Chapter 4 – Triumph of Industry

Section 1 (Focus Question p100) How did industrialization and new technology affect the economy and society?

* Factors that helped industrial growth in later 1800s
  (1) Natural resources
    - Coal
    - Thick forests
    - Navigable rivers
    - Oil – Drake drilled first oil well in PA
  (2) Increased immigration (Europeans and Asians)
  (3) Capitalism – buying and selling of goods and services encouraged entrepreneurs
    - Horatio Alger wrote “rags to riches” stories that encouraged people in the possibilities of wealth
  (4) Government policies that encouraged free enterprise
    - Gave railroads land (Transcontinental RR completed in 1869)
    - Protective tariffs (encouraged people to buy American products)
    - Laissez-faire – government “hands-off” policy of business

* New technologies changes America
  (1) Electricity – Edison – light bulb; Westinghouse – transformers to boost power
  (2) Communication – Morse perfected the telegraph; Bell patented the telephone
  (3) Steel making – Bessemer - led to the “age of steel”
    - Bessemer process
    - Skyscrapers
    - Suspension bridges – Brooklyn Bridge 1883 in NYC

* Transportation
  (1) Railroads – completed Transcontinental in 1869 in UT
    - Westinghouse invented airbrakes for trains
    - Swift developed the refrigerated cars to transport food
    - Time Zones created in 1883 to help set schedules
  (2) Electric streetcars, commuter trains, and subways appeared in major cities

* Industry
  - Improved transportation helped factories change to mass production

* Impact of industrialization:
  - US grew as a world economic power
  - Increased population of cities
  - Farms mechanized needing fewer laborers
  - Concerns developed about how industry was polluting the environment

Focus:
  - Introduction of new industries because of electricity and mass production
  - Improved communication and transportation
  - Shift in population from rural to urban
  - Pollution of the environment
Section 2 (Focus p107) How did big business shape the American economy in the late 1800s and early 1900s?

* Industrial capitalism – economic free-market system centered around industries

(Vocabulary answers the key concepts of section)

* Industrialists:
  (1) “Robber Barons” – drained natural resources; swindled the poor; put small businesses out of competition; consumers paid high prices
  (2) “Captains of Industry” – provided jobs; developed efficient business practices; shaped US into international leader; philanthropists who established universities, museums, and libraries to benefit all

* Social Darwinism:
  - Survival of the fittest applied to American capitalism (Graham Sumner) that supported laissez-faire or “hand-off” policy
  - Wrong to use public funds to assist the poor
  - Others used it to fuel discrimination

* Government interventions:
  - ICC developed as the first agency to monitor business
  - Sherman Antitrust Act 1890 seldom enforced for several decades

Focus: Big business manipulated markets for profits; formed corporations, monopolies, and cartels; used vertical and horizontal integration to establish businesses; and supported government laissez-faire
Section 3 (Focus p114) How did the rise of labor unions shape relations among workers, big business, and government?

* Harsh conditions for workers
  - Low wages/long hours (12 hours a day/ 6 days a week)
  - Sweatshops – still no shortage of workers (many were immigrants)
  - Children worked to help family survive
  - Lived in company towns
  - Government did not provide assistance (Social Darwinism)

* Labor Union Movement
  - Socialism spread in Europe
  - Karl Marx – *Communist Manifesto* – denounced capitalism
  - Wealth should be equally distributed

Labor Unions:
  - National Trades Union was first labor organization
  - Knights of Labor was the first industrial union open to all workers
  - American Federation of Labor (AFL) – founded by Samuel Gompers for skilled workers - focused on issues of workers and was known as bread and butter unionism ( 8 hr. day, higher wages, improved working conditions)
  - "closed shop" - a workplace that only hired union members
  - "yellow-dog" contract - workers forced to sign promising never to join a union or participate in a strike

* Major Strikes
  - **Railroad Strike of 1877** – first nationwide strike; violence erupted and Pres. Hayes sent in federal troops
  - **Haymarket Riot, 1886** – resulted because of use of scabs and anarchists joined strikers in Chicago
  - **Homestead Strike, 1892** – used Pinkertons, a private police force known for their ability to break strikes
  - **Pullman Strike, 1894** – near Chicago, Eugene V. Debs called for a boycott of Pullman cars throughout nation’s railroads

* Effects of Labor Movement
  - Court orders against unions
  - Split into different factions: American Socialist Party – **Debs**; and the IWW

Focus: Labor unions gave exploited workers a means of negotiating with big business to protect worker’s health, safety, and livelihood. Because the government was slow to provide safeguards for worker safety, labor unions used confrontation to draw attention to the condition of industrial laborers.