**Background Info:**

* When?

- 2nd Industrial Revolution/Gilded Age

- late \_\_\_\_\_\_\_\_\_\_\_’s

* Marked by

- rise of big business and corporations

- disparity of wealth

- ultra wealthy industrialists

- monopoly

* Gilded Age: Gold plated but cheap on the inside
* Capitalism

- economic system in which private businesses run most industries

- \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ determines price and wage

* Corporation: Business organization that raises money by selling stock to the public
* Trust: merging of companies turning over control to a board of trustees

**Big Business Vocabulary:**

* Corporations – companies sell shares of ownership called stocks to raise money
* Entrepreneurs – people who take risks & organize new businesses
* Capitalism – private businesses dominate the economy & promote competition
* Laissez Fairre – govt. does not interfere in economic affairs (hands off big business)
* Patent – exclusive right to manufacture or sell an invention

**III. Monopolies and Trusts:**

* Monopolies - characterized by a lack of competition to produce a good or service

- Goal is to control the market for a product by destroying the competition

- Achieved by controlling production and distribution of a good or service

* Trust – consolidate corporations under a Board of Trustees to control the market

**How do you create a monopoly?**

* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Integration
  + acquiring companies that supply your business
* Horizontal Integration:
  + buying out the competition

**Robber Barons:**

* powerful industrialists who amassed huge personal fortunes, typically as a direct result of unfair business practices

**Social Darwinism (SD):**

* SD - idea that “survival of the fittest” determines success of people in society & marketplace
  + Strong survive & the weak fail
  + “Survival of the fittest” strengthens society as a whole
  + Justification for industrialists
* Social Darwinists and capitalists agree that competition promotes \_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Review:**

**1. Describe laissez-faire economic policies.**

**2. A monopoly can best be characterized as \_\_\_\_\_\_\_\_**

**3. Horizontal integration is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**4. Vertical integration is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**5. Describe three aspects of a monopoly.**

**6. What is a trust?**

**7. Describe “Robber Barons.”**

**8. Social Darwinists believed in the idea that \_\_\_\_\_\_\_\_\_**

**Labor Unions:**

* Advantages of unions
  + Greater bargaining power (pay, hours & conditions)
  + Strength in numbers
* Main purpose of a union is collective bargaining
  + Negotiations between management and a union about pay and work conditions on behalf of all the workers in the union
    - 2011: NFL & NBA

**Knights of Labor:**

* Welcomed unskilled laborers including blacks, immigrants & women
  + 1869 first major national labor organization
  + Opened to all who “toiled”
  + Accepted all workers
  + Encouraged collective bargaining

**American Federation of Labor:**

* Represented skilled labor only; most effective & enduring union
  + Main purpose was collective bargaining
  + Negotiated for better pay, fewer hours & safer conditions
* 1886-present: most powerful leader was Samuel Gompers & strike was a ready tool

**Strikes:**

* Haymarket Square Riot (Chicago, IL 1886) strikers clashed w/ police: several killed, 100's hurt
  + May 1, 1886 – Strikes & demonstrations were held nationwide, to demand an eight-hour workday for industrial workers
  + May 3, 1886 -- McCormick Reaper Works factory went on strike; unarmed strikers, police clash; several strikers were killed
  + Evening of May 4, 1886 -- A meeting of workingmen is held near Haymarket Square, Chicago. Police arrived to disperse the peaceful assembly; a bomb is thrown into the ranks of the police; the police open fire; workingmen evidently return fire; police and an unknown number of workingmen killed; the bomb thrower is not identified
* Significance: Americans

linked unions w/ radicals

**Homestead Strike:**

* Wages were cut & workers went on strike in 1892
* Amalgamated union workers went on strike
* 300 Pinkertons called in

- 3 guards & 10 strikers killed

* Significance: state govt. supported corporation (big business)

**Pullman Strike (1894):**

* Pullman Palace Car Co. (Chicago) cut wages but did not reduce workers rent
* Largest strike in US history had interrupted US mail service
  + Eugene V. Debs (future Socialist Party of America) got involved
* Significance: President Cleveland sent in the national guard & sided w/ corporation

**Industry:**

* Advantages of US in world market - Raw materials, expanding markets & favorable govt. policies (LF)
* Growth of manufacturing - Natural resources, investment capital and cheap labor
* People left farms and moved to cities for jobs in industry

**Frederick Olmsted:**

* Landscape architect - designed Central Park (Manhattan) and Prospect Park (Brooklyn)
  + also Boston, Chicago, Capital grounds in DC and Stanford Univ.

**Mass transit:**

* Cities created forms of mass transit such as the subway and cable car

**Inventions:**

* Nikolaus Otto invented the horseless carriage by using an internal combustion engine
* Orville & Wilbur Wright were bicycle makers who invented the airplane after a 12 second flight
* Alexander Graham Bell invented the telephone which transmitted voices using electricity
* Thomas Edison-invented the light bulb and brought electricity to NYC

**Gold Standard**

* - money was backed by gold in the treasury (1882-1933)
* Free Silver - some people wanted $ to be backed by silver as well to get more $ flowing in the economy

**Review**

**9. The main purpose of a labor union is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

**10. Unions negotiate about \_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

**11. The American Federation of Labor (AFL) represented \_\_\_\_\_\_\_\_\_\_\_\_\_\_ and was the most \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

**12. What type of workers did the Knights of Labor accept?**

**13. What was the significance of the Homestead strike?**

**14. The Pullman Strike ended when President Grover Cleveland \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**

**15. What was the significance of the Haymarket bombing?**

**16. The govt. would usually support (business / labor) during strikes in the Industrial Revolution.**