STAAR REVIEW

America's Gilded Age (1870-1890)

America's <u>Gilded Age</u> was the period after Reconstruction. America's "growing pains" as a country. It is the period where America focused on industry (Industrial Revolution) with minimal government regulations on businesses. ***<u>IT WAS THE AGE OF BIG BUSINESS!</u>***

This period saw a lot of immigration---especially from Europe and Asia by people seeking a better life. It led to a lot of overcrowded living conditions in cities as well as many people moving from farms (rural) to cities (urban) areas. The period is characterized by the following:

- Industrialization
- Immigration-led to overcrowded cities and nativism
- Limited government interference with business----"laissez faire"
- Robber Barons and Captains of Industry
- Monopolies and Big Business
- Child Labor
- Low Wages
- Unsafe Working Conditions
- Creation of labor unions
- Political corruption

<u>Laissez-Faire</u>

Very little or no government interference (regulations) of business. Government kept it's "hands-off" of businesses during the era

<u>Monopolies</u>

Unfair business advantage by owning all or almost all of a certain business severely limiting competition.

<u>Andrew Carnegie</u>

Monopoly in the steel industry

<u>Bessemer Process</u>

The process of producing steel more economical. Helped make Andrew Carnegie the richest man in the world

<u>Cornelius Vanderbilt</u>

Monopoly in the railroad industry

<u>John D Rockefeller</u>

Monopoly in the oil industry

Trusts

Companies combined to limit competition. They had the same effect as monopolies by limiting competition except they operated in a small group instead of one company.

Vertical integration

Companies avoidance of middle-men by producing its own supplies and providing for distribution of its product

Captains of Industry vs Robber Barons

Captains of Industry and Robber Barons are the same people with different views from the public. For example, a person like Andrew Carnegie who controlled most of the U.S. steel industry and held a monopoly on it could be seen in a positive light because his energy and vision pushed the economy forward and was seen as a hero to many (Captains of Industry).

On the other hand, he could also be seen in a negative way because he wielded power without any accountability in an unregulated marketplace. Their dictatorial attitudes, unscrupulous methods, repressive labor policies, and exercise of power without any democratic control led to fears that they were undermining political and economic freedom. They "robbed" their workers of every ounce of energy in order to produce a profit (Robber Barons)

Alexander Graham Bell (telephone and telegraph)

In 1876, Bell invented the telephone and telegraph which allowed people to communicate across great distances.

Thomas Edison (electric light bulb)

In 1879, Edison invented the first efficient electric light bulb. This invention allowed American factories to stay open 24 hours per day leading to increased production since they could stay open at night 24/7.

Transcontinental Railroad/National Market

Linked the country from east-to-west. It also created a *national market* for goods since manufactured goods could be shipped to all parts of the country as a result of the railroad

Child Labor

The use of child-age children to work in factories---some up to 12 hours per day and as young as 4 years old. These children missed sunshine, fresh air, play, and the chance to improve their lives by attending school.

Dawes Act

Law passed in 1887 meant to encourage adoption of white norms among Indians; broke up tribal holdings into small farms for Indian families, with the remainder sold to white purchasers

Gospel of Wealth

The idea adopted by Andrew Carnegie in 1889 that those who are wealthy have an obligation to use their resources to improve society

Philanthropy

The practice of giving huge amounts of a person's wealth for the betterment of society.
Example—Andrew Carnegie gave away $350 million to build libraries, music venues, and universities.

Interstate Commerce Commission

Congress established the ICC to curb the abuses in the railroad industry by regulating rates.

Sherman Antitrust Act (1890)

First law to restrict monopolistic trusts and business combinations. Broke up business monopolies

Social Darwinism

Application of Charles Darwin's theory of natural selection to society; used the concept of the "survival of the fittest" to justify class distinctions and to explain poverty

Labor Unions

Workers united to form labor unions. They were effective in creating better conditions for workers through the use of strikes, and collective bargaining. Changes included better pay, less working hours, better benefits, safer work conditions.

Knights of Labor

Founded in 1869, the first national labor union. It included both skilled and unskilled workers.

American Federation of Labor (AFL)

Created in 1881, the AFL created a powerful union by uniting workers of similar economic interests. It was limited to skilled workers.

Samuel Gompers

Founder of the American Federation of Labor (AFL)