



# The Industrialization of the United States

1860's - 1910's

# The South Builds Railways

- o After the Civil War, the South began building more railroads to rival those of the North.
- o South now relied on its own manufacturing centers.
- o New railway “hub” cities developed; including Dallas, TX and Atlanta, GA.



# Mining Towns

- During and after the Civil War, westward migration continued.
- Thousands flocked West in hopes of finding gold or silver.
- Around these deposits of minerals, “mining towns” developed.



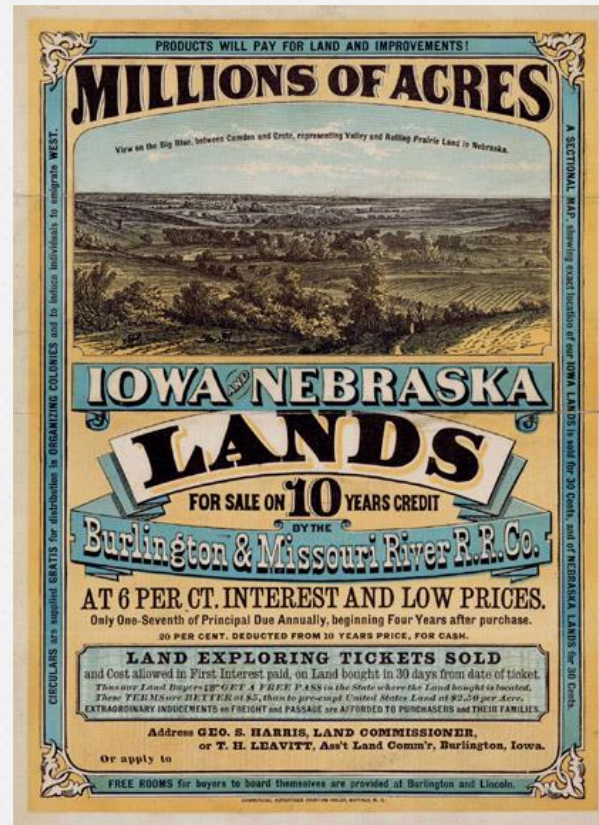
# Home on the Range

- o Cattle ranching fueled westward migration as well.
- o Open prairies of the West were perfect for grazing.
- o Newly-invented barbed wire made ranching more efficient.
- o As a result, the beef industry exploded.



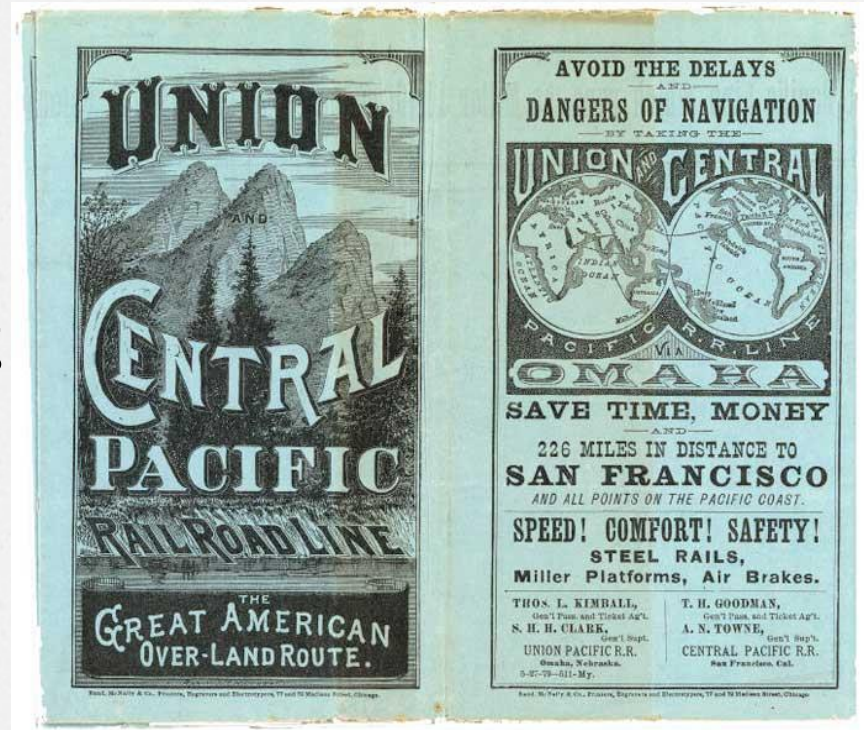
# Farmers Move West

- Farmers migrated West for new, fertile, cheap lands.
- The Homestead Act of 1862 promised plots of land to anyone willing to move and settle in these Western lands.
- Prairie states became a new agricultural center of the US



# Two Companies Compete

- o In 1863, two different companies began construction of the Transcontinental RR.
- o The Central Pacific Company began laying track eastward from California.
- o The Union Pacific Company laid track westward from Nebraska.



# Immigrants Build Railroads

- o Irish immigrants in the east and Chinese immigrants in the west were used to build the railroad.
- o Thousands of these immigrants died due to dangerous working conditions.



# Two Tracks Meet

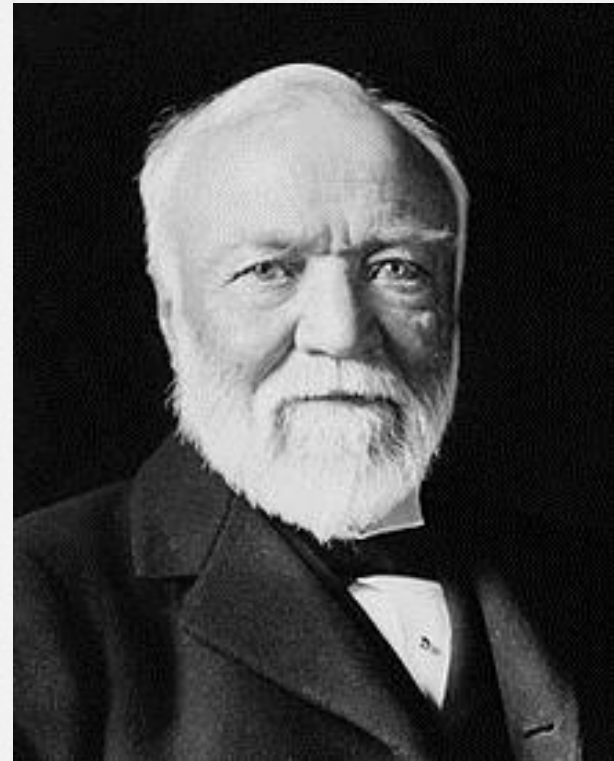
- o In 1869, the two tracks finally connected at Promontory Summit in Utah.
- o A symbolic golden spike was the final one driven in to mark the completion of the transcontinental railroad.





# Steel Industry Transforms

- o 1850s – Bessemer process shortens time it takes to transform iron into steel.
- o Andrew Carnegie (right) brings Bessemer process to the US; makes millions off steel production.



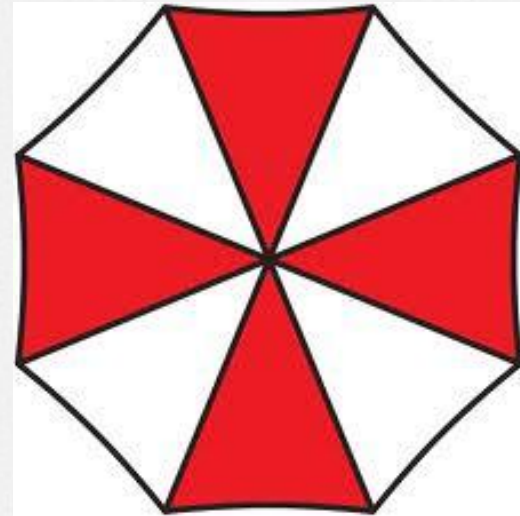
# Urbanization Changes America

- Cheap, efficient steel leads to the construction of skyscrapers, elevators and bridges throughout the country.
- Railroads and canals allow quick, easy transport of steel.
- America experiences rapid urbanization – the process of people moving from rural areas to cities



# Industries Expand

- Expanding markets now linked by railroads led to the creation of corporations.
- Technology connected the nation, allowing big business to expand across the country.



# Gaining a Competitive Edge

- o Corporations worked to maximize profits in several ways.
- o Some tried to gain a *monopoly*
- o To form monopolies, companies either bought out the competition or drove them out of business.
- o With no competition, companies could charge whatever prices they wanted for essential products or services.



# Gaining a Competitive Edge

- o Some laws prevented one company from buying out another company.
- o To get around this, some businessmen formed trusts.
- o In a trust companies assign their stocks to a board of trustees who combine them into a new, more powerful organization.

# Horizontal v. Vertical Integration

- o Horizontal integration – when a company consolidates many firms into one business
  - o Ex. All oil companies formed in to ONE.
- o Vertical integration – when a company gains control of all the phases involved in the production of a product
  - o Ex. One company owns the oil well, the oil pipeline, the tankers that transport and the gas stations.

# John D. Rockefeller

- o John D. Rockefeller
- o Oil tycoon (business person)
- o Founded the Standard Oil Company
- o Adjusted for inflation, Rockefeller is the richest man to have ever lived.







# “Robber Barons”

- o Many began to see business practices like monopolies and trusts as giving unfair advantages to corporations.
- o Monopolies, cartels and trusts kept prices for products high; rich were making money at the expense of the poor.
- o Men like Rockefeller and Carnegie were given the nickname “Robber Barons”.



# “Robber Barons” and Philanthropy

- Despite the negatives, some saw the “Robber Barons” as “captains of industry”.
- They brought jobs to the masses and were allowing America to compete in the global markets.
- Rockefeller and Carnegie also practiced philanthropy; they gave away millions of dollars to fund education programs, build libraries and museums.

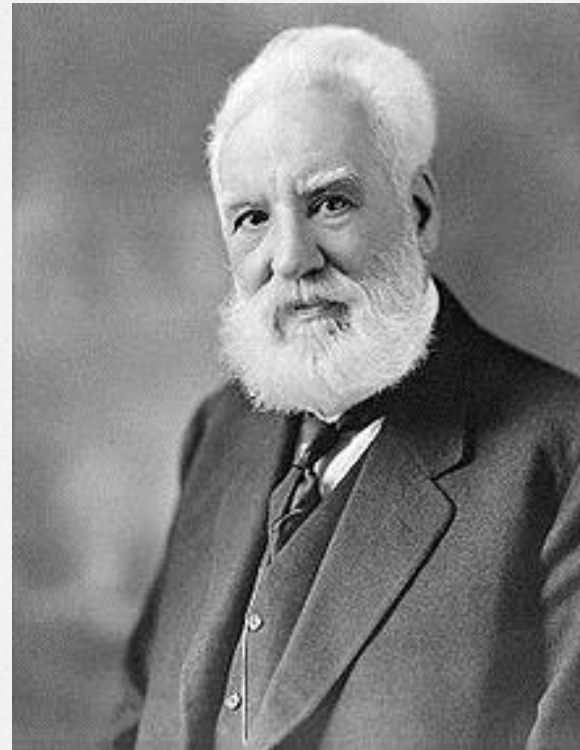
# Government Restricts Trusts

- o Opposition formed to the unfair business practices of the trusts.
- o In 1890, the Senate passed the Sherman Anti-Trust Act.
- o The Sherman Anti-Trust Act began a trend towards the federal government limiting the power of corporations.



# Technology Spurs Cities

- In addition to skyscrapers, elevators and bridges, new inventions give rise to the American city.
- 1876 – Alexander Graham Bell invents the telephone



# Technology Spurs Cities

- o Thomas Edison – famous American inventor; patented the light bulb, the phonograph and the motion picture camera.
- o Edison's light bulb allowed factories to operate 24 hours a day; no longer were they only operational during daylight.
- o The phonograph and motion picture camera created new pastimes for many Americans.

