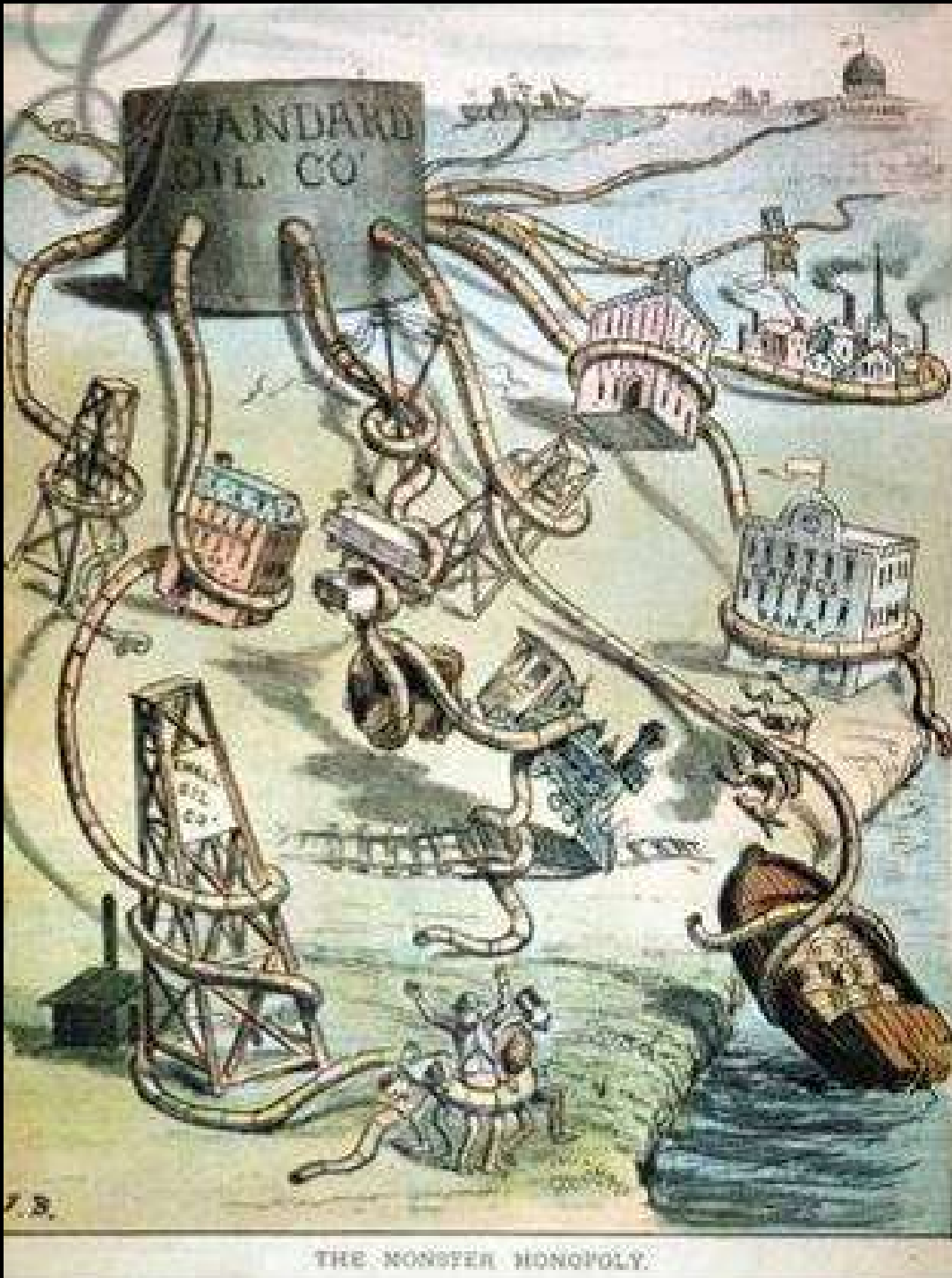


■ Essential Question:

- What factors led to the rise of the American Industrial Revolution from 1870 to 1900?

Warm-Up Question:

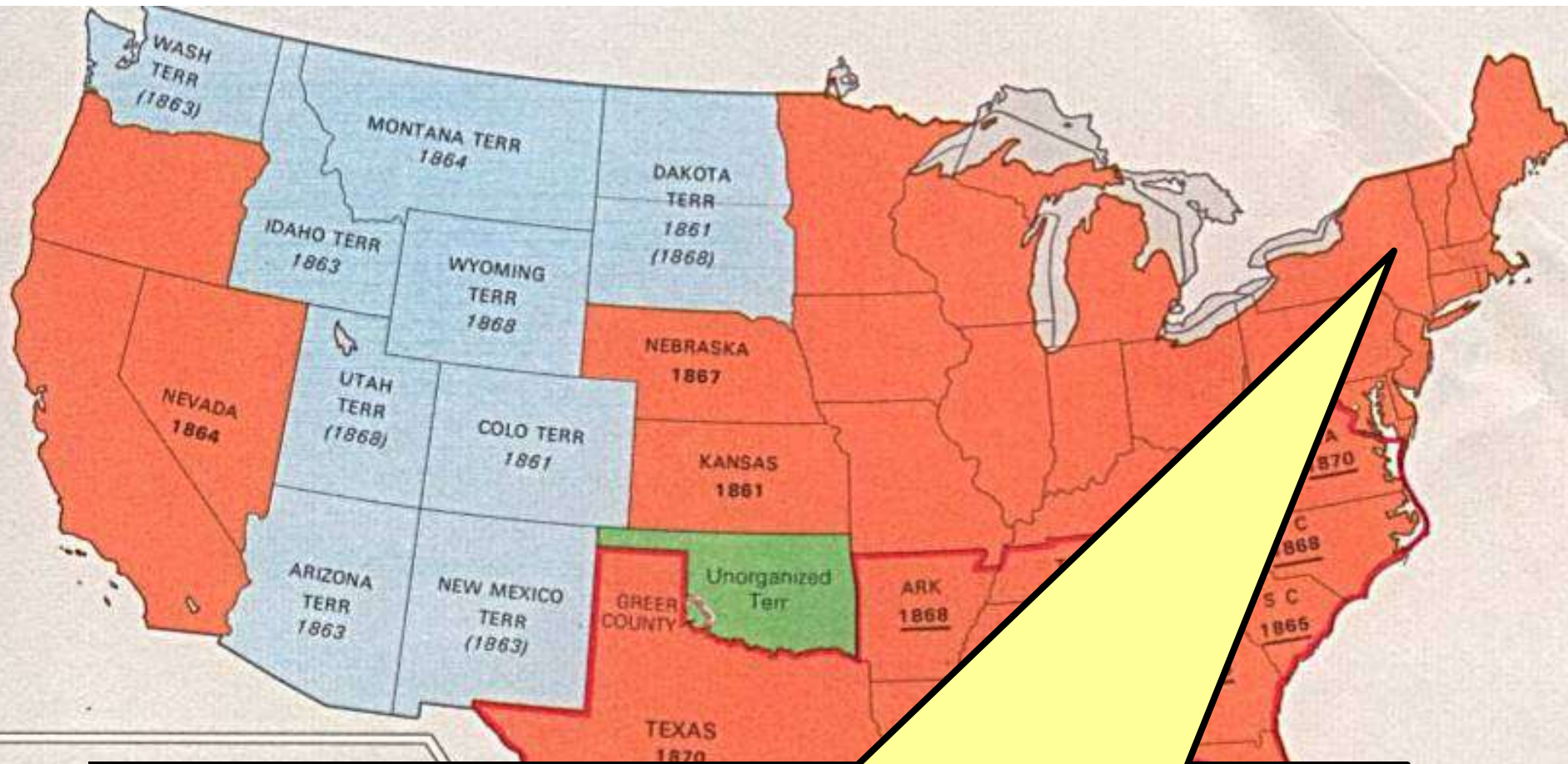
- Examine the image on the next slide & answer the question:
What important changes took place during the Gilded Age?



What important changes took place during the Gilded Age?

Were these changes good or bad for America? Explain

USA in the Gilded Age: 1870-1900



The North:

Experienced an industrial revolution,
mass immigration, & urbanization

dates underlined refer to readmission to the Union

Gilded Age Industrialization

- During the Gilded Age (1870-1900), the United States experienced an Industrial Revolution:

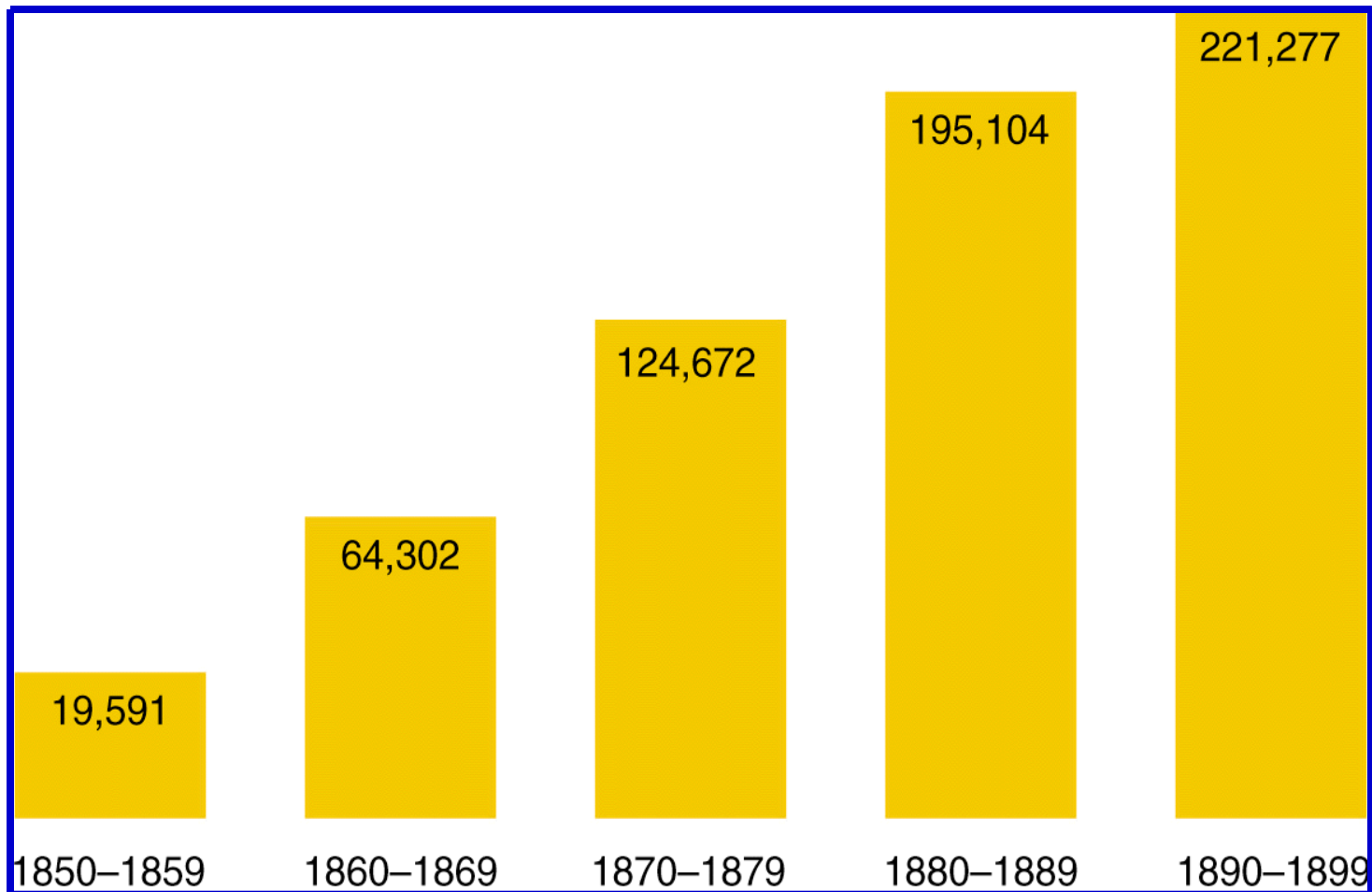
New technology, transportation, efficient mass-production spread ideas & industrial products

- By 1900, the U.S. was the most industrialized country in the world

An Age of Invention

- The Gilded Age was an Age of Invention

U.S. Patents Issued (1850-1899)



An Age of Invention

■ The Gilded Age was an Age of Invention

- Cas

What is it?

es,



An Age of I

■ The Gilded Age was

—Tho What

This Room Is Equipped With
Edison Electric Light

Do not attempt to light with
match. Simply turn key
on wall by the door.

The use of Electricity for lighting is in no way harmful
to health, nor does it affect the soundness of sleep.



0037849 ELECTRIC STREETLIGHT, 1881.

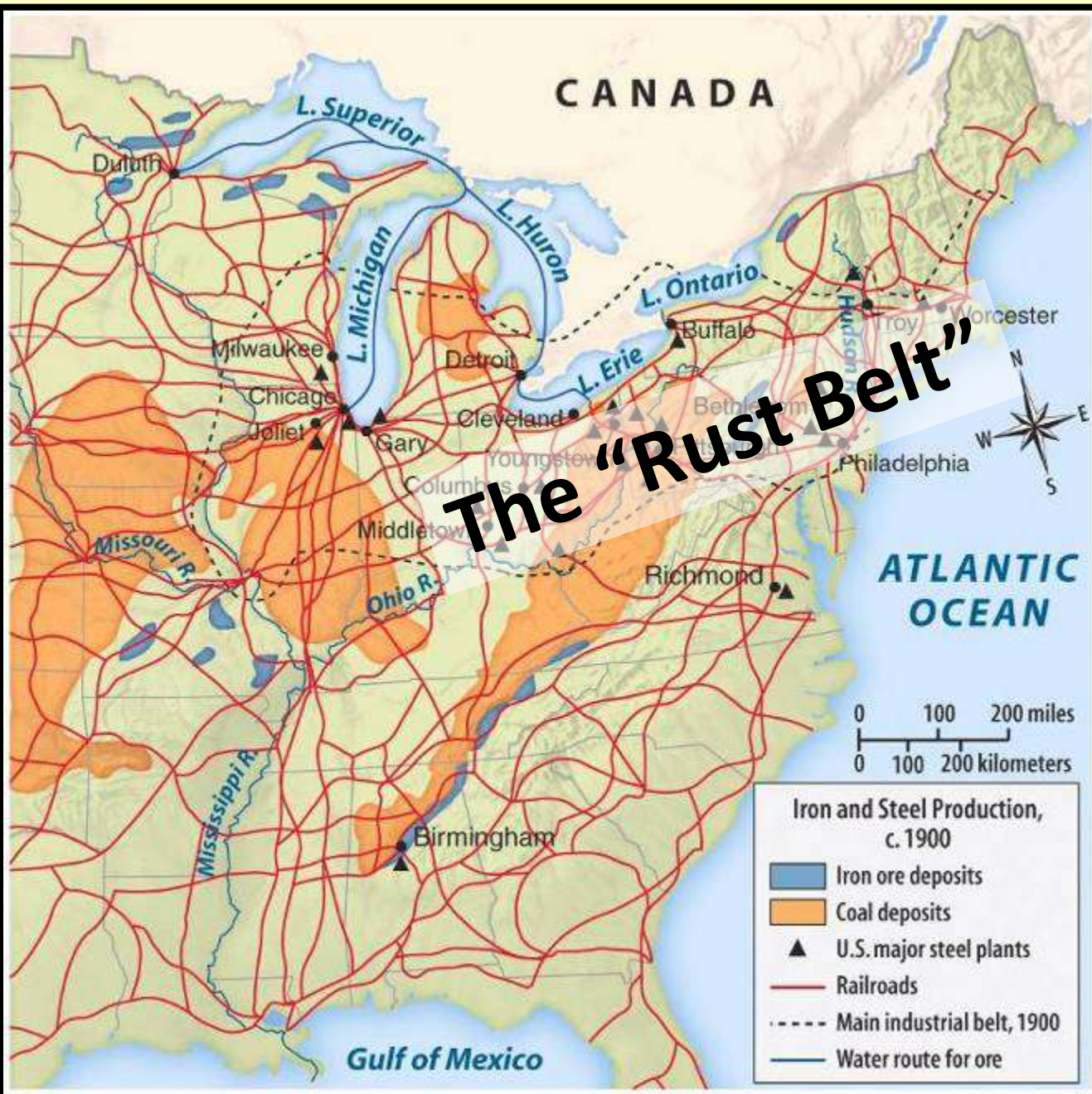
The Business of Invention

- New innovations allowed for increased industrial production
 - New machines were incorporated into the 1st assembly lines allowed for faster mass production
 - Railroads linked all regions
 - America's wealth of iron, oil, coal, immigrant labor, & investment capital (money) supplied factories



The Industrial Revolution was fueled by 4 industries (R.O.S.E.)
Railroads, Oil, Steel, Electricity

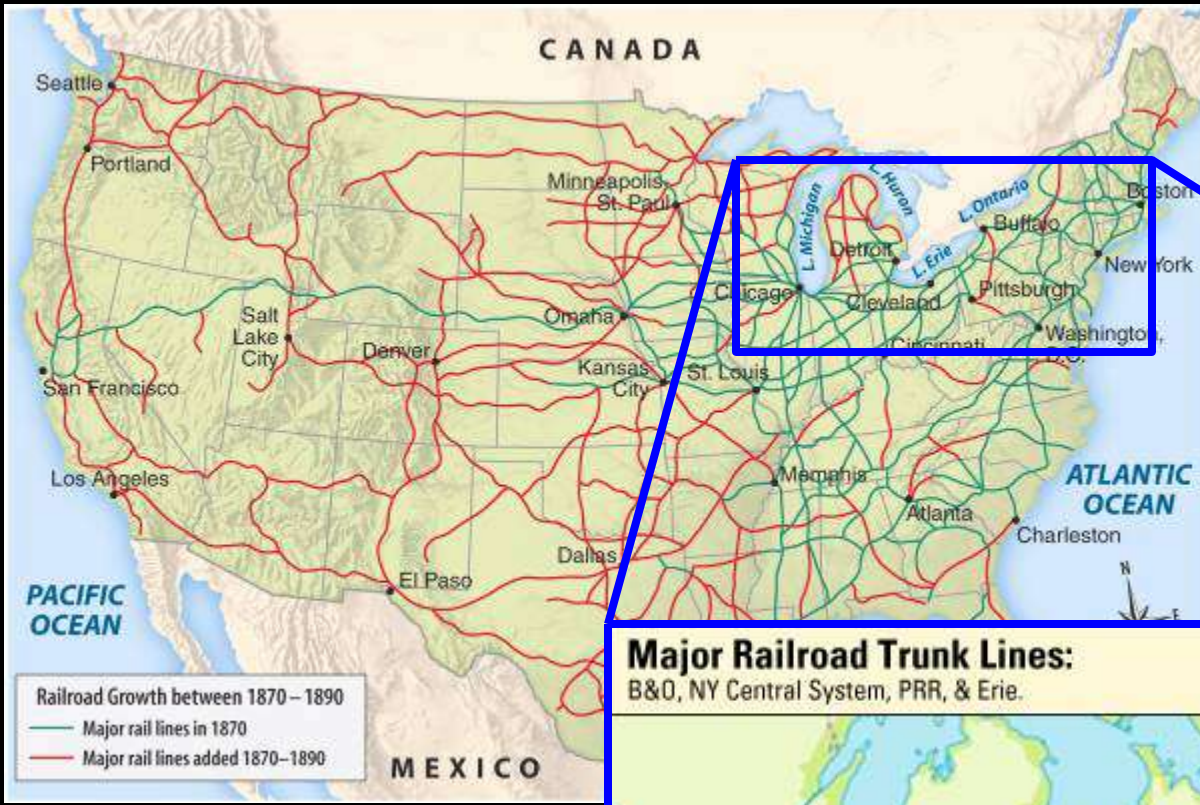
5% or more of manufacturing



Industrial Resources:
Iron, Coal,
Railroads, &
Steel Plants

Railroads Video (2.44)





Industry
business” was
ed the coal,
eel industries

railroad

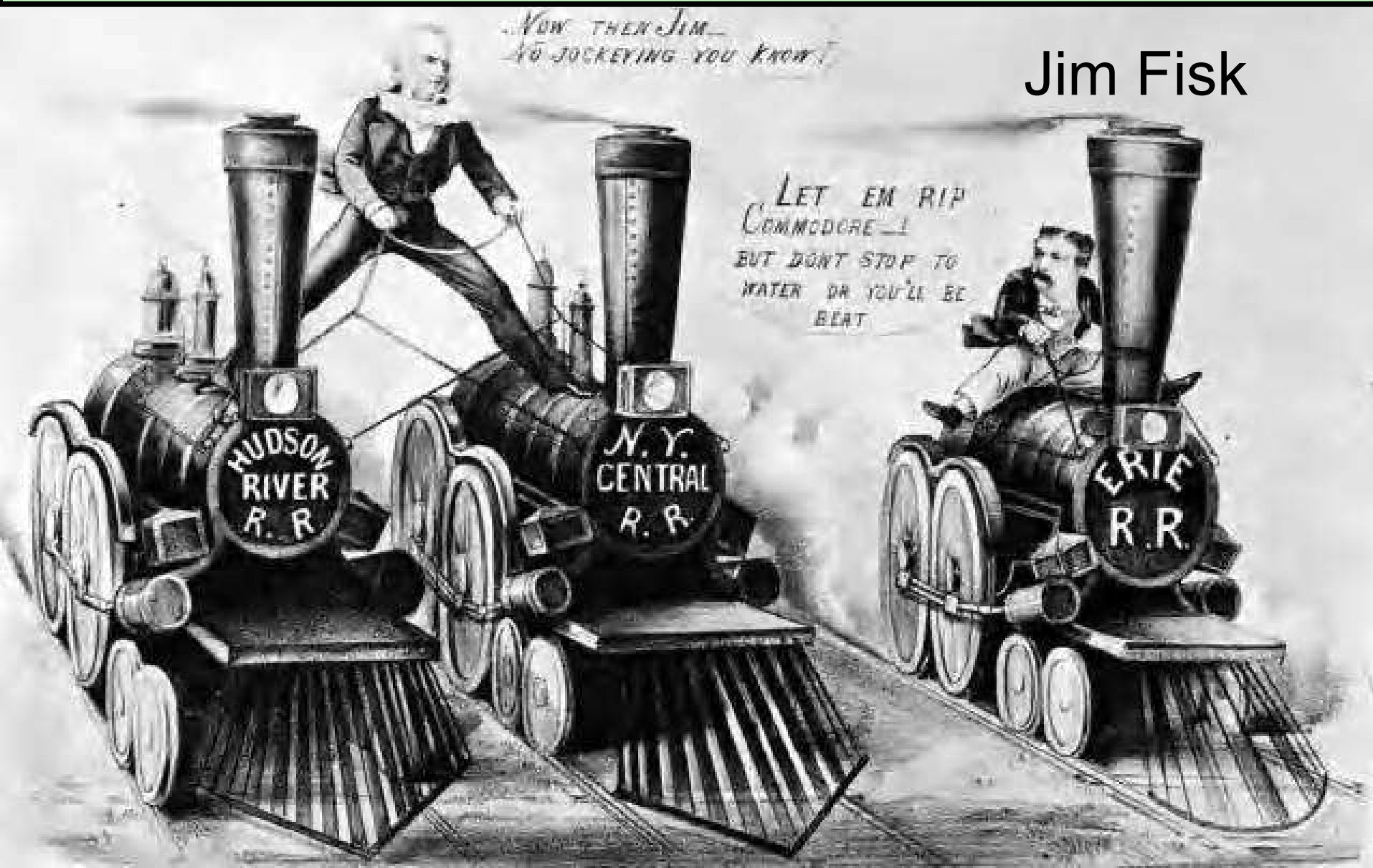
Eastern RRs
were connected
to the West by 4
great trunk lines

“mark

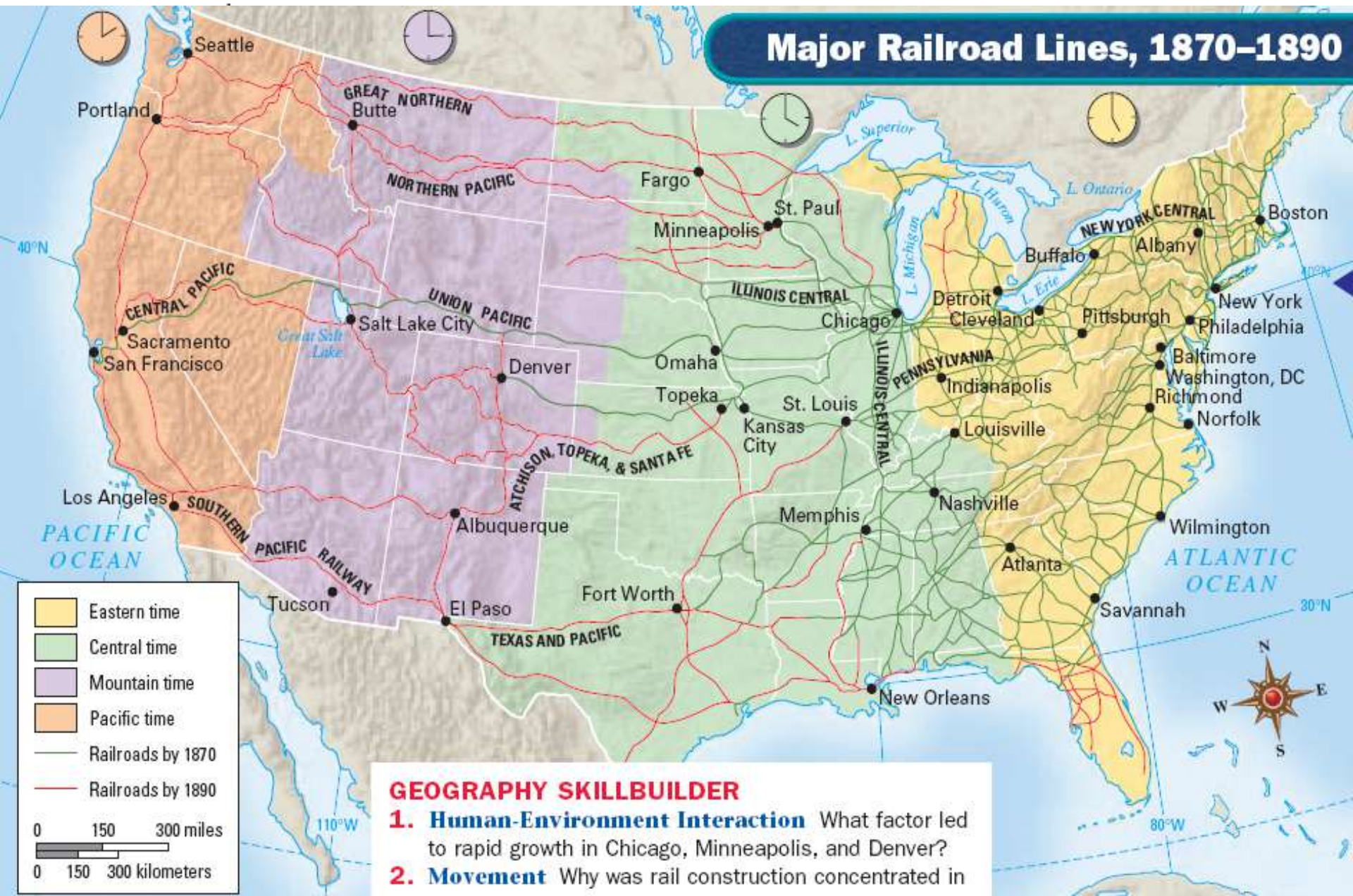
Major Railroad Trunk Lines:
B&O, NY Central System, PRR, & Erie.



Cornelius “the Commodore” Vanderbilt was the most powerful figure in the railroad industry



Railroad Construction in the Gilded Age





Oil provided
kerosene
lighting &
lubrication for
industrial
machinery

Steel Production



Steel Production

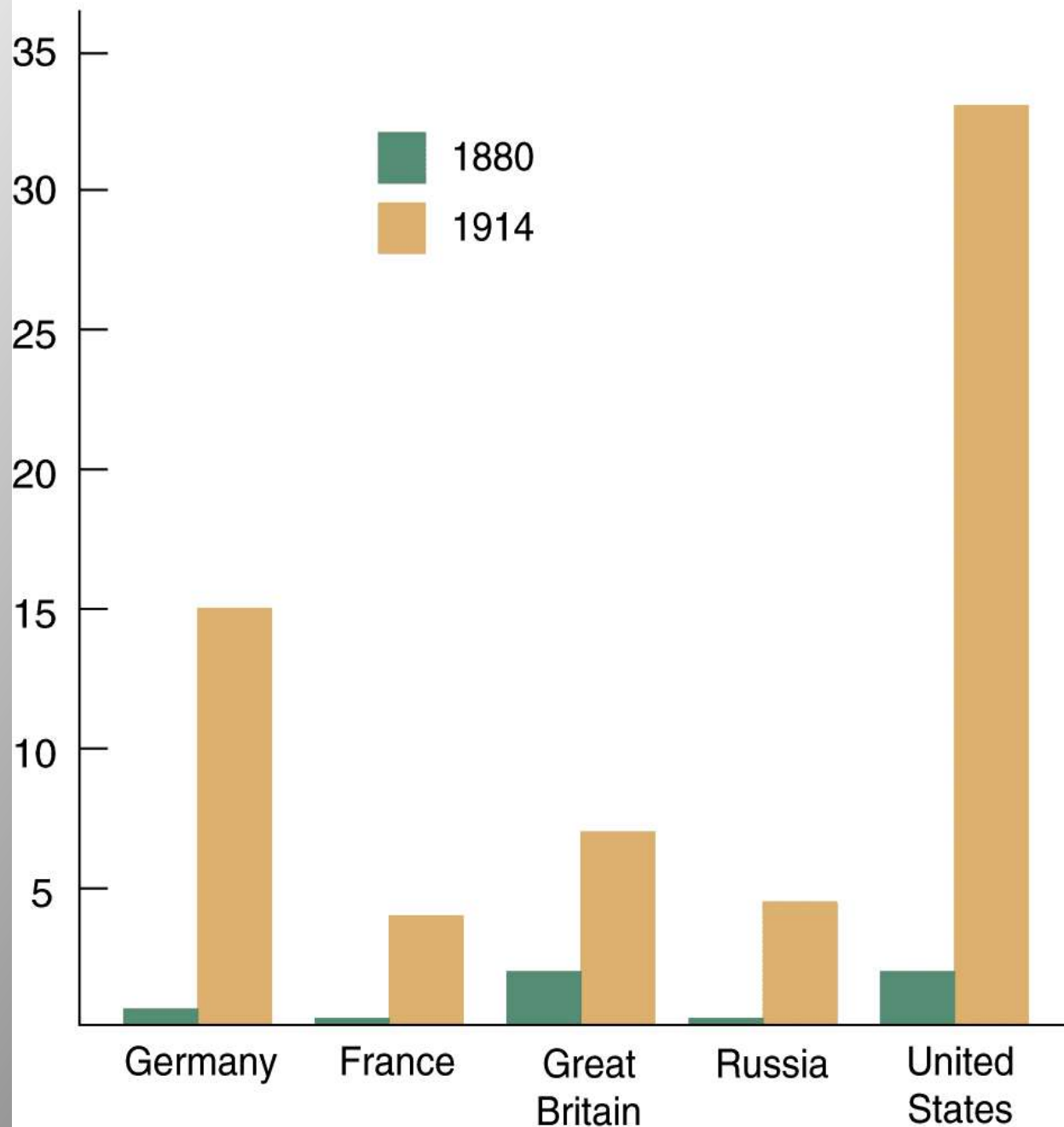


THE GREAT EAST RIVER SUSPENSION BRIDGE.

CONNECTION THE AREA OF NEW YORK AND BROOKLYN

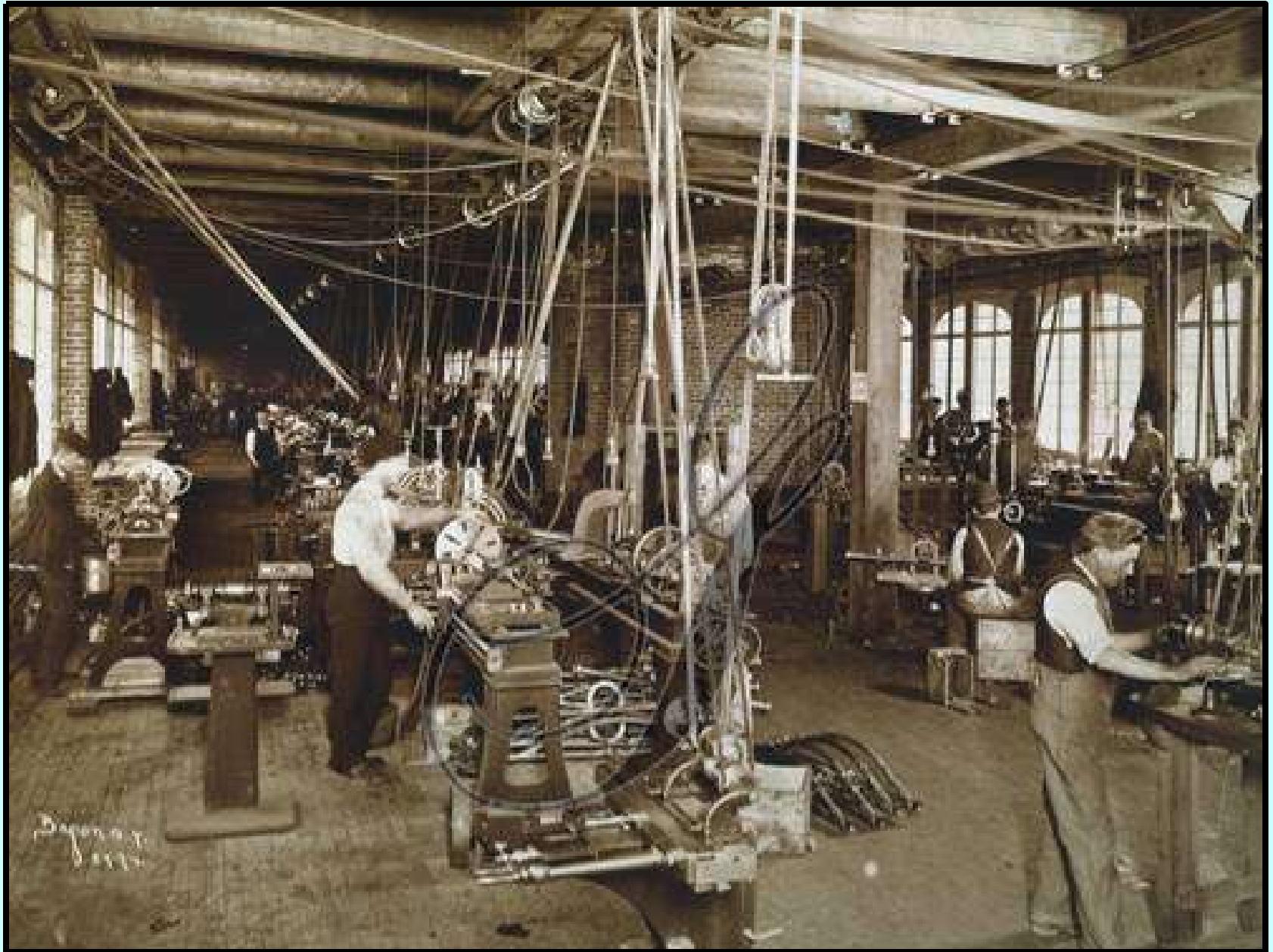
VIEW FROM BROOKLYN, LOOKING WEST

Millions of tons



International Steel Production, 1880-1914

Efficiency & Mass Production in Factories

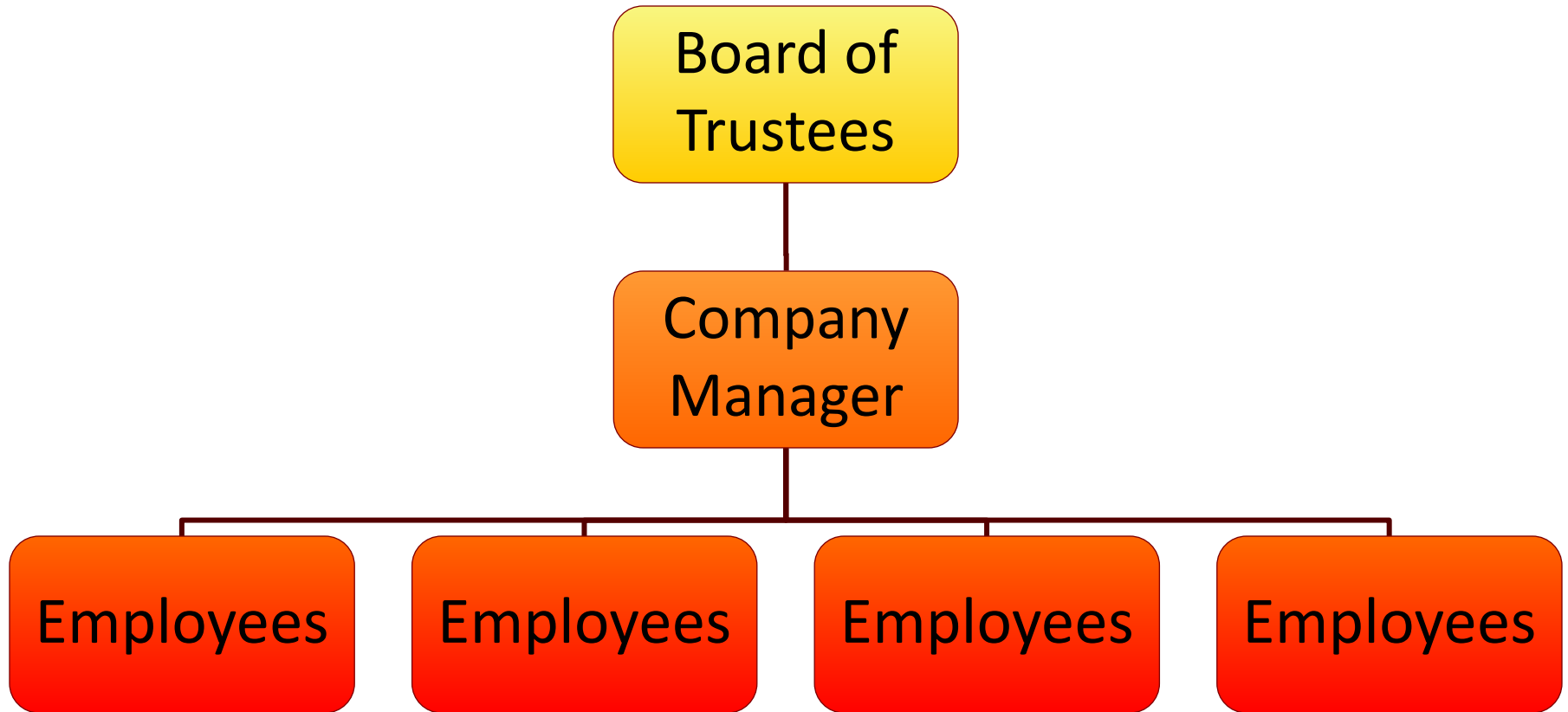


New Forms of Business Organization

- During the Gilded Age, business & industry were transformed:
 - Massive corporations replaced small, family businesses
 - Managers were hired to make factories run more efficiently
 - New business models, such as “trusts” & “holding companies,” integrated various businesses under 1 board of directors

New Business Organization:

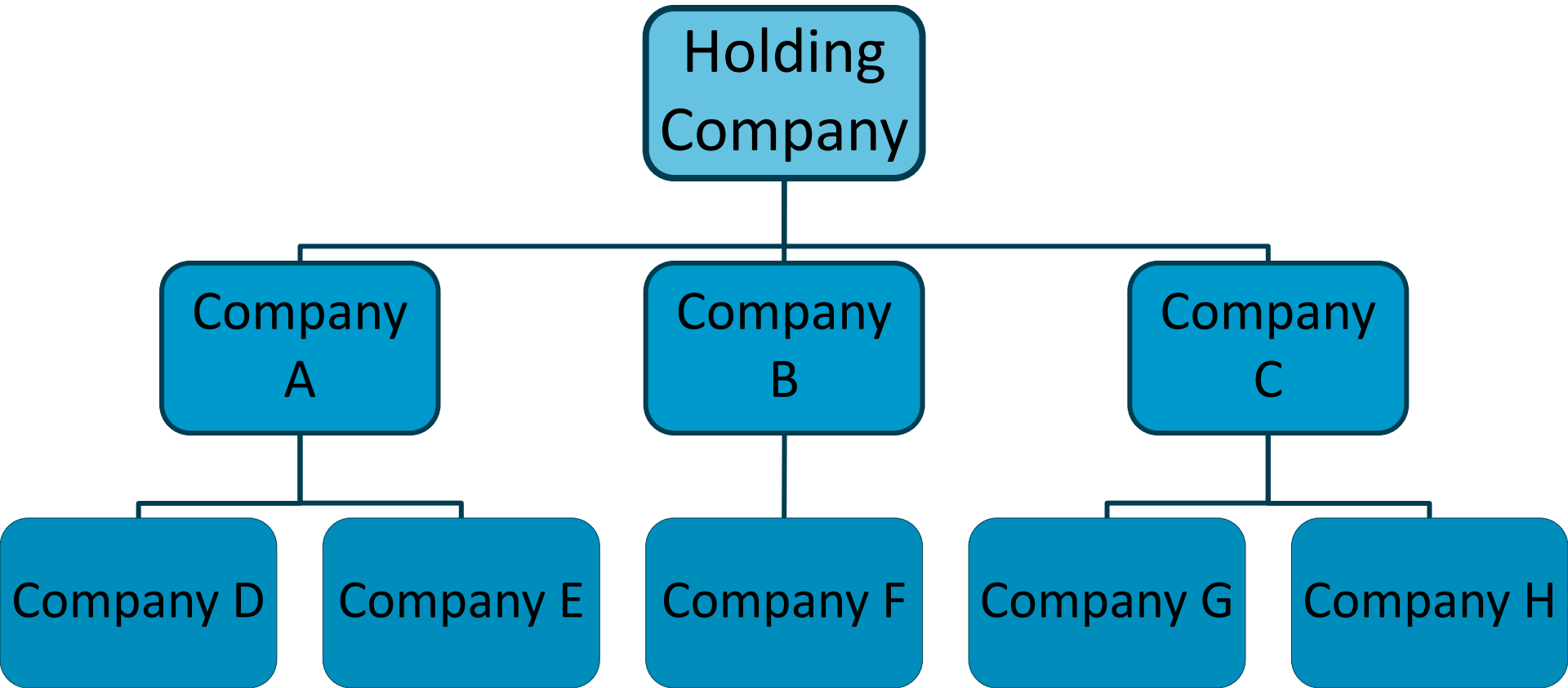
Board of Trustees (Trust)



“Trusts” use a board of trustees
to manage a company

New Business Organization:

The Holding Company

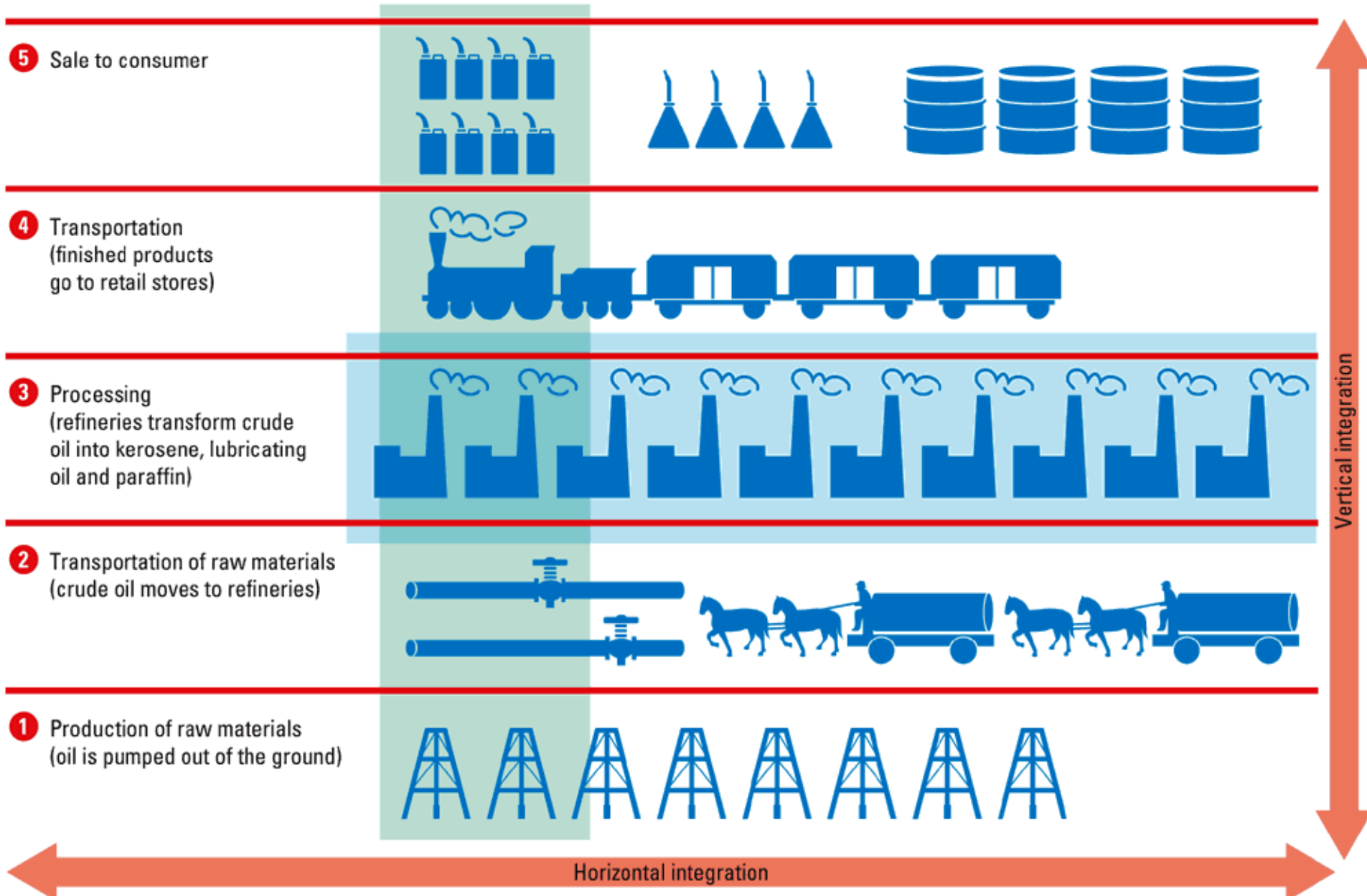


“Holding companies” oversee & manage other subsidiary companies

New Forms of Business Organization

- Corporations in the Gilded Age used mergers to increase profits
 - Companies used horizontal integration to buy similar companies to reduce competition
 - Vertical integration allowed companies to buy companies that supply raw materials or transportation for their products

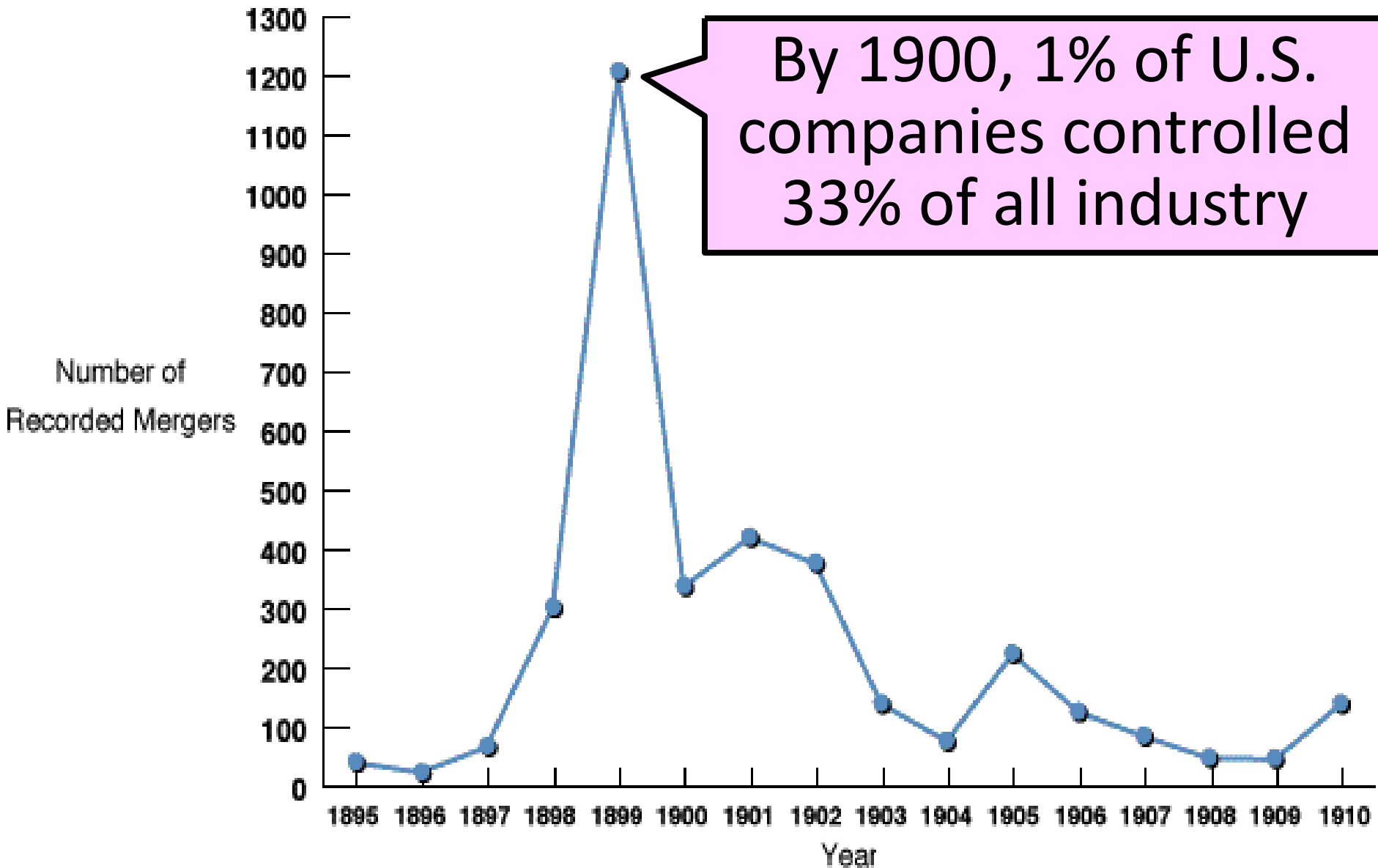
Vertical & Horizontal Integration



Monopolies

- Corporate mergers led to giant companies called monopolies:
 - Companies that control nearly all of a particular industry
 - Because most monopolies of the Gilded Age were run by boards of trustees, monopolies became known as “trusts”
 - Monopolies led to a new generation of U.S. millionaires

U.S. Corporate Mergers



The Monopolists

■ Andrew Carnegie

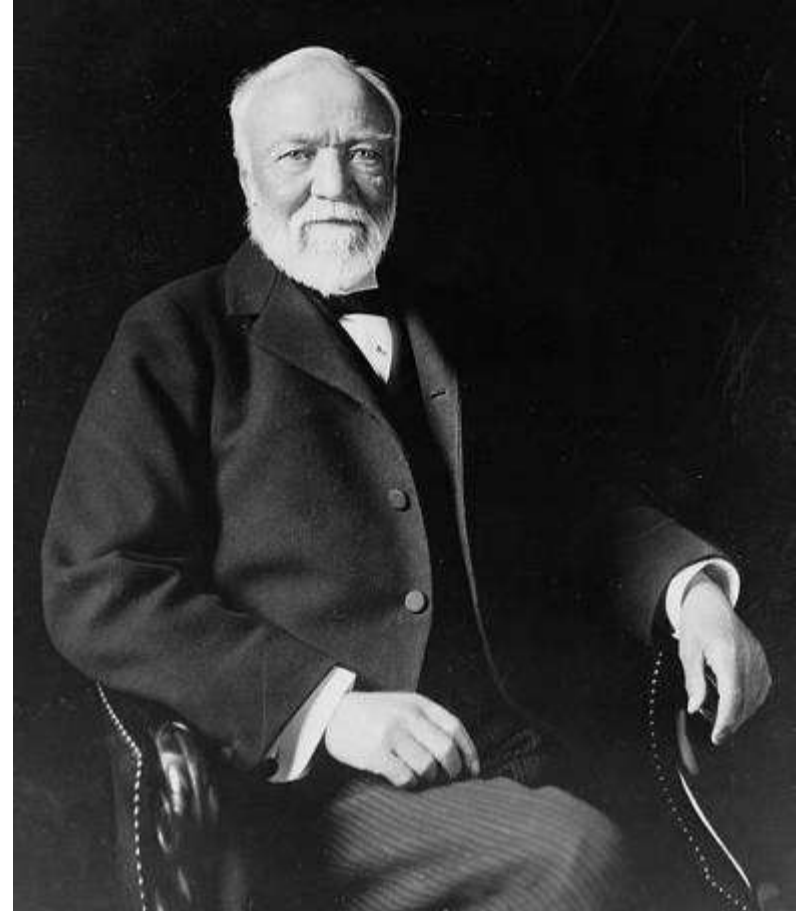
created the Carnegie

His company made more steel than all the factories of Great Britain

Bessemer process
& was able to

out-produce his competition & offer better quality steel at lower prices

—He mastered vertical integration to lower his production costs

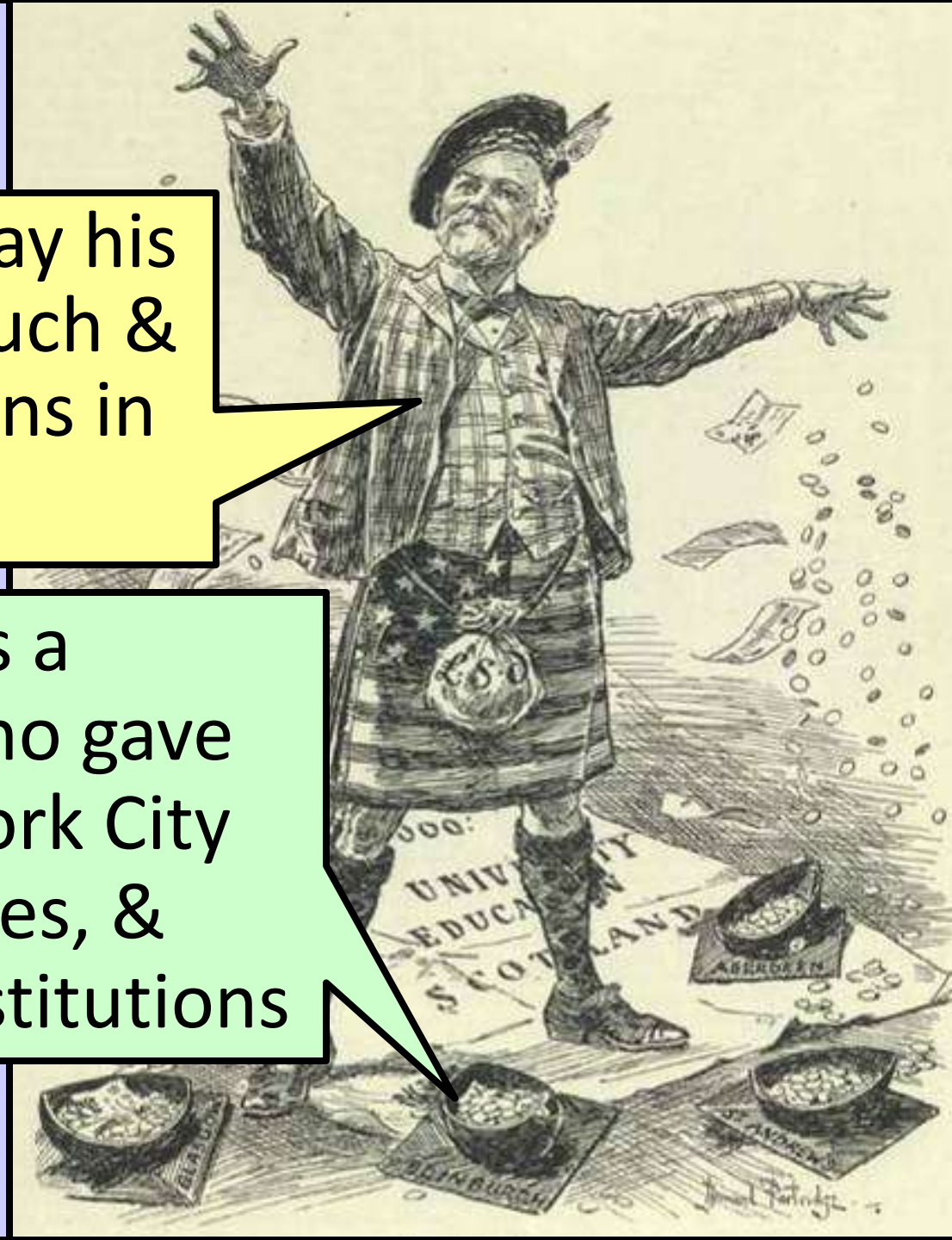


Carnegie & Steel (2.08)



Carnegie did not pay his employees very much & did not allow unions in his factories...

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

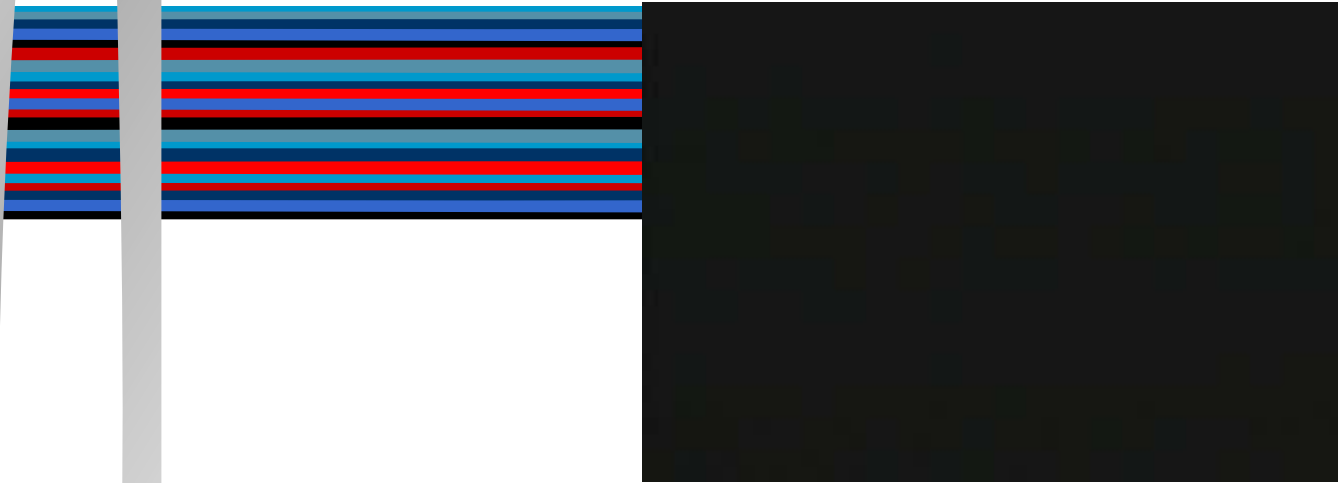


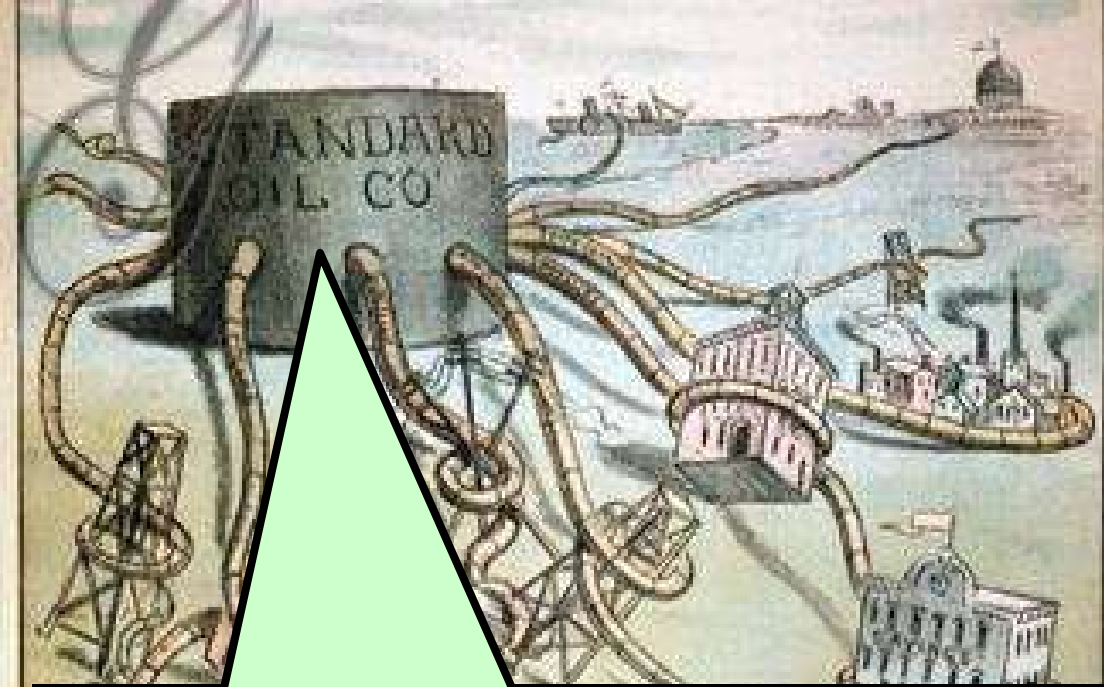
The Monopolists

- John Rockefeller created the Standard Oil Company
- He used horizontal integration to create a petroleum company that monopolized the oil industry, lowered costs & improved quality
 - By 1879, Standard Oil sold 90% of all U.S. oil & sold to Asia, Africa, & South America



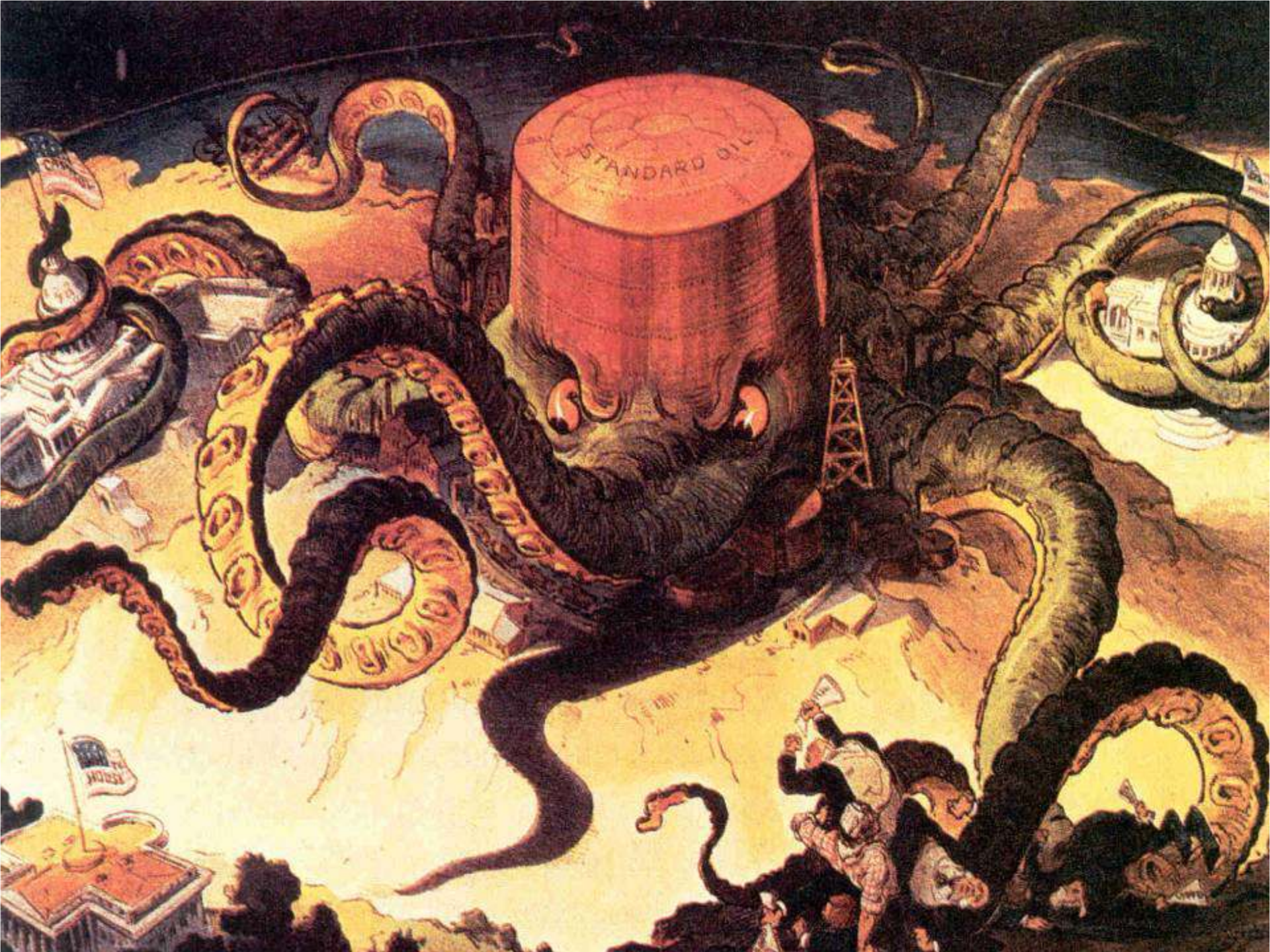
Rockefeller & Oil (2.51)





...but Rockefeller gave away \$500 million to charities, created the Rockefeller Foundation, & founded the University of Chicago

Rockefeller was labeled a “robber baron” who took advantage of immigrant workers, driving his competition out of business, & used his fortune to influence the national gov’t...



The Monopolists

- Monopolists justified their wealth:
 - The “Gospel of Wealth” argued that it is God's will that some men attained great wealth
 - Social Darwinism taught that natural competition weeds out the weak & the strong survive
 - Gov't should embrace a laissez-faire (hands off, no regulations) attitude towards “big business”

“Robber Barons” of the Gilded Age



HISTORY REPEATS ITSELF. — THE ROBBER BARONS OF THE MIDDLE AGES, AND THE ROBBER BARONS OF TO-DAY.

J. H. Thompson, 100 Nassau Street, N.Y.

Conclusions

- Due to the Industrial Revolution:
 - The United States led the world in industry, innovation, & wealth
 - ~~Laissez-faire~~ gov't policies & new business tactics led to monopolies
 - But the gap between the wealthy monopolists & their poor immigrant workers grew wider

Robber Barons or Captains of Industry?

- Were the industrial capitalists of the Gilded Age good or bad for America?
 - Weigh the positive & negative effects of the industrialists
 - Take a stand & support your argument