

# Connections in the Modern United States

SSUSH 11

Examine connections between the rise of big business, the growth of labor unions, and technological innovations.

# Developments of Modern United States

- The modern United States was influenced by:
  - The growth of big business
  - The rise of labor unions
  - The advances in technological innovation
- By the early 20th century, the American industrial economy had become stronger than that of European competitors.
- Entrepreneurs, including Andrew Carnegie and J.D. Rockefeller, built large 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.

# Developments of Modern United States

- 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.

# Additional Resources

- The Gilder Lehrman Institute of American History is a resource that provides lesson plans, primary documents, secondary source essays, and multimedia specific to each historical era. Historical Era #7 -“Rise of Industrial America, 1877-1900”
  - <https://www.gilderlehrman.org/history-by-era/rise-industrial-america-1877-1900>

## SSUSH 11 A

Explain the effects of railroads on other industries including steel and oil

# The Effects of Railroads

- The railroad industry had the single biggest impact the economy
- 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 US and allowed for efficient transport of goods.
- The geographic connections of the railroads created a national market.
- No longer were goods and products kept in just regional areas.



# The Effects of Railroads



- Instead mass production and distribution of items created larger corporations and enormous profits.
- 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.

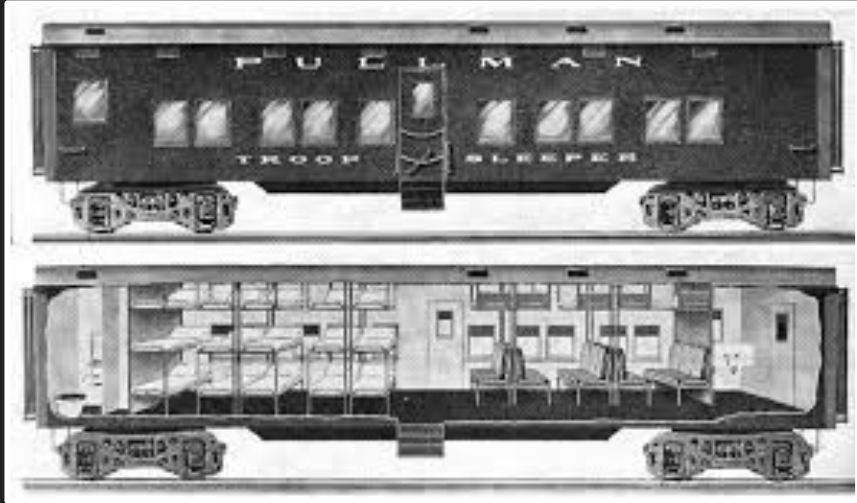


# The Effects of Railroads

- 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.
- Oil production in the late 19th century was also linked to the growing railroad industry of the period.
- Drilling for oil in remote areas meant that the product had to be transported east for consumption as a fuel supply.
- The railroads made the transport possible from pipelines to the market.



# The Effects of Railroads



- Oil companies, such as Standard Oil, and railroads that transported the oil both made vast fortunes during the period.
- 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 many other small fittings to hold the entire car together.

# The Effects of Railroads

- 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.
- 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.



# The Effects of Railroads



- This capital was acquired through both public (i.e. government) subsidies to railroads and from private business investments.
- Large professionally trained 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.
  - Especially true as economic panic caused less profitable lines to collapse and be absorbed by larger more profitable firms.

# Additional Resources

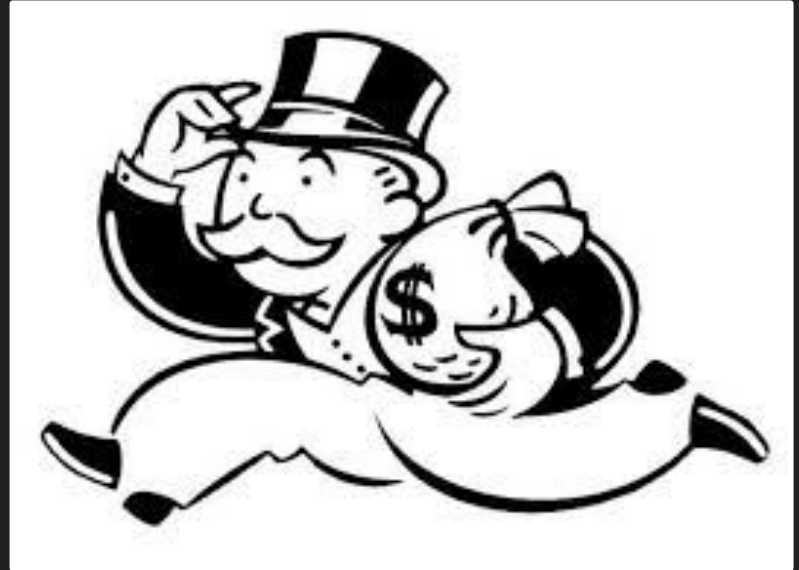
- The Library of Congress has an online American Memory Timeline featuring "Railroads in the Late 19th Century." Included on the site are links to documents and a background essay.
  - <http://www.loc.gov/teachers/classroommaterials/presentationsandactivities/presentations/timeline/riseind/railroad/>

## SSUSH 11 B

Examine the significance of John D. Rockefeller and Andrew Carnegie in the rise of trusts and monopolies

# Monopolies

- The period after the Civil War was a time when businesses sought to maximize their profits by combining competing corporations into a single entity.
- These large consolidated companies were able to control prices, production, and sales and also able to establish a monopoly.
- There are several individuals from this era who are known for the monopolies they created.
- These include John D. Rockefeller (Standard Oil) and Andrew Carnegie (Carnegie Steel).



# Monopolies - John D. Rockefeller



- John D. Rockefeller was known for his economy, precision, and foresight in creating one of America's landmark corporations - Standard Oil.
- Rockefeller started out as a bookkeeper and clerk in a wholesale grain and produce business in Cleveland, Ohio in 1855.
- His diligence and hard work won him great admiration.
- His idea of thrift gave him the capital to start his own wholesale grain business in the early 1860s.
- Rockefeller soon realized that the growth of agriculture in his area would soon decline



# Monopolies - John D. Rockefeller

- Foresaw Cleveland's location could serve as a clearinghouse for raw materials.
- The newest commodity gaining popularity and usage was oil.
- In 1863, Rockefeller entered the oil refining business.
- In order for the oil to be used, it needed to be refined into a distilled spirit - kerosene.
- Rockefeller began by developing a business that transported petroleum products.
- Sought to cut his costs by creating his own barrel-making factory



Success comes from keeping the ears open and the mouth closed

~ John D. Rockefeller

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# Monopolies - John D. Rockefeller



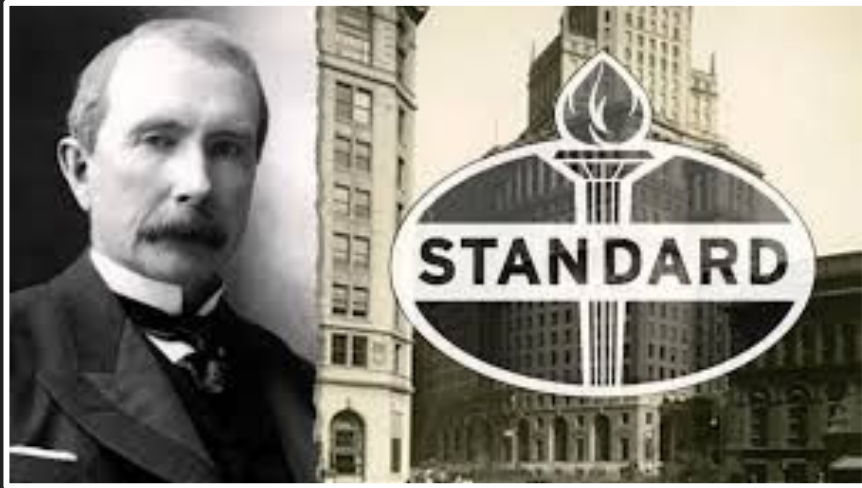
- He also cut costs by:
  - Buying forestland for the wood to make the barrels
  - Buying horses and wagons to transport the petroleum products to market
- His practice is what is known today as vertical integration.
  - This creates a business that consists of all elements of production from raw material to sale of the finished product.
- As a result, profits can be maximized by cutting costs of production.
- In 1870, Rockefeller created Standard Oil.

# Monopolies - John D. Rockefeller

- Rockefeller bought up inefficient refineries
- Closed those that were too expensive to renovate and improved those that showed promise.
- When railroads proved inefficient for his needs, he built a pipeline from the oil field to the refinery.
- By 1879, Rockefeller and Standard Oil controlled 90% of the refining capacity in the United States.
- In 1882, Rockefeller combined his many companies into the Standard Oil Trust.



# Monopolies - John D. Rockefeller



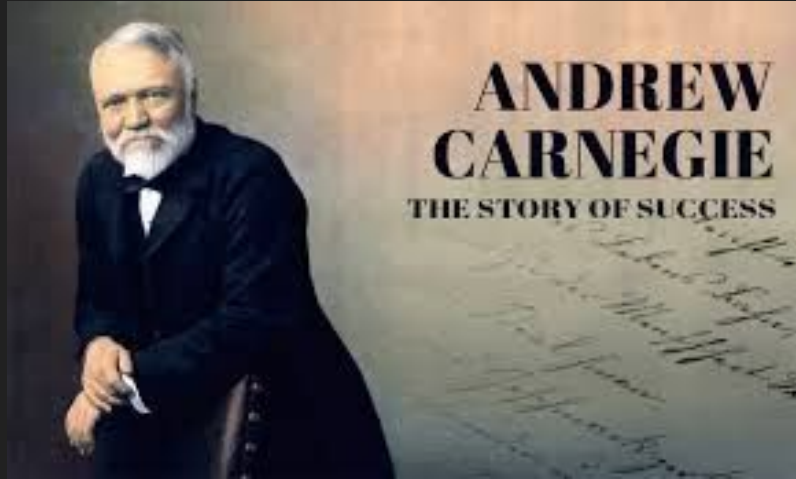
- The trust enabled Standard Oil to monopolize all aspects of the oil industry from production to marketing.
- With a monopoly or trust, the competition has been eliminated in the market.
  - No competition means a business owner can set any price they want for the goods they are selling.
  - A monopoly or trust is good for the business owner but harmful to consumers who pay higher prices.

# Monopolies - Andrew Carnegie

- Another successful big business owner of the late 19th century was Andrew Carnegie.
- As a boy, his family immigrated to the United States from Scotland.
- The family worked hard to barely scrape by as they settled in Pennsylvania.
- Andrew began working in a textile mill at age thirteen.
- He later began working in the railroad industry and progressed through the ranks to superintendent of the Pennsylvania Railroad.



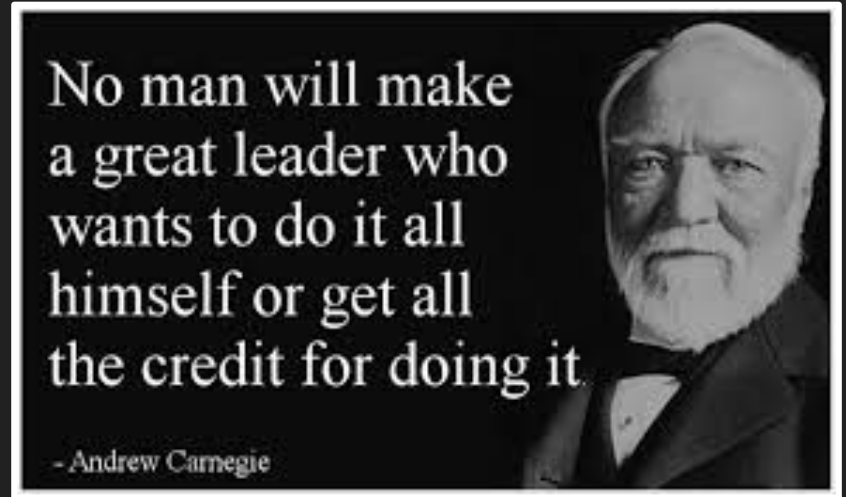
# Monopolies - Andrew Carnegie



- With good investments, his wealth began to build.
- By the 1860s, Carnegie had moved to the ironworks industry.
- Used the latest technology of the Bessemer process to forge steel more efficiently.
- Increased production of steel & the use of vertical integration allowed Carnegie to amass the first billion dollar company.
- He controlled the entire production process from resource to finished product.
- Included obtaining raw materials, industrial production, and transportation

# Monopolies - Andrew Carnegie

- A feature that distinguishes Andrew Carnegie from other big business entrepreneurs is the level of philanthropy he supported with his wealth.
- The others certainly contributed huge sums to charity but it was Andrew Carnegie that made a mark with his investments in society.
- He was devoted to educational opportunities for the masses - not just the wealthy.
- To this end, Carnegie funded over 3,000 libraries across the United States.



# Monopolies - Andrew Carnegie



- In addition, he gave millions of dollars to finance higher education universities in the United States and in Scotland.
- At the time of his death, Carnegie had given over \$350 million to charitable causes.
- The value of his charitable donations today would be in the billions of dollars.
- The rise of both J.D. Rockefeller and Andrew Carnegie as powerful and wealthy entrepreneurs is attributed to their skillful and shrewd business dealings.



# Monopolies - Carnegie & Rockefeller

- Able to successfully maximize their profits by cutting costs in production through the practice of vertical integration.
- They also limited their competition by forming monopolies.
  - Allowed them to control the prices of their goods - keeping them high
  - There was limited competition in the market to undercut their prices.
- The fortunes they amassed were often at the expense of small business owners and consumers.
- While society benefited from their charitable investments, many people were also hurt by their business methods.



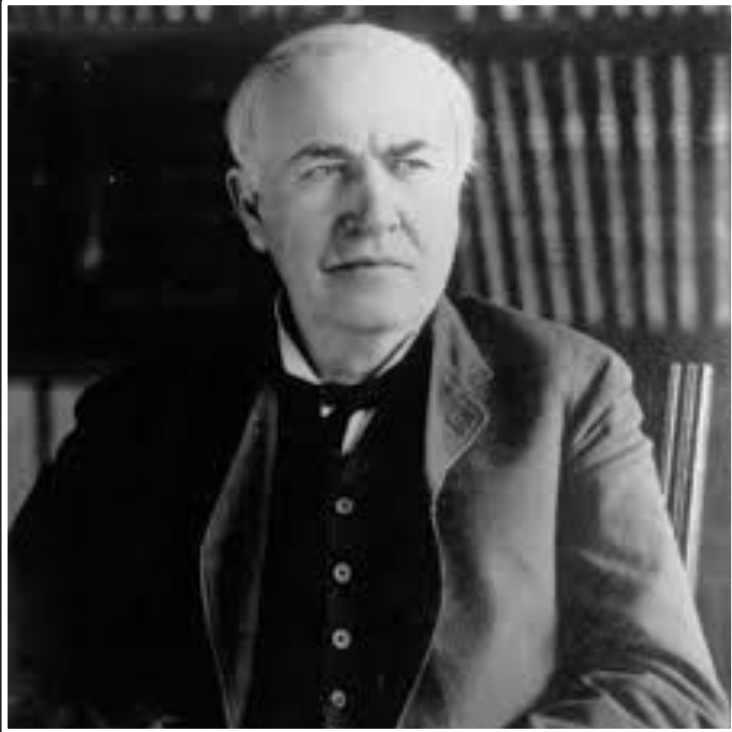
# Additional Resources

- The History Channel has a comprehensive mini-series entitled "The Men Who Built America." The documentary is highly engaging for students and there are episodes devoted to the rise of Carnegie and Rockefeller. The link below is to a PDF document created by the History Channel to guide teachers in using the documentary effectively with students.
  - <https://images.history.com/images/media/pdf/Men%20Who%20Built%20America.pdf>

## SSUSH 11 C

Examine the influence of key inventions on U.S. infrastructure, including but not limited to the telegraph, telephone, and electric light bulb.

# Influential Technology



- The infrastructure of the United States was changed over time by various inventions.
- Some of the most important inventions were influenced by the conduction of electric current that was realized in the 1830s.
- Transmitting electric current enabled instant communication by way of telegraph transmission and later the telephone.
- In the 1870s, Thomas Edison changed American businesses and homes with the invention of the electric light bulb.

# Influential Technology

- The effects of technological advances forever changed how people lived and worked.
- The changes in communication, as well as the expansion of railroads, helped to better connect the quickly expanding West with the industrializing East.
- The transfer of information, resources, and marketable goods connected all regions of the United States.
- Telegraph communication was the first nationwide information transmitter.
- Samuel Morse invented the technology in 1832.



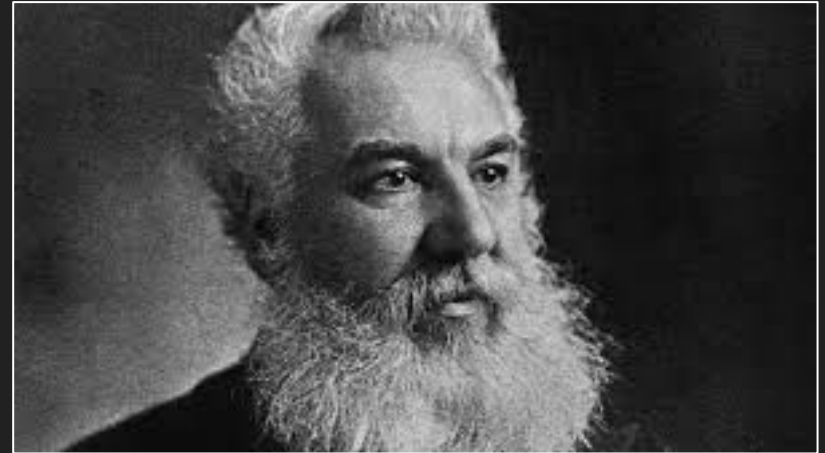
# Influential Technology



- The telegraph machine received coded messages across electric wires connecting long distances.
- Morse Code is the system of dots and dashes that correspond to letters of the alphabet.
- Telegraph operators decoded the messages sent instantaneously across the telegraph wires.
- With the development of telegraph technology, business could be more efficiently conducted between industrial centers in the East and their sources for raw materials in the South and West.

# Influential Technology

- The Civil War was the first war conducted with the use of widespread telegraph connectivity.
- Abraham Lincoln and his Secretary of War Edwin Stanton received almost daily updates at the Washington DC telegraph office from various fighting fronts and were able to coordinate the entire war based on real time information from the field.
- In 1876, Alexander Graham Bell further expanded on instant communication.
- He invented the telephone, which allowed for voice - to - voice communication over electric wires.



# Influential Technology



- With the invention of the telephone, conversations were more efficient and true discussion between individuals in distant locations was made possible.
- Thomas Edison was one of the most famous and successful American inventors.
- He invented a wide variety of technologies and held over 1,000 patents.
- Edison established the concept of industrial research, which allowed him to develop and expand his wide-ranging ideas.

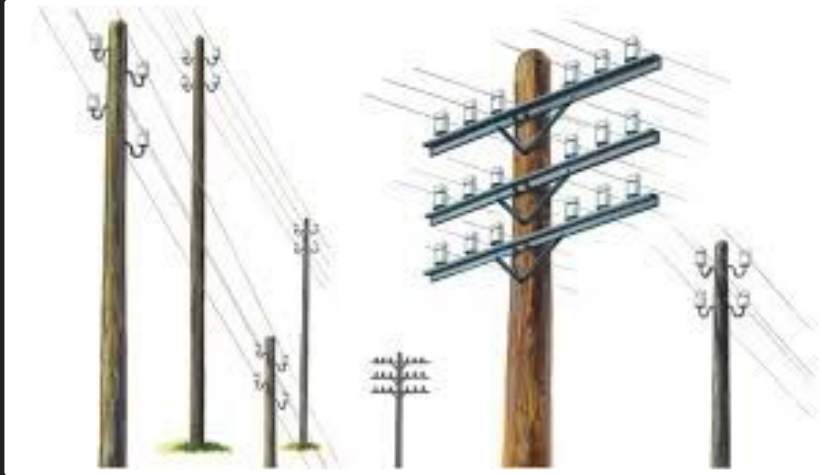


# Influential Technology

- He founded a research laboratory in Menlo Park, New Jersey that was staffed by engineers and technicians under his direction.
- One of Edison's most revolutionary inventions was the electric light bulb.
- Not only did this development allow factories to be lit and operate twenty-four hours a day, but the light bulb also illuminated buildings, streets, and neighborhoods across the United States.
- The light bulb was developed in the 1870s and quickly replaced the more dangerous and expensive lamp oils that burned for illumination.



# Influential Technology



- With greater technological innovation, came greater connectivity and productivity for the development of industry in the US.
- The late 19th century was a time of great change in the way people lived and conducted business in part because of these inventions.
- Communities invested in the technology that in turn cut costs to individuals.
- The US became a leading industrial producer during the same period in part because of the efficient production of products and ease of communication for business across great distances.

# Additional Resources

- Thomas Edison's Menlo Park Museum includes background information on Edison's research laboratory and resources for teachers.
  - <http://www.menloparkmuseum.org>

## SSUSH 11 D

Describe Ellis and Angel Islands, the change in immigrants' origins and their influence on the economy, politics, and culture of the United States.

# Immigrants

- The last quarter of the 19th century was marked by a great deal of turmoil in Europe.
- PUSH Factors that caused immigrants to leave their homelands:
  - Low wages
  - Unemployment
  - Disease
  - Forced military conscription
  - Religious persecution
- These groups formed the bulk of the "new immigration" coming to America.
- Chinese immigrants also came to America and settled in California.



# Immigrants



- Immigrants who entered the US were processed at Ellis Island in New York and Angel Island in California.
- Each facility conducted the screening of immigrants in different ways.
- Immigrants who did gain entry into the US influenced the nation's economy, politics, and culture.
- Prior to the 1880s, the majority of immigrants to the United States came from northern and western Europe.
- During the colonial period immigrants were overwhelmingly English, with smaller groups of Scots, Germans, and French.

# Immigrants

- In the decades after the American Revolution, large groups of Irish and German immigrants arrived.
- After the Civil War, more Eastern and Southern Europeans immigrated to America.
- Between 1880 and 1920, over 20 million immigrants entered the United States.
- These latest newcomers greatly affected the social as well as the economic and political landscape.
- Because poverty and political instability were common in their home countries, the new immigrants were likely to be poor.
- Often they were Jewish or Catholic and spoke no English.



# Immigrants



- Most worked as unskilled laborers and lived in northern cities.
- These new immigrants tended to settle in areas populated by people from their same country.
- They formed neighborhoods where immigrants spoke the same languages and worshipped in the same ways.
- The new immigrants did not appear to blend into American society in the way earlier immigrants had.
- There were 21 immigrant-processing centers.
- The two most famous were Ellis Island in New York and Angel Island in California.



# Ellis Island - Immigrants

- Ellis Island Immigrant Station located in New York Harbor was opened in 1892.
- By 1924, the station had processed 12 million immigrants.
- By some estimates, 40% of all Americans today can trace their port of entry back to Ellis Island.
- Upon arrival in New York Harbor, immigrants were transported from their ships to the immigrant-processing center.
- Arrivals to Ellis Island were asked 29 questions including name, occupation, and the amount of money carried.
- The inspection process lasted from three to seven hours.



# Ellis and Angel Island - Immigrants



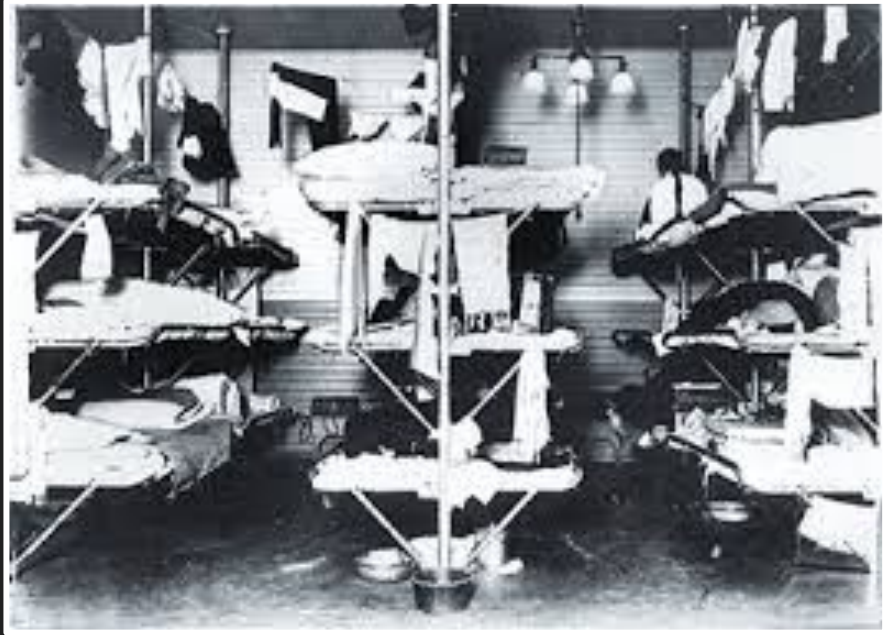
- As more restrictive laws were passed in the 1890s, more rigorous provisions for entry were required.
- About 2% of the immigrants seeking entry were denied admission to the US
- Some of the reasons for denied access were chronic and contagious disease, criminal background or insanity.
- Angel Island Immigrant Station was quite different from Ellis Island.
- Approximately 1 million Asian immigrants were processed at Angel Island between 1910 and 1940.

# Angel Island - Immigrants

- There was strong resistance to Chinese immigrants in the late 1800s, which resulted in the passage of the Chinese Exclusion Act in 1882.
- Chinese immigrants had been hired as workers to complete construction of the Transcontinental Railroad in the 1860s.
- They were discriminated against and taken advantage of by railroad companies.
- The Chinese workers were paid half of what European workers earned



# Angel Island - Immigrants



- Were required to do the most dangerous jobs of blasting and laying rail ties over the treacherous terrain of the high Sierra Mountains
- Once the railroad was complete, the hostility toward Chinese immigrants escalated.
- As a result of this open discrimination, Chinese immigrants wanting entry into the United States spent weeks, months, and sometimes years on Angel Island awaiting approval for entry into the United States.

# Angel Island - Immigrants

- Approximately 18% of immigrants to Angel Island were rejected
- The interrogation process at Angel Island was much more lengthy and specific than at Ellis Island.
- Immigrants had to have American witnesses or family members come to Angel Island to vouch for the accuracy of their answers.
- The impact of immigrants on American society was significant.
- Over-crowded cities led to increased problems with crime and disease.



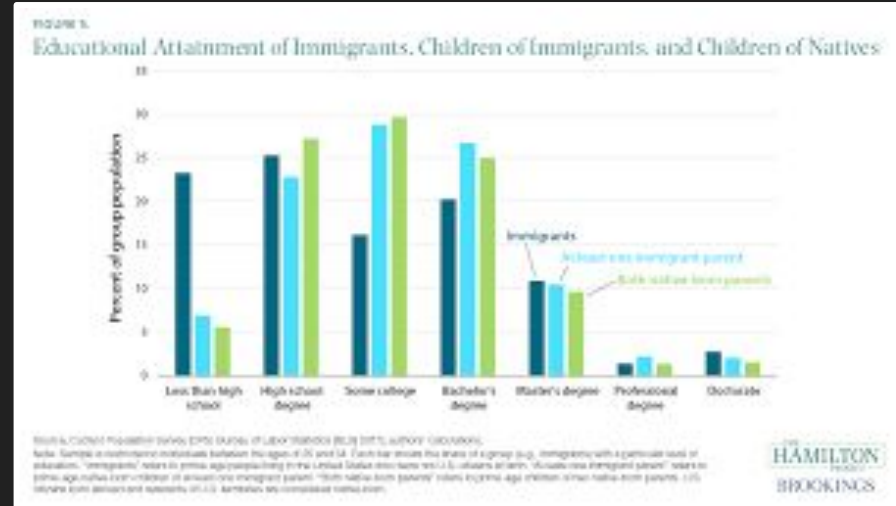
# Immigrants



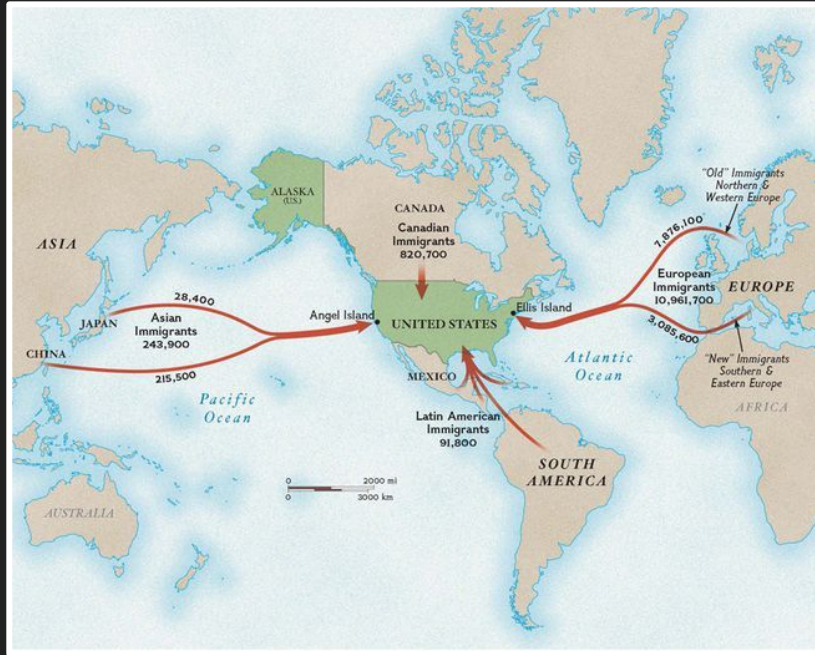
- Increased demand for agricultural and industrial goods spurred economic growth.
- Low-wage labor was available to work in the growing American industrial economy.
- New cultural items became part of the American culture and diet
  - Italian opera
  - Polish polkas
  - Russian literature
  - Kindergarten
  - Spaghetti
  - Frankfurters
  - Hamburgers

# Immigrants

- **Nativists** - people who promote the interests of native inhabitants against those of immigrants, including by supporting immigration-restriction measures
- Viewed the fast-growing immigrant population as dangerous to the American political system.
- Poll taxes and literacy tests were used to restrict immigrants from voting in ways similar to those used to restrict Blacks from voting in many Southern states.



# Immigrants



- The United States is a nation of immigrants.
- The number of immigrants coming to the United States for opportunity increased during the last decades of the nineteenth century.
- The immigrants arriving at that time were also from different areas of Europe and Asian than had previously been common.
- Although there was bitter resistance to these immigrants, there were many positive contributions to the economy and social makeup of the United States.



# Additional Resources

- The National Park Service Ellis Island website contains background information on the facility as well as collections of documents and data about immigrant arrivals. There are resources for teachers included as well.
  - <https://www.nps.gov/elis/index.htm>
- The California State Park Angel Island website contains background information on the immigration station as well as the island itself.
  - [https://www.parks.ca.gov/?page\\_id=1309](https://www.parks.ca.gov/?page_id=1309)

## SSUSH 11 E

Discuss the origins, growth, influence, and tactics of labor unions including the American Federation of Labor.

# Labor Unions

- Unskilled laborers were subject to:
  - low wages
  - long workdays
  - no vacations
  - unsafe workplaces
- Individual workers had little power to change the way an employer ran a business
  - Workers banded together in labor unions to demand better pay and working conditions
- Over time, labor unions grew significantly and influenced business operation.



# Labor Unions



- Union strategies included strikes, protest, and political influence.
- The American Federation of Labor is an example of one of the early labor unions in the United States that wielded significant power.
- Originally, labor unions were organized for either skilled or unskilled workers.
- Each group had its own union.
- The unions relied on collective bargaining to obtain their demands.
- However, when employers refused to bargain, unions used direct action (i.e., labor strikes) to obtain concessions.

# Labor Unions

- However, when employers refused to bargain, unions used direct action (i.e., labor strikes) to obtain concessions.
- The earliest national labor union to use these methods was the Knights of Labor, which was founded in 1869.
  - Members of the union were both skilled and unskilled workers.
- While initially effective, the union lost influence and power after the organization failed to win concession in the Missouri Pacific Railroad Strike and suffered distrust from the Haymarket Affair in 1886.



# Labor Unions



- Furthermore, skilled workers were reluctant to support lower paid unskilled workers when the latter went out on strike.
- Samuel Gompers, a Jewish immigrant from England who came to the United States in 1863, was a cigar maker by trade.
- In 1886, he helped create the American Federation of Labor, often referred to as the AFL.
- He was president of the union from 1886-1924.
- His union accepted only skilled workers.

# Labor Unions

- The AFL was also designed in such a way that workers were organized by craft rather than by geography
- Gompers did not see capitalism as the enemy, as had radical members of the Knights of Labor.
- He also urged union members to work with owners for higher pay and better working conditions.
- The American Federation of Labor was not trying to reform the universal economic system
- The AFL promoted practical goals that would impact the daily lives of individual workers.



# Labor Unions

**AMERICAN FEDERATION OF  
LABOR**

Part of a  
crafts union  
and want  
higher  
wages, better  
working  
conditions,  
and a shorter  
work week?



**JOIN AF OF L TODAY AS WE TAKE A  
STAND AND BOYCOTT FOR A  
BETTER WORK LIFE.  
LET YOUR VOICE BE HEARD!**

Accepting white males only

- Even though Gompers supported negotiation between workers and owners, he was not above using work stoppages (labor strikes) to obtain what was desired.
- Gompers' tactics proved to be very effective until the Great Depression.
- The AFL was successful due to its sheer numbers
  - over one million members by 1901 and four million members at its height of power.



# Labor Unions

- The development of labor unions of the United States, including the AFL and others, brought more awareness to the growing division between business management and workers.
- The conflict between the two groups sometimes turned violent, as was the case at the Haymarket protest and the Homestead Steel Factory strike.
- The labor unions did bring about a much greater awareness of the need for better unity between all employee levels in a business



# Additional Resources

- The History Channel provides background information on the labor movement in the United States. Discussion of the rise of labor unions is included in the material. In addition to a background essay, there are video clips that can be used with students.
  - <http://www.history.com/topics/labor>