

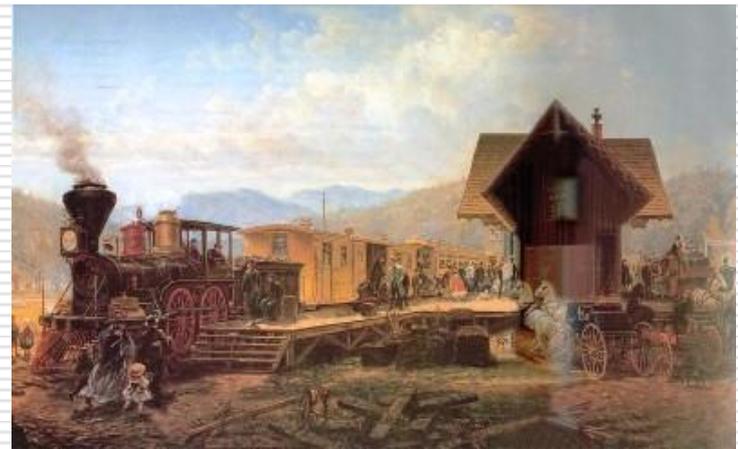
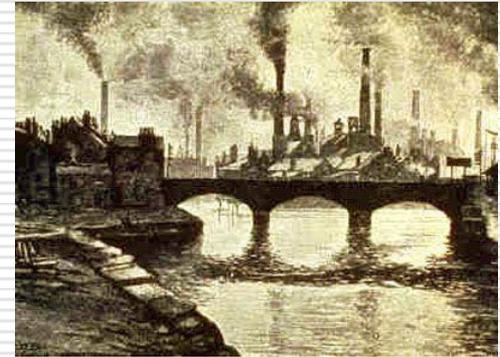
Chapter 3 Section 2

Industrialization

- Describe the factors that push the U.S into industrialization.
 - Describe how the railroad impacted industry and society.
 - Describe vertical and horizontal integration, and what problem specifically do they create?
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Reasons for Industrialization

- ❑ Abundance of water, timber, coal, iron, copper and petroleum. (raw Materials)
- ❑ Cost were cheap.
- ❑ Establishment of the transcontinental railroad.
- ❑ Large labor force and large demand for goods.
- ❑ Entrepreneurs; people who invested money.
- ❑ Inventions increased production; telephone, phonograph, light bulb, electric generator, and batteries.



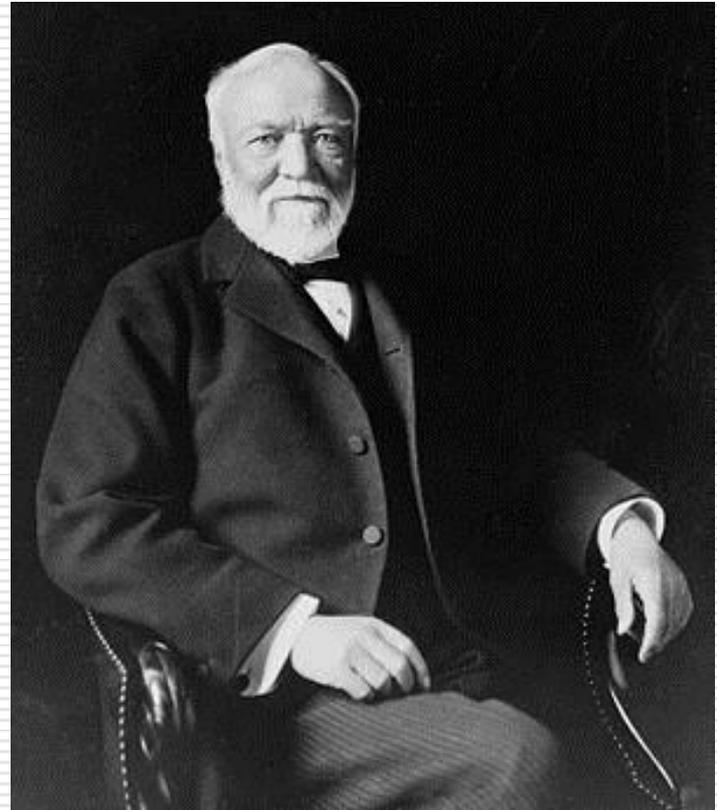
Impact of the railroad

- ❑ Business;
- ❑ Created new markets for goods
- ❑ It also increased the markets for many products.
- ❑ Railroad construction stimulated the economy.
- ❑ The consolidation of railroad tracks made transportation cheaper and faster.
- ❑ Helped the seasonal need for transportation.
- ❑ Society:
- ❑ Opportunity to own land.
- ❑ Employment
- ❑ Cheaper products
- ❑ Investment opportunities
- ❑ Travel



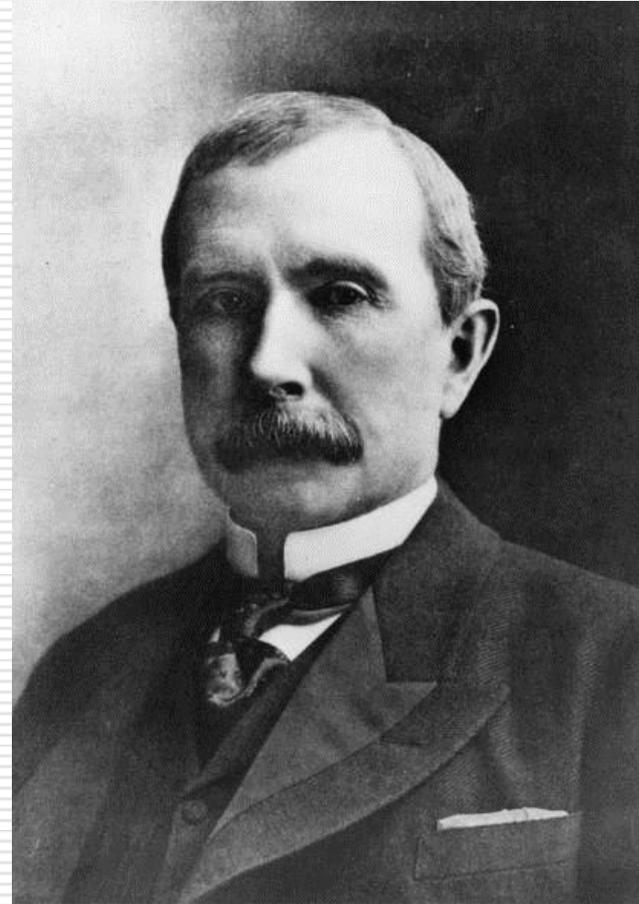
The Rise of Big Business

- ❑ Vertical Integration
- ❑ Company owns all of the different businesses on which it depends for its operation.
- ❑ Carnegie's Steel Company.
- ❑ Instead of paying companies for coal, lime and iron, Carnegie's company bought mines, limestone quarries and iron ore fields.



Horizontal Integration

- ❑ Combines many firms engaged in the same type of business into one large corporation.
- ❑ Standard oil, John D. Rockefeller.
- ❑ At its peak it controlled 90% of the oil refining industry in the U.S.



Fear of Monopolies

- ❑ One single company controls an entire market for a specific product.
- ❑ They control prices and production.
- ❑ Americans begin to distrust large companies.
- ❑ States make horizontal integration illegal.



Example of Vertical Integration

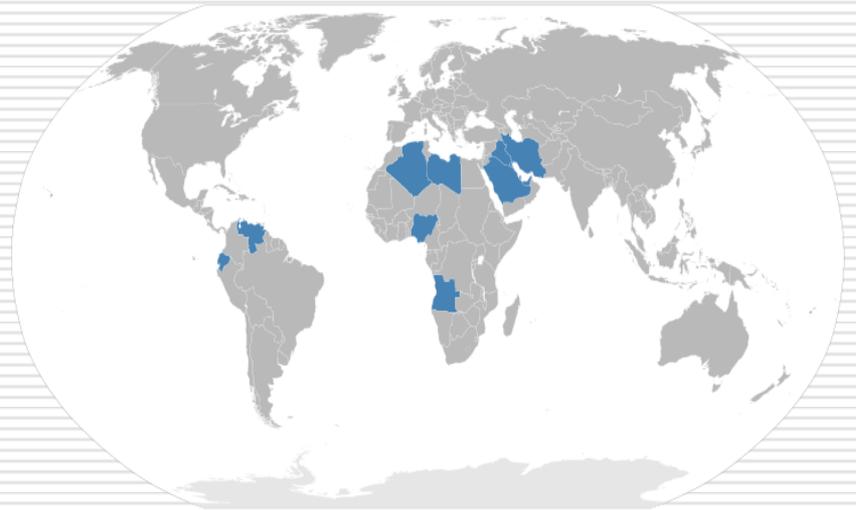
- ❑ EXON MOBILE
- ❑ They start from the very beginning, locating oil deposits, drilling and extracting it, transporting it to refineries, and distributing to its own gas stations (and others).



Example of Monopolies

OPEC

- ❑ One single company controls an entire market for a specific product.
- ❑ They control prices and production



Example of Horizontal Integration

- Phone companies buying each other out. AT&T buying out Cingular.
 - CRYSLAR BUYING OUT BUICK.
 - Car manufacturer merging with another car manufacturer. In this case both the companies are in the same stage of production and also in the same industry. This process is also known as a "buy out" or "take-over".
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Chapter 3 Section 2

Business Fights Back

- Describe how companies fought back in response to state laws.
 - Describe the reasons many opposed unions in the United States.
 - Describe the type of work women were doing in the late 1800's and early 1900's.
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Business Fights Back

- ❑ Standard oil forms the first trust.
- ❑ A trust allows a person to manage another persons property.
- ❑ Allowed Standard oil to control other companies legally.
- ❑ Holding companies own the stock of companies. Allowing them to create a governing body that controls the company.



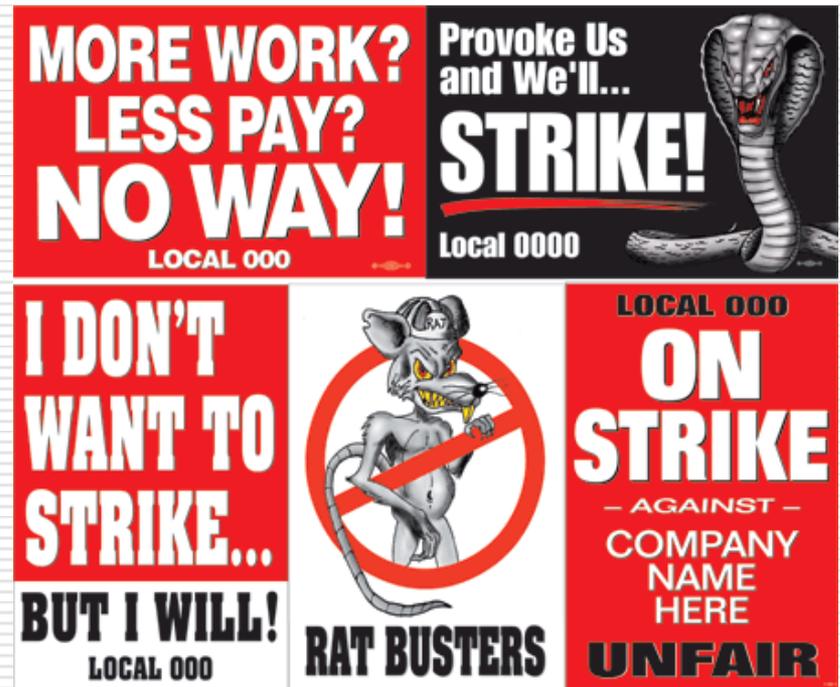
Industrialization and Labor

- ❑ Huge increase in labor.
- ❑ Increased the standard of living.
- ❑ Wages increased by 50% between 1860 and 1890.
- ❑ Working conditions were unhealthy and dangerous.
- ❑ Many workers decided to form unions.



Opposition to Unions

- ❑ No laws giving workers the right to organize.
- ❑ Unions were seen as a threat to American institutions.
- ❑ Unions were seen as Marxist ideas from Europe, which lead to revolution.
- ❑ Americans respond with anti-immigration feelings, and become suspicious of unions.



Business Response to Unions

- ❑ Required workers to take oaths or sign contracts promising not to join a union.
 - ❑ They hired detectives to go undercover and identify union organizers.
 - ❑ They used lock outs if workers formed unions, during lock outs workers were not allowed to work and their paychecks were held.
 - ❑ They hired “scab” in order to replace the workers, which usually led to violence.
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Working Women

- ❑ Women made up 18% of the workforce.
- ❑ “Women’s work” consisted of domestic servants, teachers, nurses sales clerks and secretaries.
- ❑ 1/3 of them worked in light industrial jobs.
- ❑ Women also received less pay than men even when performing the same job.



Women Organize

- ❑ Women's Trade Union League is established.
 - ❑ Promoted women's labor issues.
 - ❑ They pushed for eight hour work days.
 - ❑ Minimum wage.
 - ❑ End to evening work for women.
 - ❑ The abolition of child labor.
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