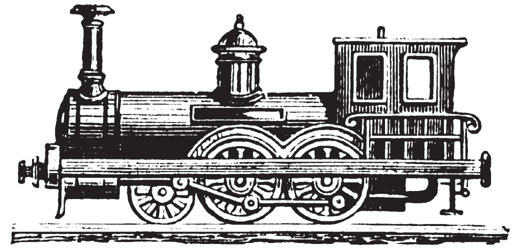


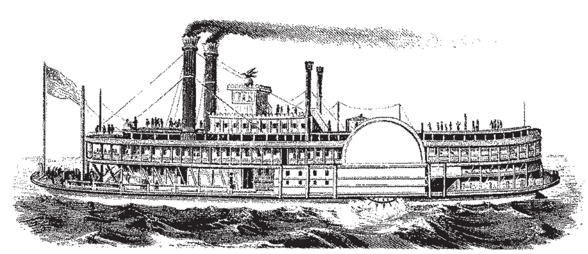


Alexander Graham Bell

Railroads and ships using steam engines for power were developed in the early 1800s.

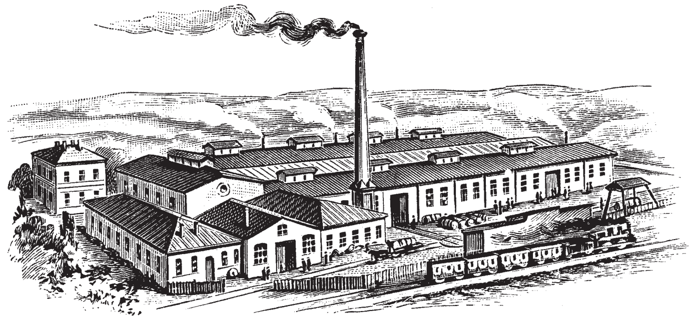
These inventions solved the problem of moving resources, products, and people long distances at a low cost. They were in wide use in the U.S. by 1850. The first railroad line to reach the West coast opened in 1869.

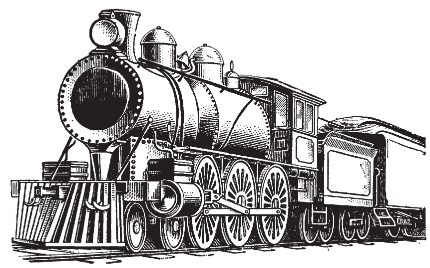


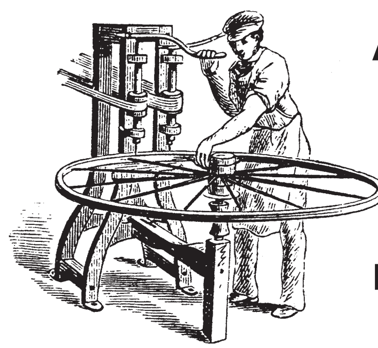


The Rise of Big Business

What were the reasons for the rise and growing prosperity of <u>big business</u> in the U.S. in the decades after the Civil War?



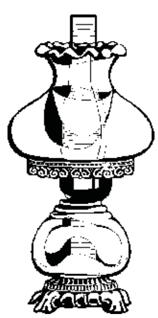




Assembly Lines

Machines

Standard Oil Company

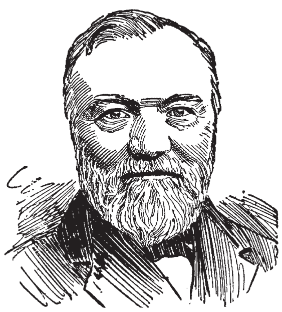


Four Captains of Industry

Name: ______________________________

Business: ______________________________

Company: ______________________________



Name: ______________________________

Business: ______________________________

Company: ______________________________

Name: ______________________________

Business: ______________________________

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Name: ______________________________

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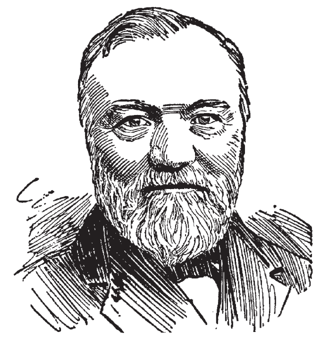
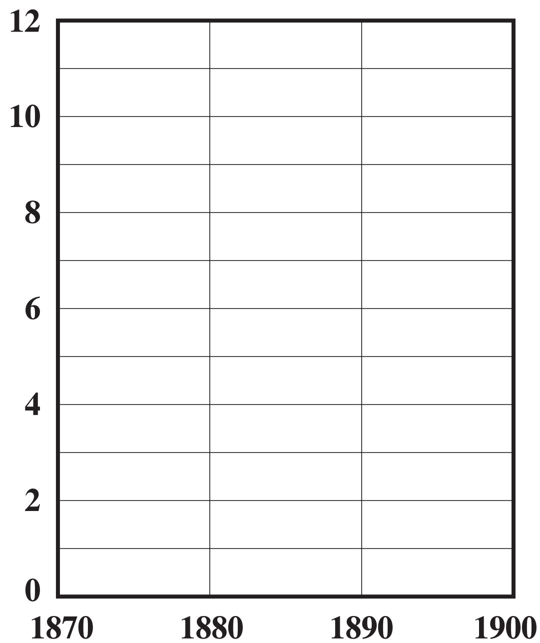
Steel Production – 1870 to 1900

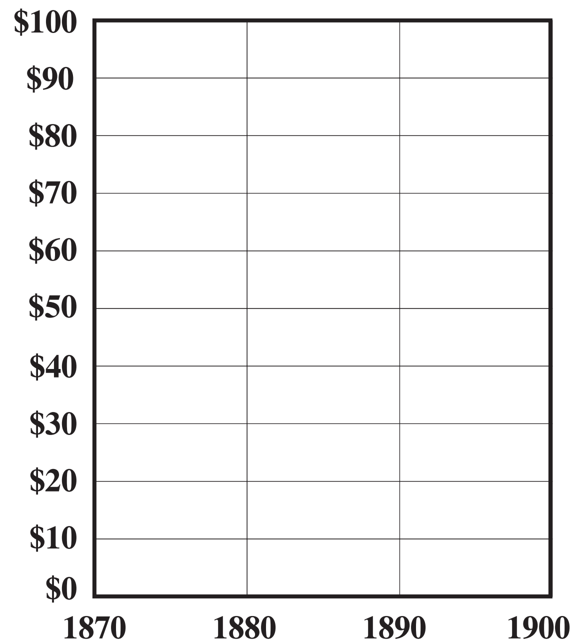
Complete the line graphs below to see important trends in the production of steel during the decades after the Civil War. Andrew Carnegie was the "Captain of Industry" who led the development of new ways to mass produce steel.



Andrew Carnegie



Production of Steel
(Millions of Tons)
1870 to 1900



Price of Steel Rails
(Dollars per Ton)
1870 to 1900

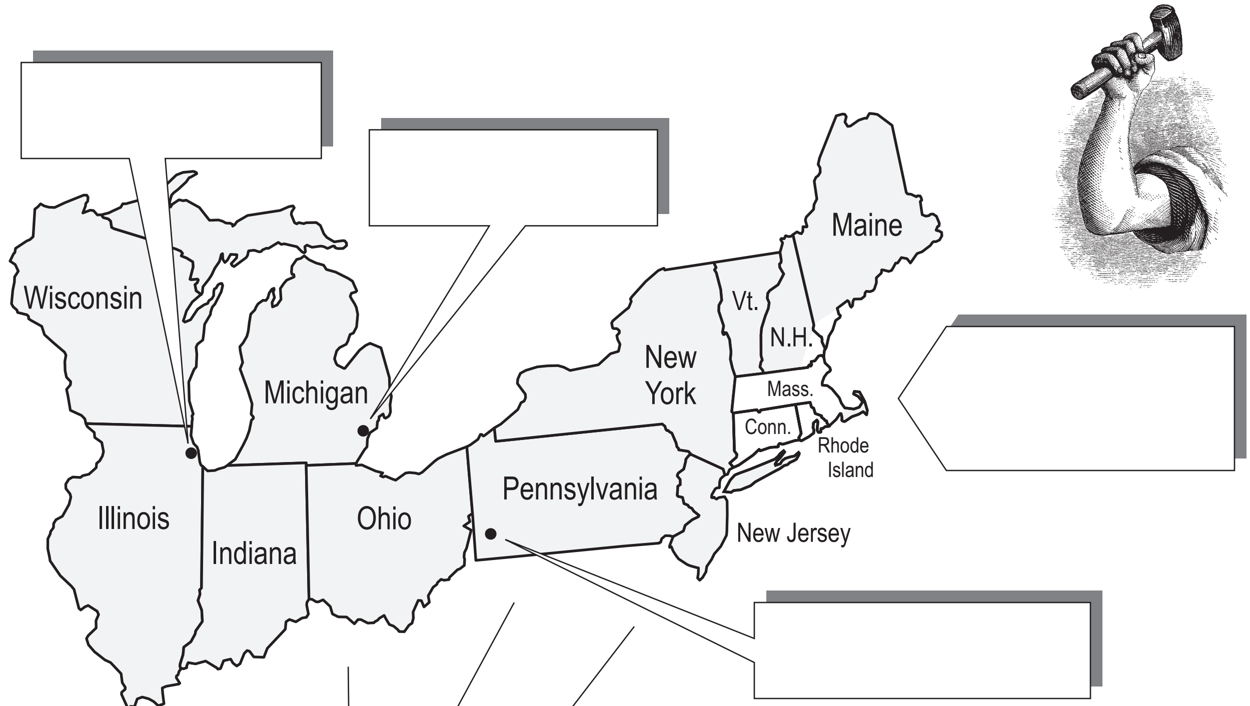
Use the table below to make the line graphs above.

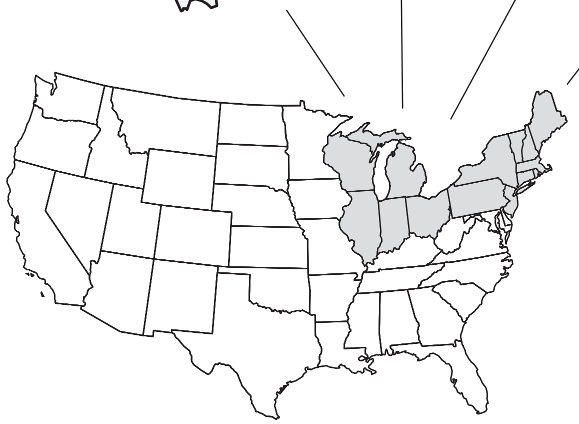
Year	Steel Production (Millions of Tons)	Steel Rail Prices (Dollars per Ton)
1870	.1	$ 95
1880	1.4	$ 61
1890	4.8	$ 28
1900	11.2	$ 28

source: *Historical Statistics of the United States*

1 ton = 2,000 pounds

Four Famous Centers of Industry





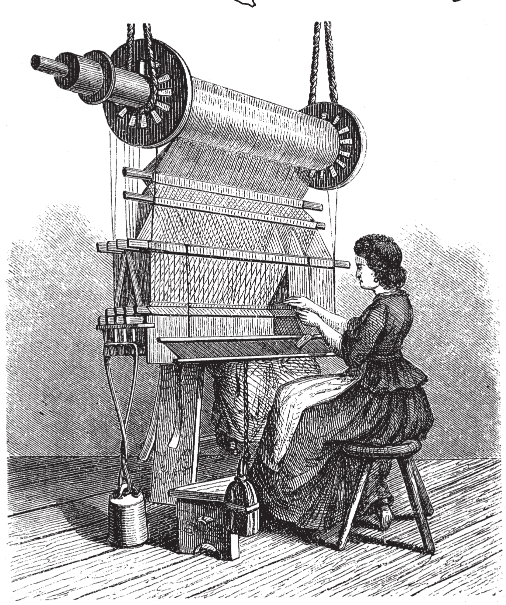
The locations shown on the map are famous as the places where these specialized industries grew very large and productive:

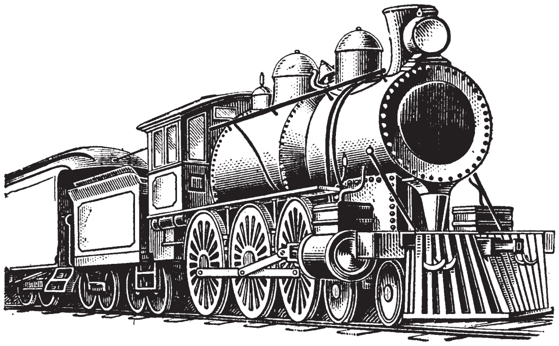
Chicago:

Detroit:

New England:

Pittsburgh:





Improved transportation was a key factor in the growth of industry and big business.

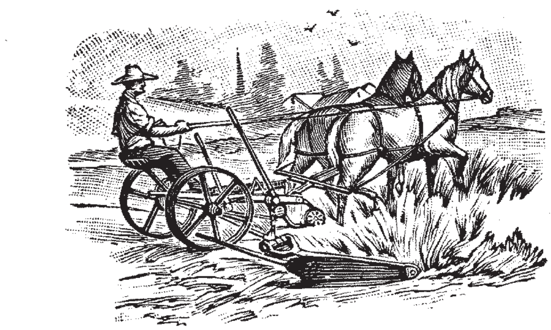
Transportation

* **Key point:**
Improved transportation linked natural resources, factories, and markets for products.

Changes in Farm and City Life

Highlight these words below: mechanization, industrialization, consumer goods, mail order catalog

On farms

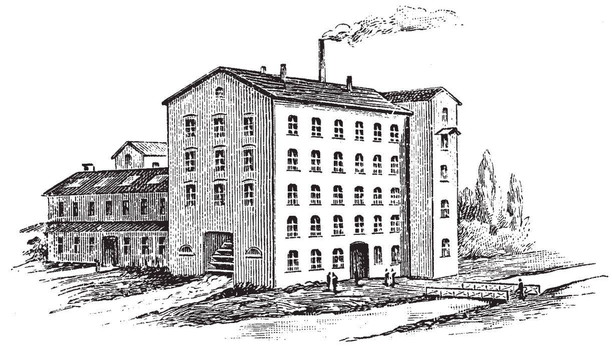


New machines like the mechanical reaper for wheat helped American farmers produce more food with less labor (fewer workers).

The rapid spread of machines used to do work on farms is called the mechanization of farms.

Key point: As a result of the use of more machines on farms, the need for labor (workers) on farms decreased.

In cities



The growth of industry in America was mostly concentrated in cities. Growing industries created many new jobs in factories. As more and more people came to take jobs in the new factories, cities themselves grew much larger.

Key point: As a result of the development of industry in cities, the overall need for labor (workers) in cities increased.

In cities and on farms

Industrialization - the rapid spread of factories - gave all Americans better access to consumer goods such as cloth, shoes, furniture, and hundreds of other items. Department stores began appearing in most big cities at this time.

A new idea - the mail order catalog - made it easy even for people living in farming areas to buy things. Customers sent away an order form, and the products were delivered by mail.

advertising - any form of communication intended to persuade someone to buy a product or service.

agriculture / agricultural - farming / having to do with farms.

assembly line - manufacturing products by dividing the job into many small steps, each done by one person in a line with many other workers.

Bell, Alexander Graham - inventor of the telephone. He was an immigrant from Scotland who became a teacher of the deaf in Boston, Massachusetts, before developing the first telephone in 1876.

Captains of Industry - a term for business leaders who built up large scale industries in the U.S. during the late 1800s and early 1900s.

Carnegie, Andrew - an immigrant from Scotland who created the nation's largest steel making business in the late 1870s. He later donated hundreds of millions of dollars to education, the arts, scientific research, and to help build libraries in many American cities.

competition - the practice in business in which different companies work to create better products at lower prices in order to attract more buyers.

consumer goods - any products made for people (consumers) to buy, such as clothes, furniture, cooking stoves, etc.

Edison, Thomas - inventor of the light bulb (1879), the phonograph, and many other mechanical and electrical devices. He is famous for making a business of inventing things in an organized way.

financial resources - money, especially in the form of bank loans, savings, or investments.

immigration - the movement of people from other countries into your country with the intention of staying. The people coming in are called immigrants.

industrialization - the change from small scale hand production of goods to large scale factory methods of manufacturing.

iron ore - a rocky material containing iron that is dug from mines. It is then heated to a high temperature (usually by burning coal) to release the metal. The iron can be further processed to create steel.

mail order catalogs - printed booklets listing products that a customer could buy from a company in a distant city for delivery by mail.

mechanization - the shift to a greater use of machines, instead of just human labor, to produce products or grow crops.

monopolies / trusts - companies that have gained control of all or almost all of the supply of a product. That means the company can set the price of the product, since there is little or no competition from other businesses. Monopolies were also called "trusts" in the late 1800s and early 1900s.

Morgan, J.P. - a famous "Captain of Industry" who became one of America's most important leaders in banking and business investment.

national markets - a market is a place where a product is sold. "National markets" refers to the selling of a product in markets all over the country, not just in one city or area.

natural resources - naturally occurring materials like coal, iron ore, and copper that can be used in the making of products.

raw materials - the basic materials that are used in the manufacturing of products. Usually, raw materials are natural resources.

reaper - a machine for harvesting wheat, invented by Cyrus McCormick in Virginia in the 1830s.

Rockefeller, John D. - the Ohio businessman who started the Standard Oil Company, and gained control over most of the oil business in the U.S. Later in life, he donated hundreds of millions of dollars to medical research, the arts, and education.

textile / textiles - cloth. The textile industry was among the first to convert to factory and machine production methods. In America, the textile industry first developed in the New England states.

Vanderbilt, Cornelius - a famous New York businessman who made a fortune in shipping, and later, railroads in the mid-1800s. He is often cited as an example of wealthy businessmen of that time who combined great business talent with bold but sometimes shady financial deals. Later in life he donated millions of dollars to education and other good causes.