* Following the Civil War and Reconstruction (1861-1877), the United States experienced a phase of rapid **industrialization**
  + Mechanization of labor in factories = **machines mass producing consumer goods**
  + Population transitions from rural settlements to cities = **urbanization**
* This period is known as the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and lasted from 1870-1900.
  + Why did Mark Twain call this period the Gilded Age?

**Gilded Age Inventions/Innovations**

* America’s industrial revolution began with a wave of new inventions
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ made businesses more efficient
  + Guglielmo Marconi’s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and **Alexander Graham Bell**’s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ revolutionized communication
  + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ created a cheap way to transform iron into stronger, lighter **steel**
    - *Steel was the dominant building material of the Gilded Age*

**Thomas Edison**

* **Thomas Edison was the greatest inventor of the 1800’s**
* **His inventions included:**

**Railroads**

* America’s first “big business” were the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Large companies bought small railroads, standardized gauges and schedules, and pooled cars
* As railroads expanded, so did the rest of the U.S. economy
* The 1st \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ was finished in 1869
* Railroads stimulated demand for \_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_, and \_\_\_\_\_\_\_\_\_\_

**Steel**

* Lighter and stronger than iron, steel was essential for the construction of

**Tycoons of the Gilded Age: Robber Barons or Captains of Industry?**

* **Cornelius Vanderbilt**
* **Andrew Carnegie**
  + Dominated the \_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_ industries during the Gilded Age
  + Carnegie made high quality steel at the lowest price by adopting the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in his steel mills
  + Carnegie Steel produced more steel than all of the steel factories in Great Britain combined
  + How did Carnegie represent the American dream?

**Was Andrew Carnegie a Robber Baron or a Captain of Industry?**

|  |  |
| --- | --- |
| **Robber Baron** | **Captain of Industry** |
|  |  |

* **John D. Rockefeller**
  + Industrialization led to a demand for oil for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
  + Rockefeller’s company, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, dominated the oil industry during the Gilded Age
  + Rockefeller used ruthless business tactics to buy out competing companies and eliminate all competition
  + By 1879, Standard Oil controlled \_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the oil in America = **Monopoly**

**Was John D. Rockefeller a Robber Baron or a Captain of Industry?**

|  |  |
| --- | --- |
| **Robber Baron** | **Captain of Industry** |
|  |  |

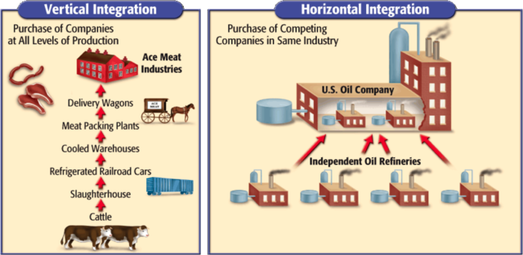
* **J.P Morgan**

**New Forms of Business Organization**

* In the 17th and 18th centuries, goods were produced by families out of their homes = “Cottage Industries”
* Beginning in the 19th century, manufacturing transitioned to small, individually owned factories
* During the Gilded Age, massive **corporations**, with multiple owners sharing the risk and profit, replaced small family businesses
* Vanderbilt, Carnegie, and Rockefeller changed the way businesses were organized
  + **Trusts:**
  + **Holding Companies:**

**Methods of Consolidation**

* **Horizontal Integration:**



* **Vertical Integration:**
* The merging of businesses through vertical and horizontal integration led to giant companies called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, which controlled the majority of an industry
  + Example of monopolies include Rockefeller’s Standard Oil and Carnegie’s Carnegie Steel
* Monopolies became known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, because they were often ran by a board of trustees
* Monopolists justified their wealth in a variety of ways:
  + **“Gospel of Wealth”**:
  + **Social Darwinism :**
* During the Gilded Age, the U.S. government practiced a “**laissez-fair**” policy that benefited large corporations
* Define **laissez-fair economics:**