

Chapter Summary

Industrialization, 1865–1901

ESSENTIAL QUESTION

How did the United States become an industrialized society after the Civil War?

This chapter explains the reasons for industrialization and the growth of big business as well as their effects on the workplace.

The Rise of Industry

- The United States had abundant natural resources of timber, oil, and other minerals.
- The country had a cheap immigrant labor force to fill the millions of jobs.
- Thomas Alva Edison and George Westinghouse founded companies that supplied electricity to New York City and Buffalo.
- Alexander Graham Bell revolutionized communication by inventing the telephone.
- High tariffs reduced the import of foreign goods.

The Railroads

- The first transcontinental railroad was completed in 1869.
- Rail networks united regions and stimulated economic growth.
- Cornelius Vanderbilt and James Hill consolidated and built lines from the East to the West.
- The great wealth of railroad entrepreneurs led to corruption by some.

Big Business

- The growth of big business led to the development of pools, trusts, holding companies, and monopolies.

- The practices of some big businesses in some cases limited competition.
- Small businesses could not compete with economies of scale and large businesses.
- Retailers sold directly to consumers and relied heavily on advertising.
- Andrew Carnegie began the vertical integration of the steel industry.
- John D. Rockefeller achieved almost complete horizontal integration with his company, Standard Oil.

Unions

- Low wages, long hours, and dangerous working conditions were common in large-scale industries.
- The first large unions formed but had little bargaining power against larger companies.
- Unions often used strikes to improve working conditions and wages.
- The Knights of Labor opposed strikes in favor of arbitration and boycotting.
- The American Federation of Labor became the biggest union in the country by 1900.
- Women made strides in the workplace with labor leaders, such as Mary Harris Jones.