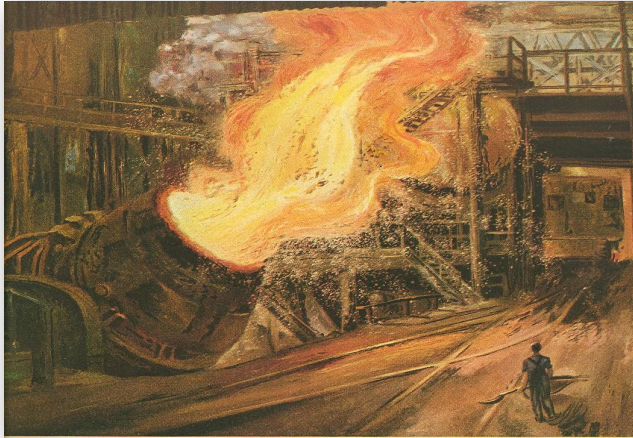


# CH.9 INDUSTRIALIZATION

1865-1901

## SECT I - THE RISE OF INDUSTRY



GRADY

NAME

1

### ***[KP] How did the United States Industrialize?***

- With the end of the Civil War, American industry expanded and millions of people left their farms to work in \_\_\_\_\_ and \_\_\_\_\_.
- By the 1900s, The United States had become to world's leading industrial nation. By 1914 the \_\_\_\_\_ (GNP), or total value of goods and services produced by a country, was eight times greater than at the end of the Civil War.

2

### ***[KP] How did the United States Industrialize?***

- Water, timber, coal, iron, and copper are \_\_\_\_\_ resources found in the United States that led to the country's industrial success. \_\_\_\_\_ increased industrialization by bringing settlers and miners to the West and moving resources to the factories in the East.
- \_\_\_\_\_ could be turned into kerosene lanterns and stoves. The demand for kerosene created the American oil industry. In 1859, \_\_\_\_\_ drilled the first oil well near Titusville, Pennsylvania. As oil production increased, so did economic expansion.

3

### ***[KP] How did the United States Industrialize?***

- Between 1860 and 1910, the population of the United States \_\_\_\_\_. This provided a large workforce and a greater demand for \_\_\_\_\_ goods.

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## Discussion Question 1

- *How did the construction of the transcontinental railroad add to an increase in industrialization?*

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## ***(Kp) What is Free Enterprise?***

- \_\_\_\_\_ - \_\_\_\_\_, a French phrase that means “let people do as they choose,” was a popular idea in the late 1800s. Many Americans believed that the government should not interfere with the \_\_\_\_\_. Instead, they wanted \_\_\_\_\_ and \_\_\_\_\_ to regulate prices and wages.

6

## ***(Kp) What is Free Enterprise?***

- \_\_\_\_\_ risked their capital to organize and run a business. In the late 1800s, entrepreneurs were attracted to \_\_\_\_\_ and \_\_\_\_\_ fields. As a result, hundreds of factories and thousands of miles of railroad were built.
- Another important source of private capital was \_\_\_\_\_. Foreign investors saw more opportunity for profit in the U.S. than they did at home.

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## Discussion Question 2

- *Why was Europe an important source of private capital?*

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8

***[Kp] What was the Government's role in Industrialization?***

- In the late 1800s, state and federal government had a laissez-faire attitude by keeping \_\_\_\_\_ and spending low and by not imposing \_\_\_\_\_ on industry. The government did not control wages or prices. It adopted new policies to help industry.

9

***[Kp] What was the Government's role in Industrialization?***

- The high tariffs contradicted laissez-faire policies and harmed many Americans. As the U.S. raised tariffs on \_\_\_\_\_ products, other countries responded by raising tariffs against American products. American companies who sold goods overseas, especially \_\_\_\_\_ were hurt by these high tariffs.

11

***[Kp] What was the Government's role in Industrialization?***

- Since the early 1800s, the northeastern states and southern states debated on economic policies. Northerners wanted \_\_\_\_\_ tariffs to protect their industries from foreign competition. Southerners \_\_\_\_\_ tariffs to keep the cost of imported goods down. The Civil War ended the economic debate. After the South seceded, the \_\_\_\_\_ Tariff was passed, which reversed years of declining tariffs.

10

***[Kp] What was the Government's role in Industrialization?***

- Many business leaders and members of Congress felt \_\_\_\_\_ were necessary to protect American industry against the already established European factories.
- By the early 1900's American industries were larger and highly competitive., Many business leaders began to encourage \_\_\_\_\_, believing they could compete internationally and succeed.

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## Discussion Question 3

- What were some problems caused by the high tariffs?

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13

## ***[Kp] New Inventions***

- Many new inventions increased America's \_\_\_\_\_, which in turn produced wealth and job opportunities.
- By 1876 Scottish-American inventor **Alexander Graham** \_\_\_\_\_ invented the \_\_\_\_\_. In 1877 Bell and his associate organized the Bell Telephone Company, which later became the American Telephone and Telegraph company (AT&T).

14

## ***[Kp] New Inventions***

- In the late 1880s **Thomas Alva** \_\_\_\_\_ invented (*or perfected*) the phonograph, the light bulb, the electric generator, the dictaphone, the mimeograph, and the \_\_\_\_\_.
- In 1882 the \_\_\_\_\_ Illuminating Co. became a new industry and began supplying electric power to customers in New York City.

15

## ***[Kp] New Inventions***

- The \_\_\_\_\_ industry increased productivity with the mid-1800 introduction of the \_\_\_\_\_ automatic loom, the power driven \_\_\_\_\_ machine, and \_\_\_\_\_ cutters.
- Mass production in the shoe industry allowed large factories to produce shoes more cheaply and efficiently than local cobblers. The savings were then passed on the \_\_\_\_\_.

16

## Discussion Question 4

- *How did technology cause the prices of shoes to go down?*

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## Sample Questions for Sect 1

# 1

*Supporters of laissez-faire generally oppose subsidies and favor*

- A. tariffs*
- B. high prices*
- C. free trade*
- D. monopolies*

18

18

## Sample Questions for Sect 1

# 2

*Who invented the telephone, which revolutionized both business and personal communication?*

- A. Edwin Drake*
- B. Alexander Graham Bell*
- C. Thomas Alva Edison*
- D. George Pullman*

19

19

## Sample Questions for Sect 1

# 3

*What was equally as important as natural resources in the nation's rapid industrialization?*

- A. political systems*
- B. tariff laws*
- C. new technology*
- D. human resources*

20

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# CH.9 INDUSTRIALIZATION

1865-1901

## Sect 2 The Railroads



GRADY  
21

*(Kp)* How did the U.S. link together the nation?

- After the Civil War, railroad construction dramatically expanded. In 1862 President Abraham Lincoln signed the \_\_\_\_\_, which provided for the construction of a transcontinental railroad by the \_\_\_\_\_ Pacific and \_\_\_\_\_ Pacific railroad companies. To encourage rapid construction, the government offered each company land along its right of way.

22

*(Kp)* How did the U.S. link together the nation?

- In 1865 the Union Pacific, under engineer \_\_\_\_\_ pushed westward from Omaha, Nebraska. Weather, labor, money, and engineering problems hampered the project. The workers included Civil War veterans, Irish immigrants, farmers, miners, cooks, and ex-convicts. Camp life was dangerous.

23

*(Kp)* How did the U.S. link together the nation?

- Four merchants known as the “\_\_\_\_\_” invested in the Central Pacific Railroad. They each bought stock in the railroad and eventually made a fortune. One of them, \_\_\_\_\_, became governor of California, founded Stanford University, and later became a U.S. senator.
- Due to a labor shortage, the Central Pacific Railroad hired about \_\_\_\_\_ workers from \_\_\_\_\_.

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## Discussion Question 5

- *How did the government encourage rapid construction of the railroads?*

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## ***(Xp) How did Railroads Spur Growth?***

- \_\_\_\_\_ encouraged the growth of American industry. They linked the nation and increased the size of \_\_\_\_\_. The railroad industry stimulated the economy by spending large amounts of money on \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.
- The most famous railroad consolidator, \_\_\_\_\_, merged three short New York railroads to form the New York Central in 1869. He was the first to offer direct rail service from NYC to Chicago.

26

## ***(Xp) How did Railroads Spur Growth?***

- In 1883 rail service became safer and more reliable when the \_\_\_\_\_ divided the country into four \_\_\_\_\_, or regions, where the same time was kept.
- Large \_\_\_\_\_ railroad systems provided increased \_\_\_\_\_, a decrease in time spent in long distance travel, and it united Americans from different \_\_\_\_\_.

27

## Discussion Question 6

- *What were the benefits of integrated railroad systems?*

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### ***(Kp) What are Land Grants?***

- \_\_\_\_\_ were given to railroad companies by the federal government to encourage railroad construction.
- Railroad companies like the Union Pacific and Central Pacific were able to cover all their building costs by selling the land to the \_\_\_\_\_ , \_\_\_\_\_ agencies, and other \_\_\_\_\_.

29

### ***(Kp) Who were the Robber Barons?***

- The wealth of railroad \_\_\_\_\_ led to accusations that they had acquired their wealth through illegal means. One of the entrepreneurs with the worst reputation was \_\_\_\_\_ , who used information he obtained as a railroad owner to manipulate stock prices to his benefit.
- Railroad investors realized they could make more money through land grants than by running a railroad, so many investors \_\_\_\_\_ members of Congress to vote for more land grants.

30

### ***(Kp) Who were the Robber Barons?***

- In 1872 corruption in the railroad system became public with the \_\_\_\_\_ scandal. Several stockholders of the Union Pacific set up the Credit Mobilier, a construction company. The investors signed contracts with themselves. The company greatly overcharged Union Pacific, and the railroad agreed to pay the inflated bills.

31

### ***(Kp) Who were the Robber Barons?***

- When the railroad was completed, the investors had made a fortune, but the railroad was almost \_\_\_\_\_. Congress agreed to give additional grants to the railroad after several members of Congress were given shares in the Union Pacific at a price well below \_\_\_\_\_. An investigation implicated several members of Congress, including \_\_\_\_\_ , who later became president.

32



**(Kp) Who were the Robber Barons?**

- Not all railroad entrepreneurs were corrupt. \_\_\_\_\_ built the Great Northern Railroad without any federal land grants or subsidies. It became the most successful \_\_\_\_\_ railroad and the only one not to go bankrupt.

Discussion Question 7

- What was the Credit Mobilier scandal?

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Sample Questions for Sect 2

# 1

*The railroad boom began in 1862 when President Lincoln signed the*

- A. time zone legislation*
- B. Gettysburg Address*
- C. Land Grant Law*
- D. Pacific Railway Act*

Sample Questions for Sect 2

# 2

*What railroad began pushing westward from Omaha, Nebraska, in 1865 under the direction of engineer Grenville Dodge?*

- A. Central Pacific*
- B. Southern Railway*
- C. Credit Mobilier*
- D. Union Pacific*

## Sample Questions for Sect 2

# 3

*Which transcontinental railroad operated without government subsidies or land grants, became the most successful, and was the only one not forced into bankruptcy?*

- A. Central Pacific Railroad*
- B. Great Northern Railroad*
- C. Pennsylvania Railroad*
- D. Union Pacific Railroad*

37

37

## CH.9 INDUSTRIALIZATION

1865-1901

### Sect 3 Big Business



38

### *(Kp) The Rise of Big Business*

- A \_\_\_\_\_ is an organization owned by many people but treated by law as though it was a single person. \_\_\_\_\_, the people who own the corporation, own shares ownership called \_\_\_\_\_. Issuing stock allows a corporation to raise large sums of money but spreads out the financial risk.
- From the sale of stock, corporations could invest in new technologies to increase their \_\_\_\_\_. By making goods quicker and cheaper, these corporations achieved \_\_\_\_\_.

39

### *(Kp) The Rise of Big Business*

- All business have two kinds of costs. \_\_\_\_\_ are the costs a company has to pay whether its operating or not. Examples of fixed costs would be loans, mortgages, and taxes. \_\_\_\_\_ are costs that occur when a company is in operation. These costs include wages, shipping charges, and supplies.

40

## **(Kp) The Rise of Big Business**

- Big corporations had an advantage over small manufacturing companies. Big corporations could produce more cheaply, and they could continue to operate even in poor economic times by cutting \_\_\_\_\_ to increase \_\_\_\_\_. Many small businesses with high operating costs were forced out of business.

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## Discussion Questions

- *Why were large corporations able to thrive when so many small companies were forced out of business?*

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42

## **(Kp) How did Industry consolidate?**

- Competition between corporate leaders caused lower prices for consumers, but it also cut business profits. To stop prices from falling, companies organized \_\_\_\_\_ – agreements to keep prices at a certain level. Pools usually did not last long. As soon as one member cut prices, the pool broke apart. By the 1870s, competition had reduced industries to a few large, highly efficient corporations.

43

## **(Kp) How did Industry consolidate?**

- \_\_\_\_\_, a poor Scottish immigrant, worked his way up from a bobbin boy in a textile industry to the president of the \_\_\_\_\_. He invested much of his money in railroad-related businesses and later owned his own business. He opened a \_\_\_\_\_ company in 1875 and quickly adapted his steel mills to use the \_\_\_\_\_.

44

**(Kp) How did Industry consolidate?**

- Carnegie began \_\_\_\_\_ of the steel industry. A vertically integrated company owns all of the different business it depends on for its operation. This not only saved money but also made the big company bigger.
- Business leaders also pushed for \_\_\_\_\_, combining many firms doing the same type of business into one large corporation.

**(Kp) How did Industry consolidate?**

- A \_\_\_\_\_ occurs when one company gains control of an entire market. In the late 1800s, Americans became suspicious of large corporations and feared monopolies. Many states made it illegal for a company to own stock in another company without permission from the state legislature

**(Kp) How did Industry consolidate?**

- In 1882 Standard Oil formed the first \_\_\_\_\_, which merged businesses without violating laws against owning other companies. A trust allows a person to manage another person's property.
- A \_\_\_\_\_ did not produce anything itself. Instead, it owned the stock of companies that did produce goods. The holding company controlled all the companies it owned, merging them all into one large enterprise.

Discussion Questions

- *Why did Americans fear monopolies?*

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**(Kp) How did corporations sell the product?**

- Retailers looked for new ways to market and sell their goods. Advertising changed, with \_\_\_\_\_ replacing small-type lines ads.
- The department store changed the idea of shopping by bringing in a huge assortment of products in a large, glamorous building.
- Chain stores, like \_\_\_\_\_. focused on offering low prices instead of special services or fancy décor.
- \_\_\_\_\_ - \_\_\_\_\_ catalogs were created to reach rural Americans. \_\_\_\_\_ and \_\_\_\_\_, \_\_\_\_\_, were the two largest catalog retailers.

Discussion Question 10

- *How did department stores changed the idea of shopping?*

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**Sample Questions for Sect 3**

**# 1**

***What is an organization owned by many people but treated by law as though it were a single person?***

- A. a corporation***
- B. an organized pool***
- C. a holding company***
- D. a trust***

**Sample Questions for Sect 3**

**# 2**

***Loans, mortgages, and taxes are examples of a company's***

- A. stock***
- B. pools***
- C. fixed costs***
- D. operating costs***

## Sample Questions for Sect 3

# 3

*What type of company does not produce anything itself?*

- A. a corporation*
- B. a holding company*
- C. a monopoly*
- D. a stock company*

53

53

## CH.9 INDUSTRIALIZATION

1865-1901

### Sect 4 Unions



54

### *(Rp) Working in the United States*

- Workers in the Industrial American faced \_\_\_\_\_ work, dangerous working conditions, and an uneven distribution of income between the wealthy and working class.

55

### *(Rp) Working in the United States*

- Between 1865 and 1897, the U.S. experienced \_\_\_\_\_, or rise in the value of money. Relations between workers and employers were made more difficult by deflation. It caused prices to fall and companies to cut wages. To the workers, it seemed their company wanted to pay them less for the same work.
- Workers felt the only way to improve their working environment was to organize \_\_\_\_\_.

56

## Discussion Question 11

- *How did deflation add to poor relations between workers and employers?*

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### **(Kp) Early Unions**

- Two types of workers were a part of industrial America. \_\_\_\_\_ workers had special skills and were generally paid more. \_\_\_\_\_ laborers had few skills and as a result received lower wages.
- In the 1830s, craft workers formed \_\_\_\_\_, which were unions limited to people with specific skills. By the early 1870s, there were over 30 trade unions in the United States.

58

### **(Kp) Early Unions**

- Employers opposed \_\_\_\_\_, which united all craft workers and common laborers in a particular industry. Companies went to great lengths to prevent unions from forming. Companies would have workers take \_\_\_\_\_ or sign \_\_\_\_\_ promising not to join a union.

59

### **(Kp) Early Unions**

- Workers who organized a union or strike were fired and put on a \_\_\_\_\_ – a list of troublemakers. Once blacklisted, a worker could get a job only by changing trade, residence, or his or her name.
- If a union was formed, companies used a \_\_\_\_\_ to break it. Workers went without pay and were locked out of the property. If the union did strike, employers would hire replacement workers called \_\_\_\_\_.

60

## **(Kp) Early Unions**

- \_\_\_\_\_, the ideas of \_\_\_\_\_, was popular in Europe. Marx felt it was the \_\_\_\_\_ between the workers and the owners that shaped society. He believed the workers would revolt and gain control. After the revolution, Marx believed the workers would revolt and gain controls.

61

## **(Kp) Early Unions**

- After the revolution, Marx believed a \_\_\_\_\_ society would be created in which the wealth was evenly divided, and \_\_\_\_\_ would no longer exist.
- Many labor supporters agreed with Marxism, and some supported the idea of \_\_\_\_\_. Anarchists believed society did not need government and that a few acts of violence would cause the government to collapse.

62

## **(Kp) Early Unions**

- As ideas of Marxism and anarchism spread in Europe, tens of thousands of \_\_\_\_\_ arrived in the United States. People began to associate Marxism and anarchism with immigrants. They became suspicious of \_\_\_\_\_ as well.

63

## Discussion Question 12

- *How did companies try to prevent unions from forming?*

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64



### **(Kp) Struggled to Organize**

- Workers attempted to create large unions, but rarely succeeded. Many times confrontations between \_\_\_\_\_ and \_\_\_\_\_ ended in violence.

65

### **(Kp) Struggled to Organize**

- The \_\_\_\_\_ occurred after a severe recession in 1873 forced many companies to cut wages. The result was the first nationwide labor protest in Martinsburg, West Virginia, as workers walked off their jobs and blocked tracks. The strike spread until \_\_\_\_\_, \_\_\_\_\_ railroad workers in 11 states stopped working. Violence erupted. President \_\_\_\_\_ ordered the army to stop the strike. In the end, 100 people died and millions of dollars in property were lost.

66

### **(Kp) Struggled to Organize**

- The failure of the great railroad strike led to a need for better organized laborers. By the late 1870s, the first nationwide industrial union called the \_\_\_\_\_ of \_\_\_\_\_ was formed. They demanded an \_\_\_\_\_-\_\_\_\_\_ workday and also supported equal pay for \_\_\_\_\_, and end to child labor, and worker-owned factories. They supported \_\_\_\_\_ a process where an impartial third party helps mediate between workers and management.

67

### **(Kp) Struggled to Organize**

- The \_\_\_\_\_ caused the popularity of the Knights of Labor to decline. A nationwide strike was called to show support of an eight-hour workday. A clash in Chicago left one striker dead. The next evening a meeting at \_\_\_\_\_ was scheduled to protest the killing. Someone threw a bomb. In the end, seven police and four more workers were killed. Although no one ever knew who threw the bomb, one man arrested was a member of the Knights of Labor.

68

## **(Kp) Struggled to Organize**

- In 1893 railroad workers created the \_\_\_\_\_  
\_\_\_\_\_ (ARU). They unionized the Pullman Palace Car Company in Illinois. After a recession caused the company to \_\_\_\_\_, a boycott of Pullman cars occurred across the United States. It tied up the railroads and threatened the economy. To end the boycott, U.S. mail cars were attached to Pullman cars. Refusing to handle a Pullman car would result in tampering with the mail, a violation of federal law. After a federal court ordered the boycott stopped, the strike and the ARU both ended.

69

## Discussion Question 13

- *What did the railroad managers do to break the union boycott of Pullman cars?*

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## **(Kp) The American Federation of Labor**

- In 1886 delegates from over 20 of the nation's trade unions organized the \_\_\_\_\_  
\_\_\_\_\_ (AFL). The AFL's first leader was \_\_\_\_\_, whose plain and simple approach to labor relations helped unions become accepted. Gompers wanted to keep unions out of politics and to fight for small gains such as higher wages and better working conditions.

71

## **(Kp) The American Federation of Labor**

- Under Gompers's leadership, the AFL had three goals:
  - To get companies to recognize unions and agree to \_\_\_\_\_.
  - To push for \_\_\_\_\_, where companies could only hire union members
  - To promote an \_\_\_\_\_-\_\_\_\_\_ workday

72

## Discussion Question 14

- *What were some of Samuel Gompers' beliefs regarding unions?*

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73

## **(Rp) Women doin' Work**

- By 1900 women made up more than \_\_\_ percent of the labor force. Women worked as domestic servants, teachers, \_\_\_\_\_, sales clerks, and \_\_\_\_\_.
- Women were paid \_\_\_\_\_ than men. It was felt that men needed a higher wage because they needed to support a family. Most \_\_\_\_\_ excluded women.

74

## **(Rp) Women doin' Work**

- A separate union for women was created by Mary \_\_\_\_\_ and Leonora \_\_\_\_\_. The \_\_\_\_\_ (WTUL) was the first national association dedicated to promoting women's labor issues.

## Discussion Question 15

- *Why were women paid less than men were paid?*

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Sample Questions for Sect 4  
# 1

*What did several railroads announce in July of 1877 that triggered the first nationwide labor protest?*

- A. employee layoffs*
- B. wage cuts*
- C. blacklists*
- D. sixteen-hour workdays*

77

77

Sample Questions for Sect 4  
# 2

*Workers who tried to organize a union or strike were often fired and placed on a list of “troublemakers” called the*

- A. union list*
- B. blacklist*
- C. lockout list*
- D. strikebreaker list*

78

78

Sample Questions for Sect 4  
# 3

*Who claimed that after a workers’ revolution, the government would seize all private property and create a socialists society where wealth was evenly divided?*

- A. the Knights of Labor*
- B. the Pullman Company*
- C. the Marxists*
- D. the anarchists*

79

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