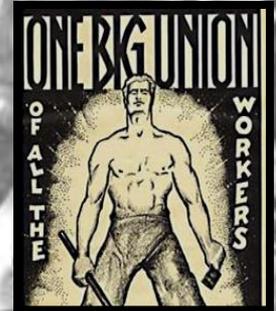


DR. HARTNELL



Age of Revolutions



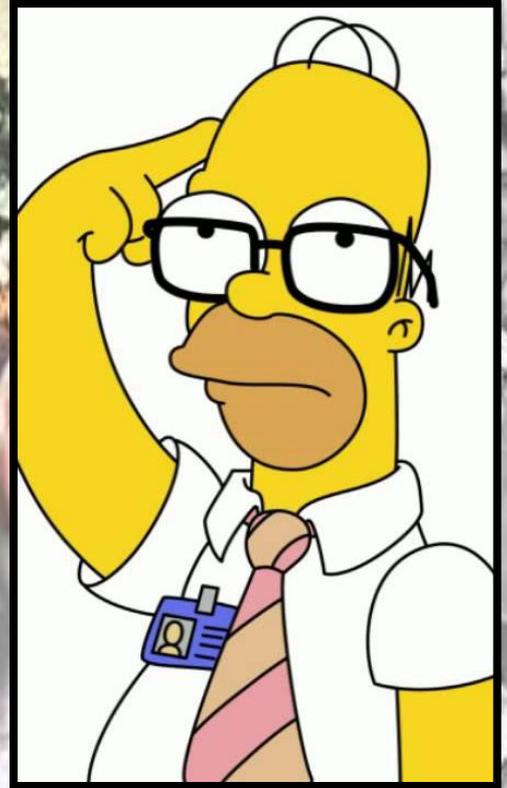


TODAY'S UNIT & LESSON

A logo for Unit #3: Age of Revolutions. It features a stylized yellow and black graphic of a building or structure on the left, and the text "Unit #3: Age of Revolutions" on the right, all set against a yellow background with white horizontal stripes.

Lesson 14

(MW 2.14)



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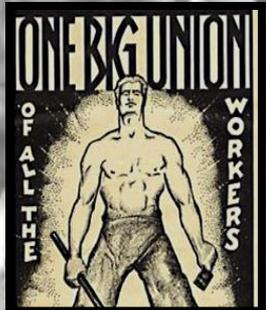
NEED FOR REFORM:

With the arrival of thousands of immigrants, cities and their industries boomed.

This rapid growth of cities created problems.

A small number of people held a large proportion of the nation's wealth.





NEED FOR REFORM:

Workers faced long hours, dangerous conditions, poor pay, and an uncertain future.

Big Business became allied with government.

Political Machines, which offered services in return for votes, controlled city governments.





NEED FOR REFORM:

As the U.S. entered the **20th Century**, demand arose to combat these ills.



Help came from the **Progressives**.



All workers, whether they were immigrants or "locals", faced horrible conditions.



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NEED FOR REFORM:

The **situation** was **worse** for **women and children**, who occasionally made up a high percentage of the work force but received but a fraction of the wages a man could earn.

Technological improvements continually **reduced** the **demand** for **skilled labor**.





NEED FOR REFORM:

Before 1874, when Massachusetts passed the nation's first legislation limiting the number of hours women and child factory workers could perform to 10 hours a day, virtually **no labor legislation** existed in the **U.S.**



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NEED FOR REFORM:

The **U.S. Government did not get involved until the 1930s.** Until then, the field was left to the state and local authorities.

What was the culprit of all these problems?

ECONOMICS!!!



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NEED FOR REFORM:

**More specifically...
laissez-faire capitalism.**

**Laissez-faire is French for
"let them do".**

**In a laissez-faire system,
governments do not regulate or
interfere with businesses...
which is GREAT for owners but
BAD for workers.**



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NEED FOR REFORM:

British philosopher and economist Adam Smith brought this concept to the U.S.

He promoted laissez-faire in his essay *The Wealth of Nations* (1776).



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NEED FOR REFORM:

In **Smith's view**, the production and exchange of goods, as well as **raising the standard of living**, could only occur if there was **minimum regulation and control by the government**.



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NEED FOR REFORM:

To explain this better, **Smith stated** that **every person** (in pursuing his or her own good) **is led**, as if **by** an **“invisible hand”**, to achieve the best good for all.

Therefore, **any interference** by the **government** is harmful.

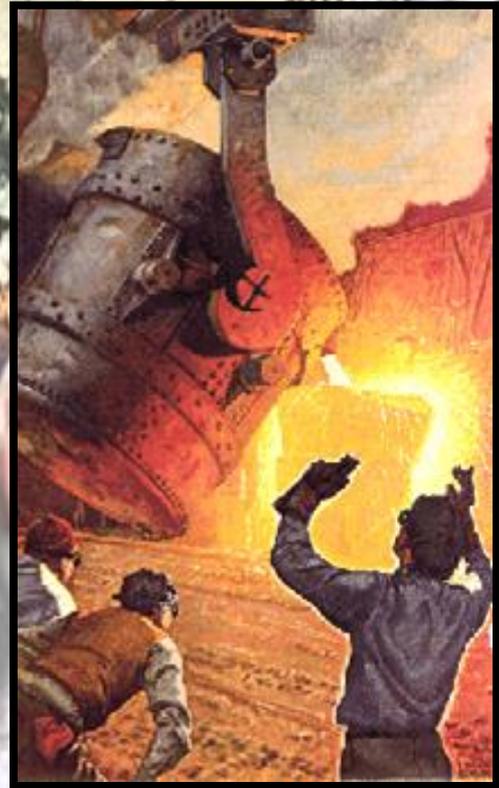


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NEED FOR REFORM:

The principles of laissez-faire and free trade appealed strongly to the growing class of capitalists of the Industrial Revolution.



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INDUSTRIAL REVOLUTION:

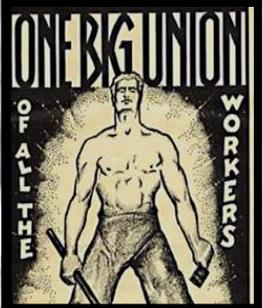
What was the Industrial Revolution?



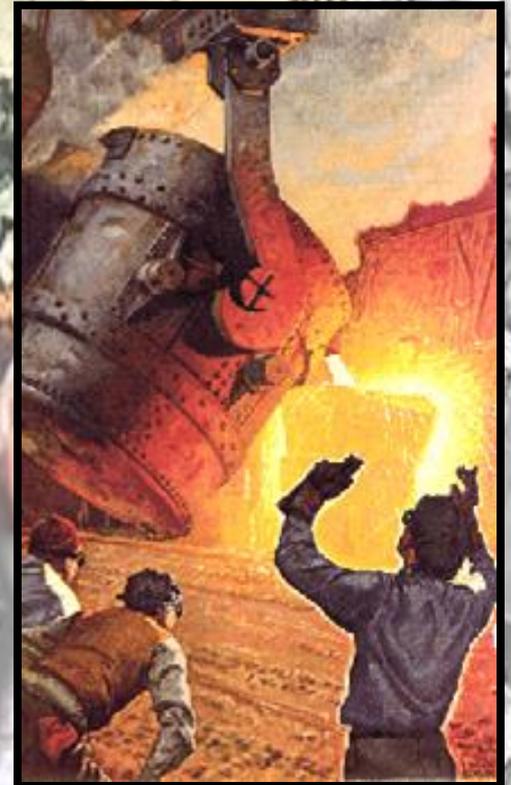
There were 2 IRs:

1st IR (1760-1850)

2nd IR (1871-1914)



Technically always happening.

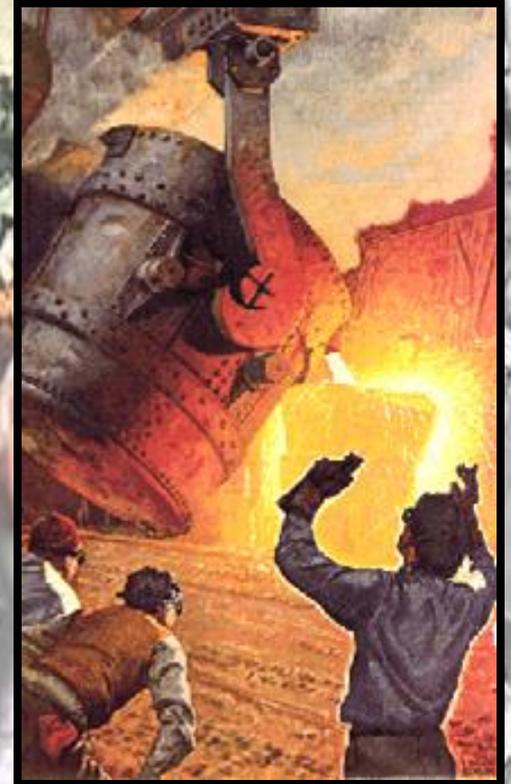
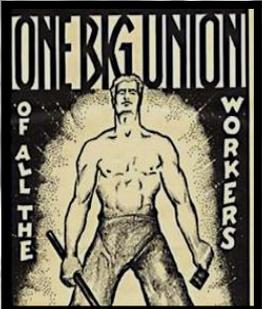




INDUSTRIAL REVOLUTION:

Both revolutions were major technological, socioeconomic, and cultural changes.

Both resulted from the replacement of an economy based on manual labor to one dominated by industry and machine manufacture.





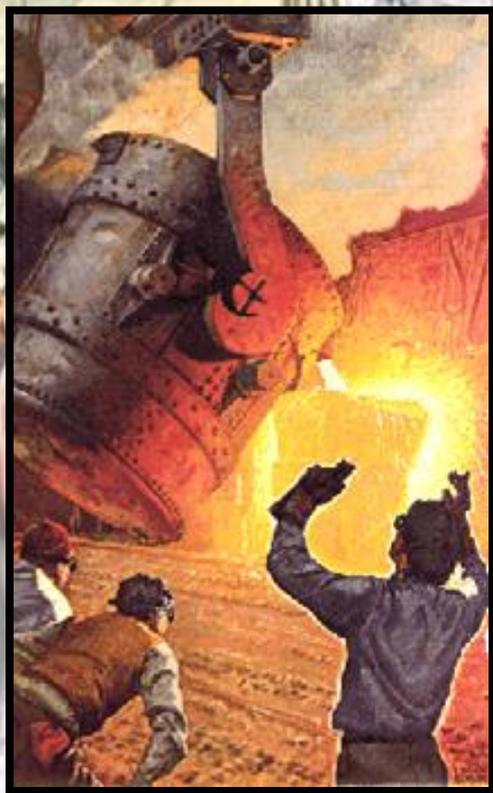
INDUSTRIAL REVOLUTION:

Simply put...

Before IR: no machines

After IR: machines

The **IR** is viewed as the **second most important revolution in human history after the Neolithic Revolution (8000-7000 BC).**



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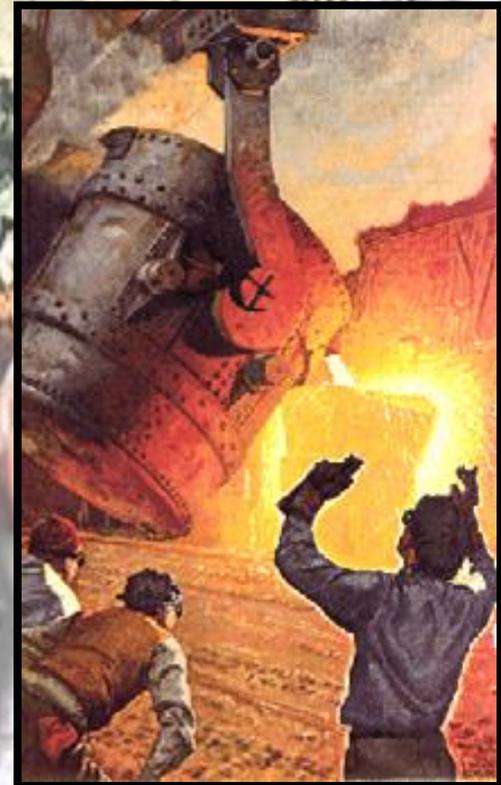
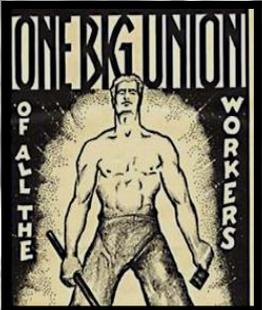
INDUSTRIAL REVOLUTION:

1st IR began in Britain in 1760 with the invention of steam power and powered machinery.

Steam power = coal.

Powered machinery = textiles.

Its effects eventually spread to the rest of the world.



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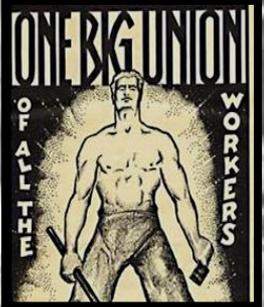


INDUSTRIAL REVOLUTION:

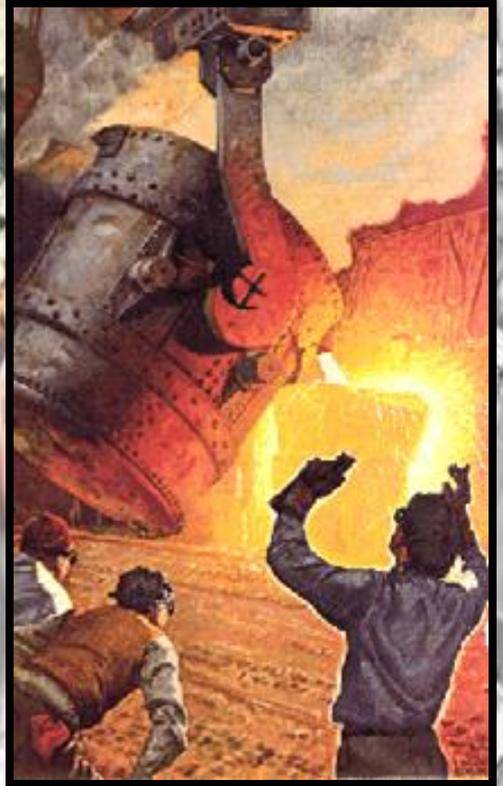
It **led to the growth of cities** as people moved from rural to urban areas in search of work.

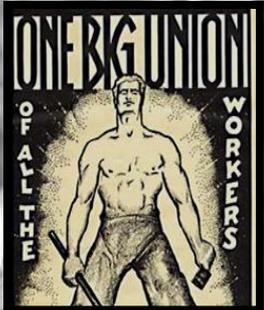


It **changed the skill levels required** to work in factories.

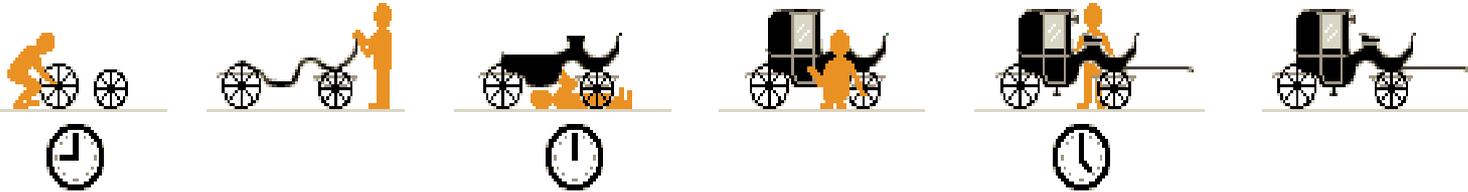


Again, this **social change** was **like nothing** since Neolithic Revolution.

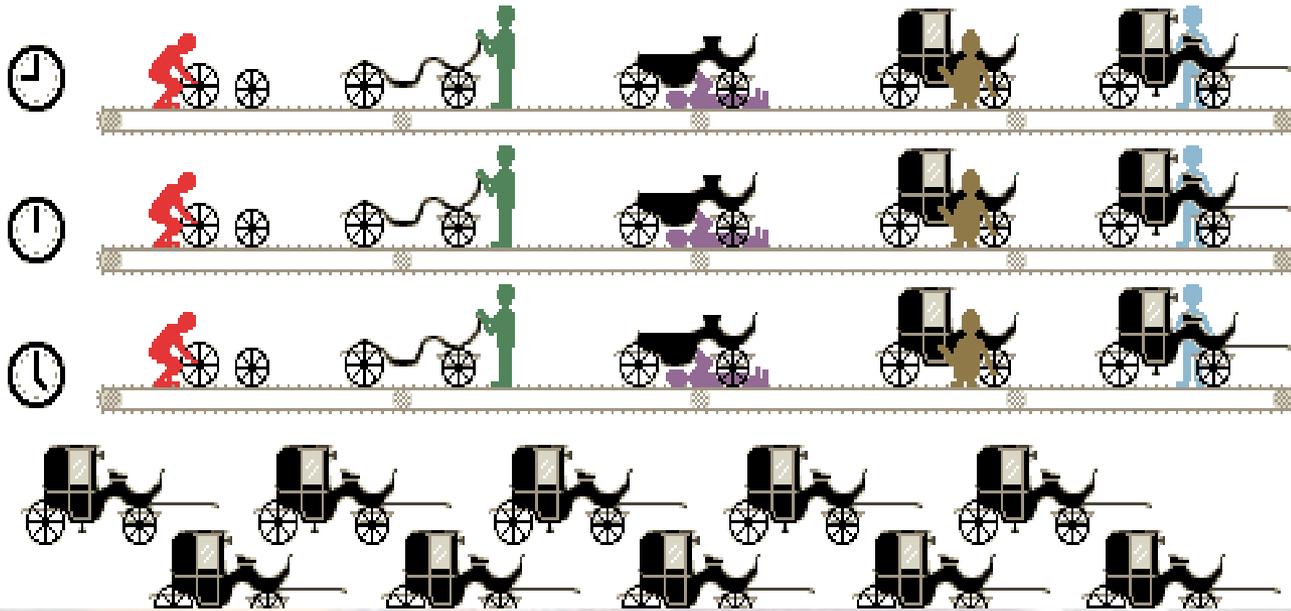




One person doing all five required steps in manufacturing a product can make one unit.



Five people, each specializing in one of the five steps, can make ten units in the same time.

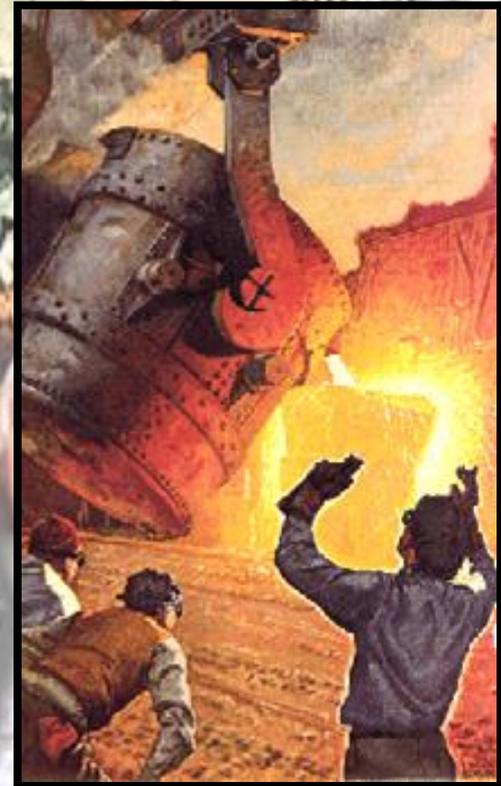
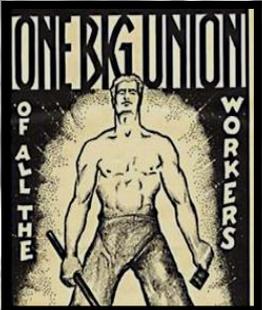




INDUSTRIAL REVOLUTION:

The **successes of the British** soon **led other nations to try to follow the same path.**

In the young U.S., **Secretary of the Treasury Alexander Hamilton** called for an **American Industrial Revolution** in his *Report on Manufactures* (**1791**).

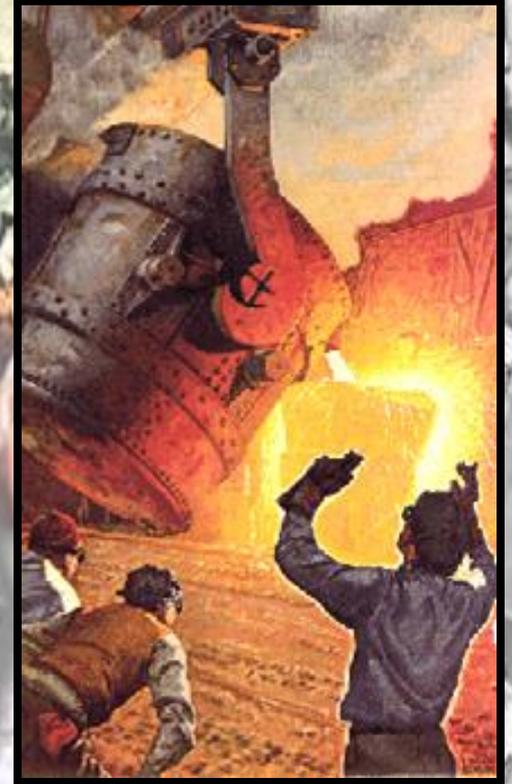
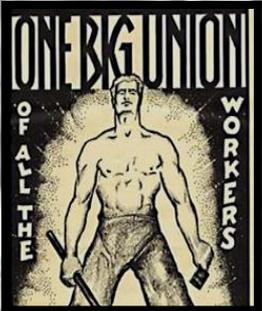




INDUSTRIAL REVOLUTION:

Many **Americans** felt that the **U.S.** had to become **economically strong** in order to **maintain its recently won independence** from **Britain**.

The Industrial Revolution unfolded in the U.S. even more **vigorously** than it had in **Britain**.





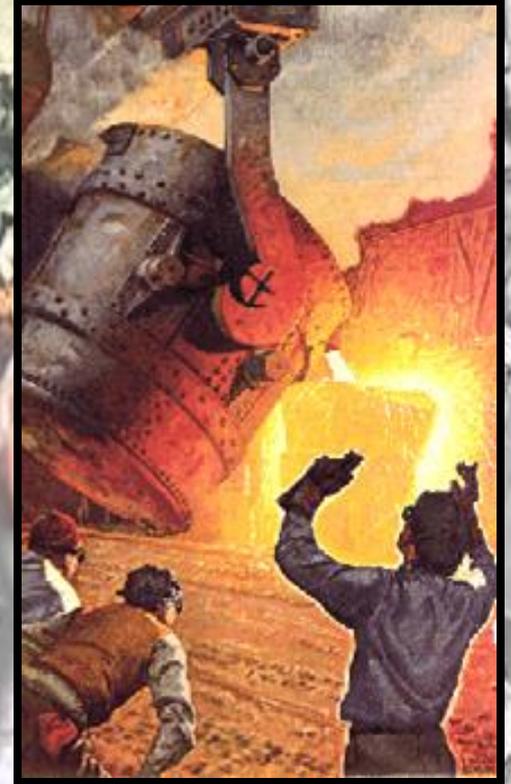
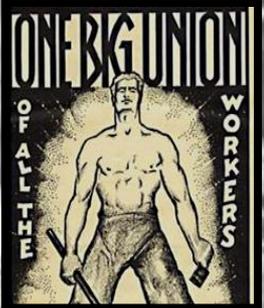
INDUSTRIAL REVOLUTION:

In 1790, 75% of the U.S. labor force worked in agriculture.

IR started in the U.S. in 1793 with Eli Whitney's cotton gin.

U.S. had advantages that made it fertile ground for IR.

There were 5 reasons why the IR succeeded in the U.S.:



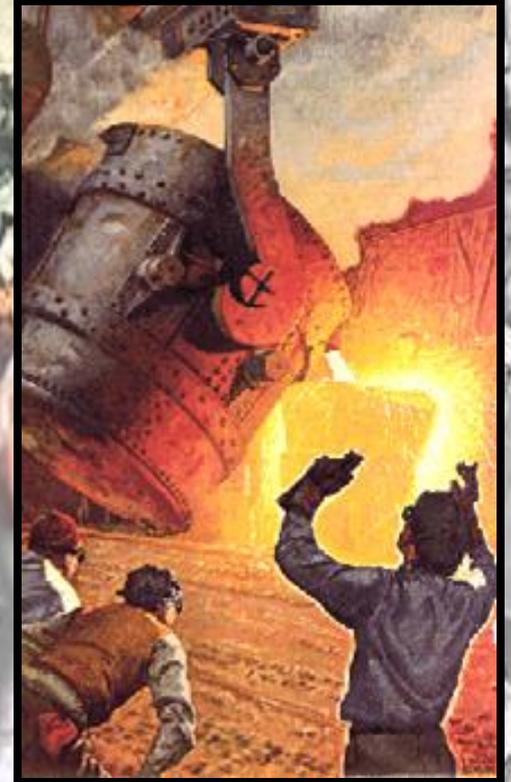
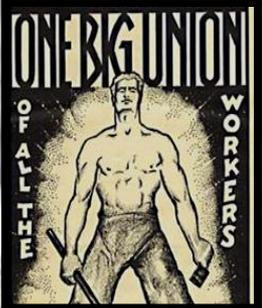


INDUSTRIAL REVOLUTION:

1. Thanks to Manifest Destiny, the **U.S. had tons of land.**

2. Compared to many countries, the **U.S. was stable both legally and politically.**

3. Compared to many countries, a good chunk of the **U.S. population was literate.**



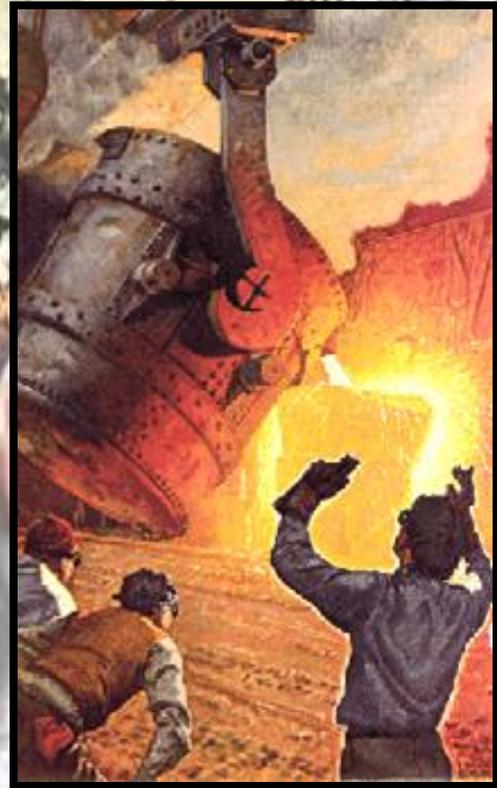


INDUSTRIAL REVOLUTION:

4. U.S. had the same language/culture as Britain.

As descriptions of machines appeared in print, Americans read about them, copied them.

5. The U.S. had the money to lure skilled mechanics from Britain.



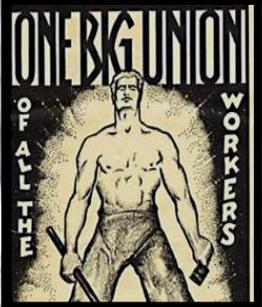


INDUSTRIAL REVOLUTION:

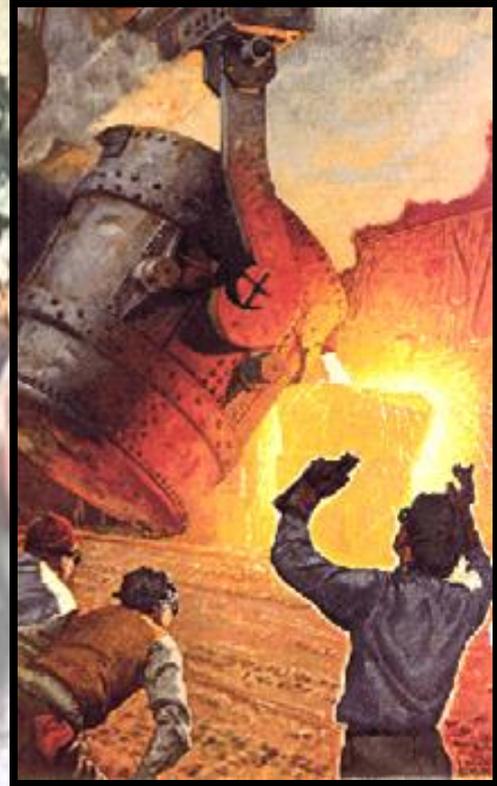
Samuel Slater was important figure in leading British textile firm who **was lured away**.



He **created first U.S. textile mill in Rhode Island**.



When Britain started building railroads, the U.S. did too.

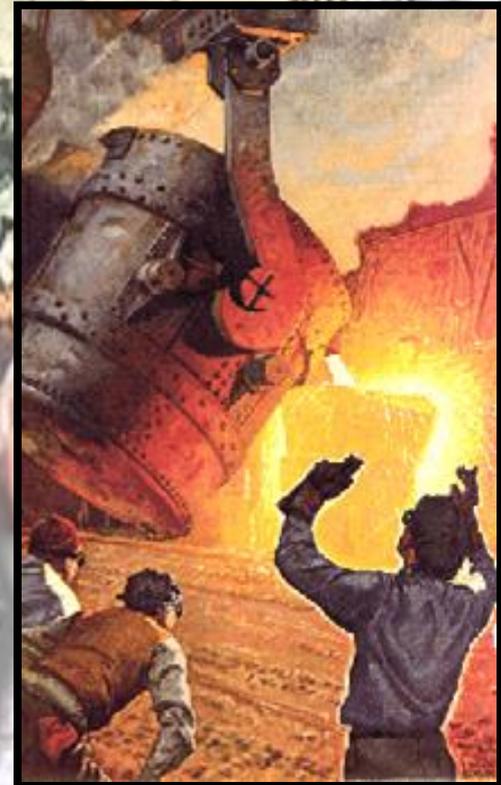
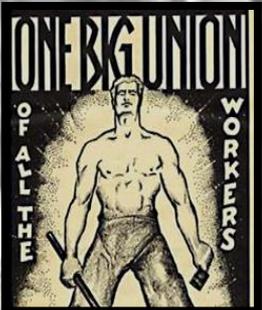




INDUSTRIAL REVOLUTION:

The **most critical 19th Century communication improvement** was **telegraph**, invented by American **Samuel Morse**.

Railroad and telegraph soon crisscrossed North America; by **1860**, half of the world's railroads were in the U.S.



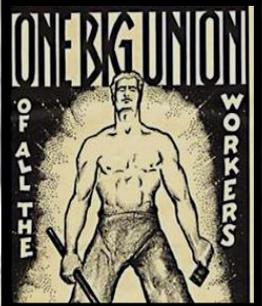


INDUSTRIAL REVOLUTION:

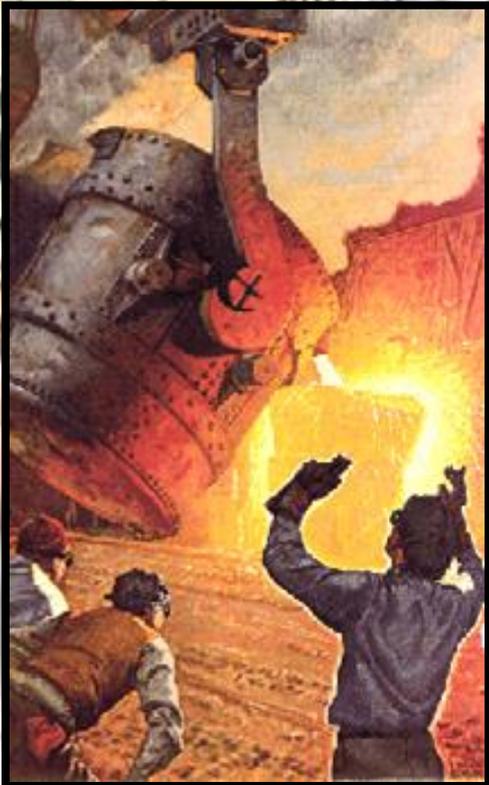
2nd IR began in the U.S. in 1871.



A second wave of technical and organizational advances carried this IR to new levels.



In particular, iron and steel manufacturing transformed the U.S. into an industrial giant.



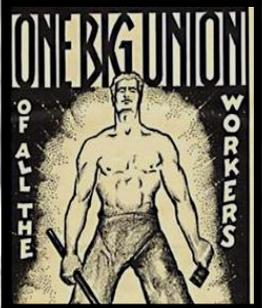


INDUSTRIAL REVOLUTION:

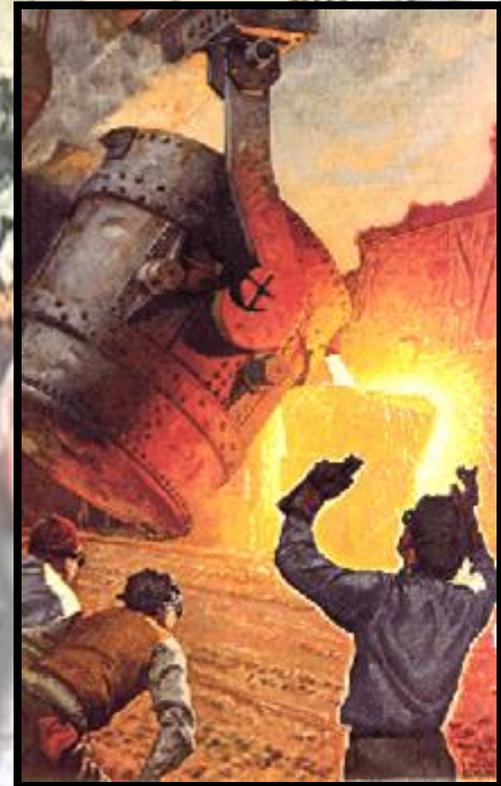
Scottish immigrant **Andrew Carnegie** built iron and steel empire using huge new plants.



John D. Rockefeller built his empire thanks to petroleum refining (**oil**).



In **1903**, **Henry Ford's** assembly line revolutionized factories.





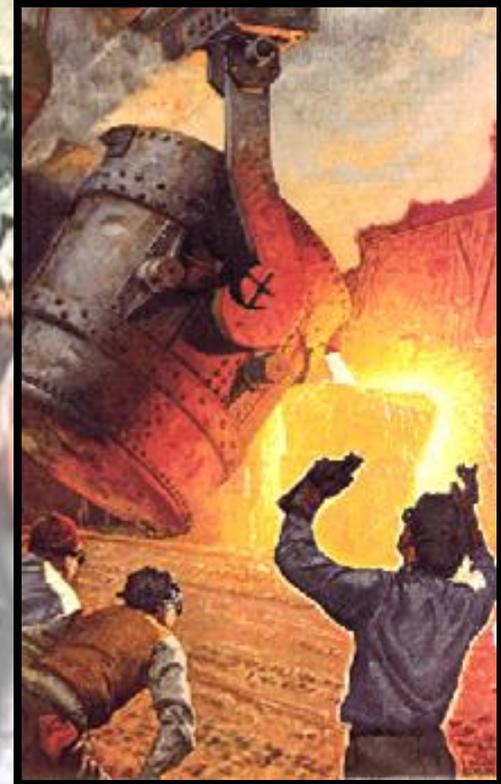
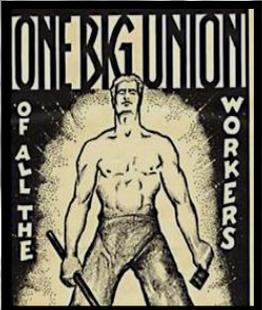
INDUSTRIAL REVOLUTION:

U.S. cities continued to grow.

1860: 9 U.S. cities with more than 100,000 inhabitants.

1900: 38 U.S. cities with more than 100,000 inhabitants.

1790: 5% of U.S. population lived in cities; **75% today.**





THE NEED FOR REFORM:

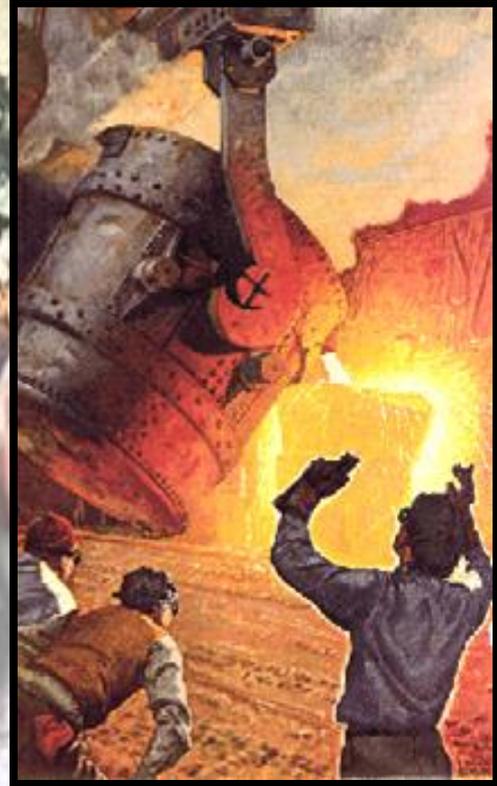
But the **IR** served as the **springboard for Big Business** looking to exploit the workers.



Big Business liked being free of government regulation and taxation.



Laissez-faire policies led to **abuses**, especially in the use of child labor.

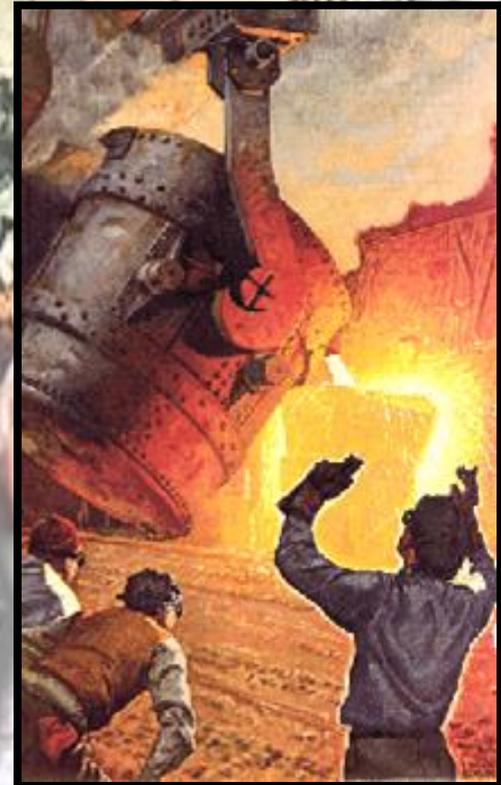
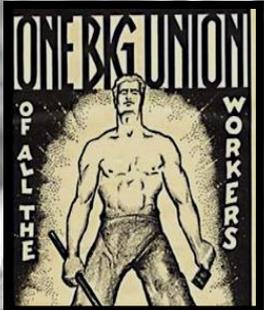




THE NEED FOR REFORM:

Gradually, **businesses** combined to control production and prices for the benefit of their owners... not the workers.

Thus, **competition** (an essential part of the laissez-faire system) was eliminated.



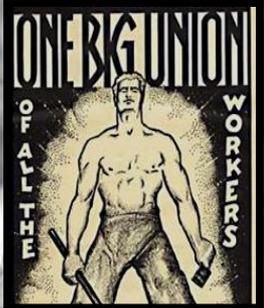


THE NEED FOR REFORM:

This trend toward monopolies, in turn, led to calls for reform.

What's a monopoly?

A situation where one owner controls the production, supply, and pricing of a product that has no substitutes.





\$\$\$ MONOPOLIES \$\$\$

There are 2 ways to gain a monopoly:

1. Vertical Integration

Vertical Integration is where you **buy out** all your **suppliers**.



Dr. Hartnell's
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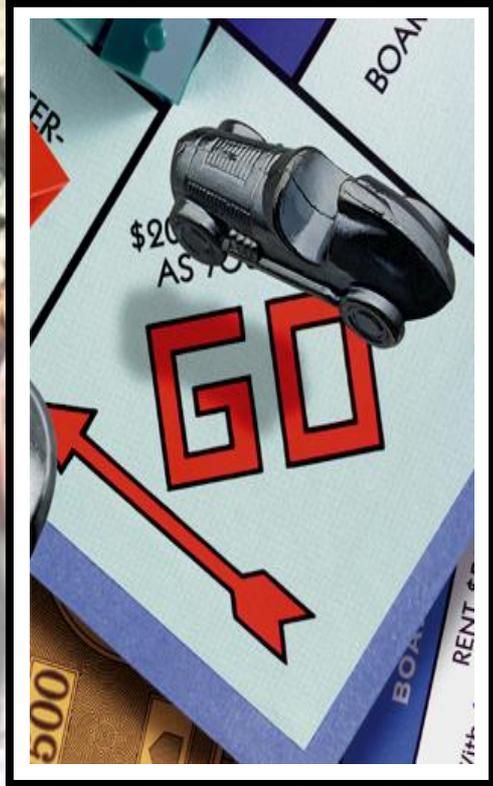


\$\$\$ MONOPOLIES \$\$\$

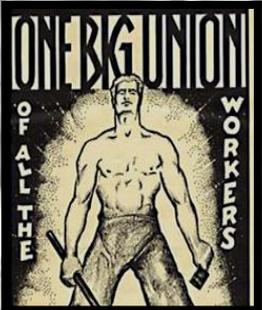
2. Horizontal Consolidation

Horizontal Consolidation is where you **buy out** all of your **competitors**.

Congrats! You are now an evil capitalistic tycoon!



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\$\$\$ MONOPOLIES \$\$\$

For example:

Dr. Hartnell opens up a lemonade stand in Westerville.

There are now 3 stands selling lemonade.

Dr. Hartnell sells his delicious lemonade for 55 cents a glass.



Dr. Hartnell's 135 LIVE!



\$\$\$ MONOPOLIES \$\$\$

Dr. Hartnell's competitors sell their lemonade for 25 cents a glass.

Dr. Hartnell builds up enough \$\$ to buy out all of the *Country Time* mix, trucks, factories, wooden spoons, glasses, wood for stands, pitchers, water, ice, sugar fields, etc.



Vertical Integration



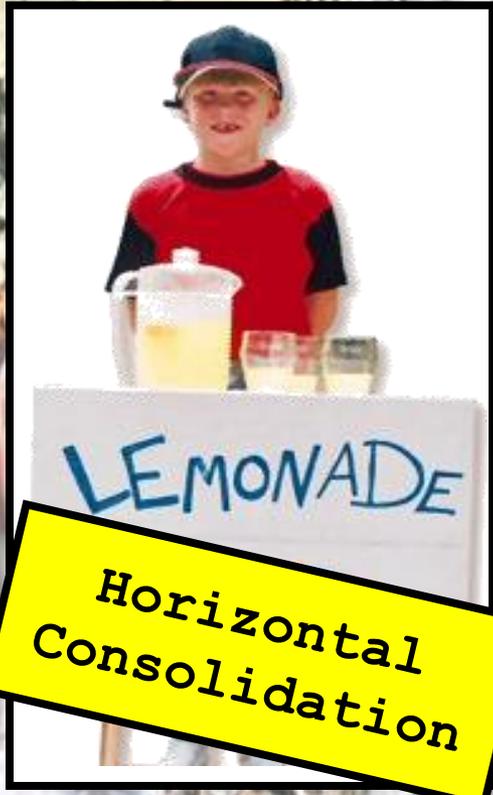
Dr. Hartnell's 135 LIVE!



\$\$\$ MONOPOLIES \$\$\$

Dr. Hartnell can now either buy out his other two competitors...

...or ruthlessly drive them out of business by charging high costs for supplies, which he now owns.



Horizontal Consolidation

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\$\$\$ MONOPOLIES \$\$\$

Still, Dr. Hartnell cannot charge \$20 a glass for my lemonade even though he has a monopoly.

Why not?

Lemonade is an elastic item.

This means it can be substituted.





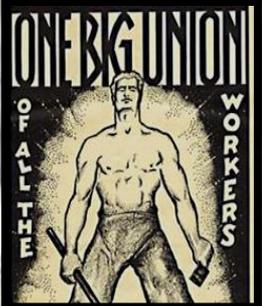
\$\$\$ MONOPOLIES \$\$\$

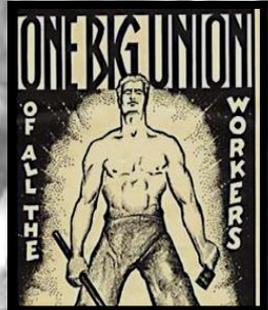
People do not need lemonade to drink when they are thirsty.

They can drink water or pop.

This is **called elasticity.**

If Dr. Hartnell's prices become ridiculous, people will simply find something else to drink.



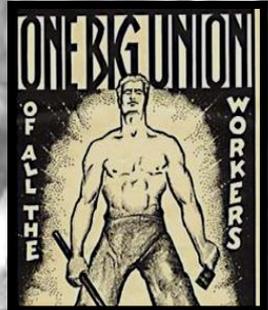


\$\$\$ MONOPOLIES \$\$\$

However, if Dr. Hartnell had a monopoly in oil, he would have an **inelastic item**.

This means it **cannot (easily) be substituted**.





\$\$\$ MONOPOLIES \$\$\$

Famous Monopolies:

John D. Rockefeller and Standard Oil.

Andrew Carnegie and U.S. Steel.

Bill Gates and Microsoft.



Dr. Hartnell's 135 LIVE!

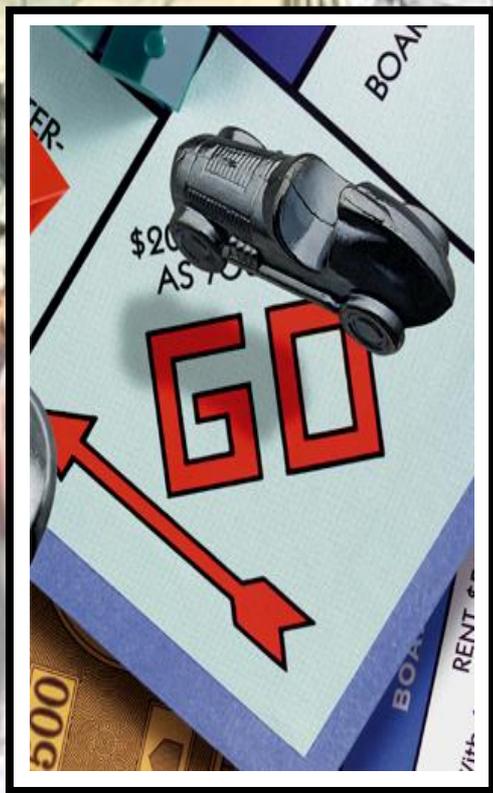


\$\$\$ MONOPOLIES \$\$\$

FYI about Bill Gates:



At his peak in **1998**, Bill Gates made \$1,000/second.



Dr. Hartnell's
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\$\$\$ MONOPOLIES \$\$\$

John Rockefeller and Andrew Carnegie believed in Social Darwinism and the Protestant Work Ethic.

Social Darwinists believe that humans, like animals, compete in a struggle where natural selection results in survival of the fittest.



**Dr. Hartnell's
135 LIVE!**



\$\$\$ MONOPOLIES \$\$\$

Darwinists justify imbalances of power between races, religions, and countries because they consider some people "more fit" to survive.

This theory was applied to industrialization: *"Survival of the fittest business."*



Dr. Hartnell's
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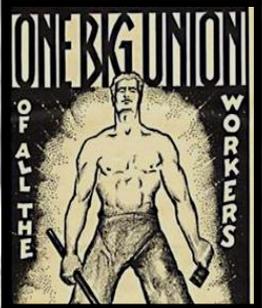


\$\$\$ MONOPOLIES \$\$\$

The **Protestant Work Ethic** stated that riches and wealth were a sign of God's favor.

Sort of like a personalized Manifest Destiny...

Thus, the **poor must be lazy and inferior** people – and not fit for survival.



Dr. Hartnell's
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WHAT
DID WE
LEARN
TODAY?



135 LIVE!



FAST 5: UNIT 3, LESSON 14 (MW 3.14)

QUESTION 1 

1. Explain laissez-faire capitalism.

(Be sure to provide the definition AND explain it.)



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FAST 5: UNIT 3, LESSON 14 (MW 3.14)

QUESTION 2 



**Dr. Hartnell's
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2. What inventions drove the First Industrial Revolution?
What inventions drove the Second Industrial Revolution?



FAST 5: UNIT 3, LESSON 14 (MW 3.14)

QUESTION 3 

3. What were the 5 reasons the Industrial Revolution succeeded in the U.S.?



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FAST 5: UNIT 3, LESSON 14 (MW 3.14)

QUESTION 4 

4. Using Dr. Hartnell's lemonade stand example, explain monopolies. What does elasticity mean when it comes to a product that a company is selling?



**Dr. Hartnell's
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FAST 5: UNIT 3, LESSON 14 (MW 3.14)

QUESTION 5

5. What is Social Darwinism?
What is the Protestant Work Ethic?



- ! THINK
- ✓ CHECK
- > SUBMIT



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