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The Incorporation of America

Essential Question

Industrialization increased the standard of living and the opportunities of most Americans, but at what cost?

Causes of Rapid Industrialization

1. Steam Revolution of the 1830s-1850s.

2. The Railroad fueled the growing U.S. economy:
   - First big business in the U.S.
   - A magnet for financial investment.
   - The key to opening the West.
   - Aided the development of other industries.
Causes of Rapid Industrialization

3. Technological innovations.
   - Bessemer and open hearth process
   - Refrigerated cars
   - Edison
     - "Wizard of Menlo Park"
     - Light bulb, phonograph, motion pictures.

Thomas Alva Edison

"Wizard of Menlo Park"

The Light Bulb
The Phonograph (1877)

The Ediphone or Dictaphone

The Motion Picture Camera
Alexander Graham Bell

Telephone (1876)

Alternate Current

George Westinghouse

Alternate Current

Westinghouse Lamp ad
The Airplane
Wilbur Wright  Orville Wright
Kitty Hawk, NC - December 7, 1903

Model T Automobile
Henry Ford
I want to pay my workers so that they can afford my product!

“Model T” Prices & Sales

The Ten-Millionth Ford

[Graph and advertisement image]
U. S. Patents Granted

- 1790s: 276 patents issued.
- 1990s: 1,119,220 patents issued.

Causes of Rapid Industrialization

4. Unskilled & semi-skilled labor in abundance.
5. Abundant capital.
7. Market growing as US population increased.
8. Government willing to help at all levels to stimulate economic growth.
9. Abundant natural resources.

New Business Culture

1. Laissez Faire → the ideology of the Industrial Age.
   - Individual as a moral and economic ideal.
   - Individuals should compete freely in the marketplace.
   - The market was not man-made or invented.
   - No room for government in the market!
2. Social Darwinism

- British economist.
- Advocate of laissez-faire.
- Adapted Darwin’s ideas from the "Origin of Species" to humans.
- Coined "Survival of the Fittest."

Herbert Spencer
English Philosopher

2. Social Darwinism in America

- Individuals must have absolute freedom to struggle, succeed or fail.
- Therefore, state intervention to reward society and the economy is futile!

William Graham Sumner
Folkways (1906)
Yale Professor

New Business Culture: "The American Dream?"

3. Protestant (Puritan) "Work Ethic"
- Horatio Alger [100+ novels]

Is the idea of the "self-made man" a MYTH??
New Type of Business Entities

1. Pool
   1887 → Interstate Commerce Act → Interstate Commerce Commission created.

2. Trust → John D. Rockefeller
   - Standard Oil Co.

Standard Oil Co.

New Type of Business Entities

2. Trust:
   - Horizontal Integration → John D. Rockefeller
   - Vertical Integration:
     - Gustavus Swift → Meat-packing
     - Andrew Carnegie → U. S. Steel
New Financial Businessman
The Broker:
J. Pierpont Morgan

Wall Street – 1867 & 1900

The Reorganization of Work
Frederick W. Taylor
The Principles of Scientific Management (1911)
The Protectors of Our Industries

The ‘Bosses’ of the Senate

The ‘Robber Barons’ of the Past
Cornelius ["Commodore"] Vanderbilt

Can't I do what I want with my money?

William Vanderbilt

$ The public be damned!
$ What do I care about the law? Haint I got the power?

The Gospel of Wealth: Religion in the Era of Industrialization

$ Wealth no longer looked upon as bad.
$ Viewed as a sign of God's approval.
$ Christian duty to accumulate wealth.
$ Should not help the poor.
Roadblock to reform

Russell H. Conwell
Reverend
“On Wealth”

- The Anglo-Saxon race is superior.
- "Gospel of Wealth" (1901).
- Inequality is inevitable and good.
- Wealthy should act as "trustees" for their "poorer brethren."

Andrew Carnegie

Regulating the Trusts

1877 → Munn v. IL
1886 → Wabash, St. Louis & Pacific Railroad Company v. IL
1890 → Sherman Antitrust Act
  - in "restraint of trade"
  - "rule of reason" loophole
1895 → US v. E. C. Knight Co.

Relative Share of World Manufacturing

[Diagram showing relative share of world manufacturing for different countries over the years 1880, 1900, and 1910.]
Modern "Robber Barons"?