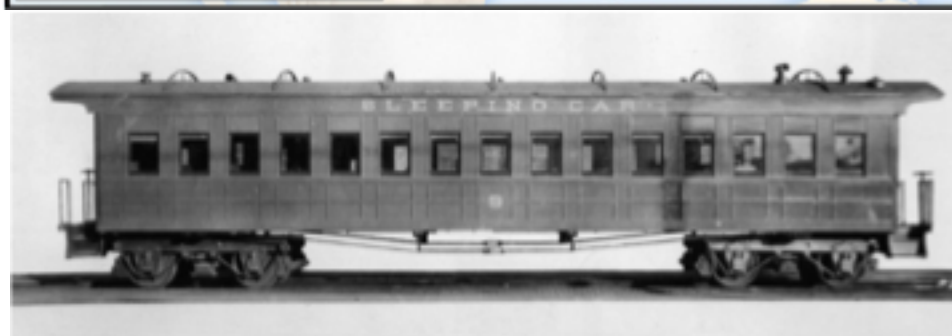
SSUSH 11 Overview

"Our 'Infant' Industries --
Why can't they be content with the half they make honestly?"
by Udo Keppler, 1900

- The modern United States was influenced by the growth of big business, the rise of labor unions, and advances in technological innovation.
  - By the early 20th century, the American industrial economy had outstripped that of European competitors.
    - Entrepreneurs, including Andrew Carnegie and J.D. Rockefeller, built vast corporations that changed the business landscape.
    - By forming trusts and monopolies, big businesses were able to control production and prices in the market.
  - Production and industries were also supplemented by new technologies that allowed for instant communication and twenty-four hour factory operation.
  - With greater factory production demands came greater demands on workers.
    - Large immigrant populations arriving in the United States during the period filled the labor force.
    - These immigrants were poor and willing to work for low wages. They also outnumbered the jobs available.
    - As a result, business owners had the upper hand and often took advantage of workers.
  - Labor unions emerged in the United States to address the nation's growing labor concerns. The period of economic growth in the United States also brought with it challenges to balance big business and labor.

SSUSH11: EXAMINE CONNECTIONS BETWEEN THE RISE OF BIG BUSINESS, THE GROWTH OF LABOR UNIONS, AND TECHNOLOGICAL INNOVATIONS.



ELEMENT A: Explain the effects of railroads on other industries including steel and oil.

Railroads' Effects on other Industries

- A period of technological growth emerged after the Civil War and transformed American society with wide ranging new innovation.
- However, it was the railroad industry that impacted the economy like no other.
  - Railroad construction dramatically increased after the Civil War.
    - In fact, the United States went from having 35,000 miles of track in 1865 to over 193,000 miles of track by 1900.
  - Railroads connected vast regions of the United States and allowed for the efficient transport of goods.
    - The geographic connections railroads allowed created a national market. No longer were goods and products regional.
    - Instead mass production and distribution of items created larger corporations and enormous profits.

Railroads' Effects on the Steel Industry

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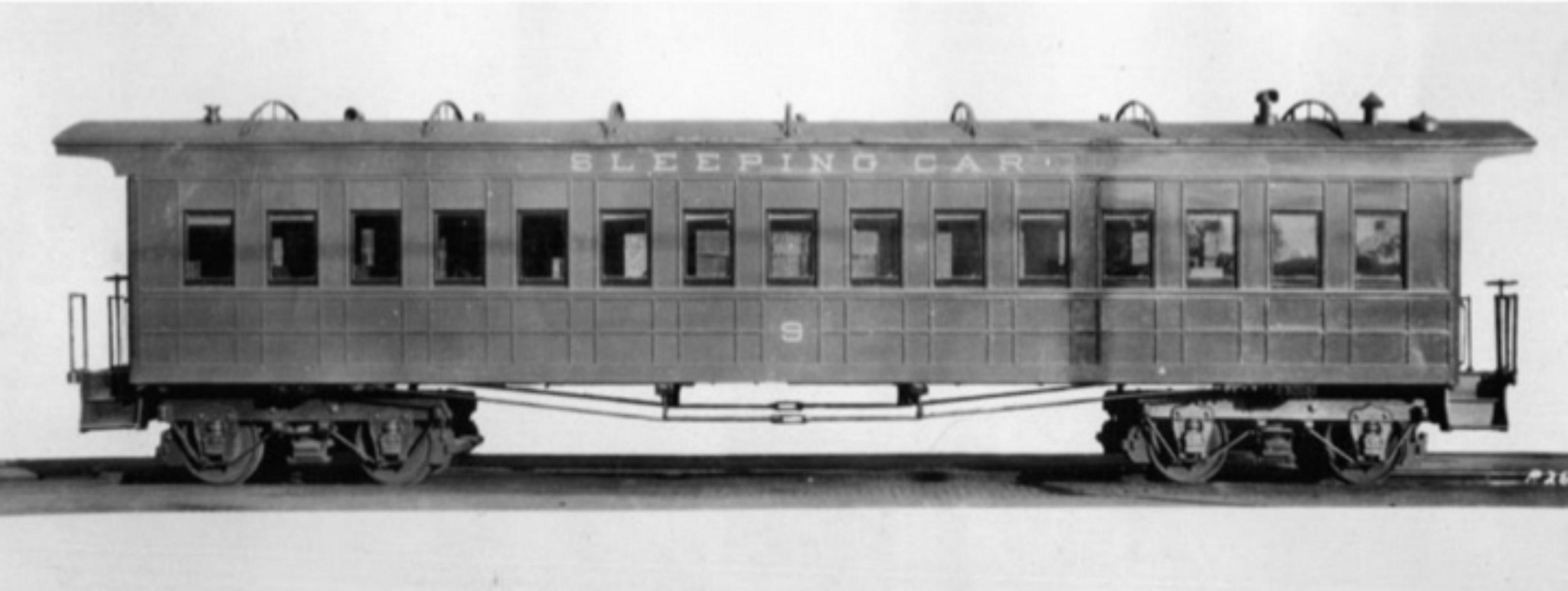
- The steel industry made possible the expansion of railroads given that the tracks are made of steel.
  - The railroad companies were the biggest customers of the steel industry because thousands of miles of steel track were laid to connect all areas of the United States.
  - To supply their biggest customers, steel producers developed cheap, efficient methods for the mass production of steel rails.
    - These low-cost methods enabled more industries, beyond just railroads, to afford the steel companies' products.
- Large steel corporations, such as Carnegie Steel, produced more steel than any other company in the world.

Railroads' Effects on Other Industries

- Other industries were also impacted by the expansion of railroads.
- Consider, for example, the Pullman Sleeping Car, which was developed for the comfort of long distance travelers.
  - These cars needed glass for windows, cloth for seats, wood for the car construction, bedding for the sleepers, and a myriad of other small fittings to hold the entire car together.
- To increase train safety, signal systems were developed, better braking systems were invented, and the national time zones were created out of necessity.
- All of these components were driven by production to support the railroad industry.



Impacts of Railroad Industry

- The railroads, as the single largest business in the United States in the late 19th century, also changed the way businesses were organized.
  - Significant capital investment was needed to create and maintain a nation-wide business.
    - This capital was acquired through both public (i.e. government) subsidies to railroads and from private business investments.
    - Large professionally trained managerial staffs were needed to keep up with passengers, cargo, and equipment.
    - It became necessary for new means of accounting to track the large quantities needed for railroads to be efficient, cost effective, and profitable.
    - Internal organization led in turn to the consolidation of many railroads. This was especially true as economic panic caused less profitable lines to collapse and be absorbed by larger more profitable firms.