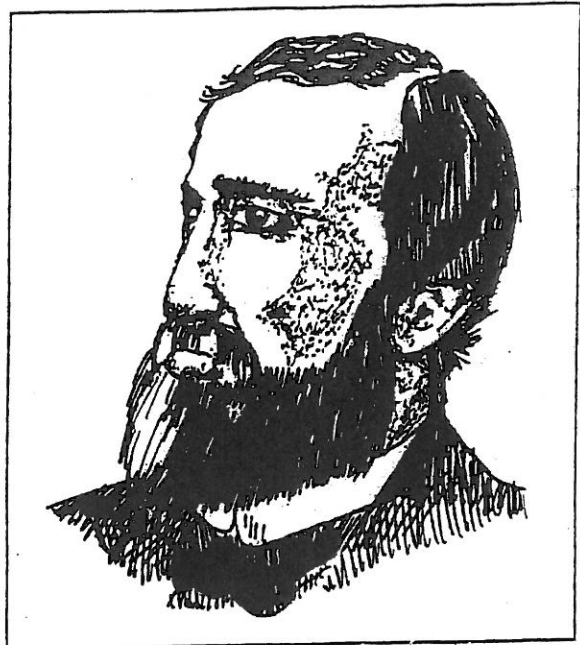


BUSINESS GROWS IN SIZE AND INFLUENCE

Jefferson had dreamed of an America of farmers working for themselves, while Hamilton's dream was of a nation of cities, business, and industry. Until the Civil War, Jefferson's view ruled; but after the war Hamilton's dream began to develop as the nation's future. A few large manufacturers existed before the war; but after the war, the names of big businessmen were better known than those of political leaders—everyone knew the names of Rockefeller, Carnegie, Pillsbury, and Armour.



There were many reasons for the change. Among them were raw materials, new inventions, a cheap labor force, an eager consumer market, government's *laissez faire* (let alone) philosophy, and an enterprising business community willing and able to exploit new opportunities.

America had abundant supplies of most resources needed to become an industrial giant: coal, iron ore, petroleum, and copper, along with agricultural products like corn, wheat, cotton, wool, etc. Technology developed to make these goods into new useful products. Steel replaced iron with the development of Henry Bessemer's process, and the development of the open hearth. Communications improved with a new Atlantic cable, expansion of the telegraph, and Alexander Graham Bell's invention of the telephone. Even though many people saw no need for his product, Edwin Drake sunk the first oil well in 1859. Within a few years, everyone used kerosene lamps. Even the food industry was being modernized. Charles Pillsbury found a better way to mill flour. The refrigerator car made meat packing a major industry and men like Philip Armour and Gustavus Swift prominent.

A large immigration followed the war, and even though many of the newcomers could not speak or write English, they were able to fill unskilled labor jobs. As steamship lines reached more distant ports, immigrants came in larger numbers. Immigration exceeded 10,000 for the first time from Scandinavia in 1866, Italy in 1880, Russia in 1882, and Poland in 1890. Immigrants not only produced goods, they were also consumers. Many who came stayed poor; but at its worst, life in America was usually seen as much better than it had been in their homeland.

With goods being mass produced, prices dropped, and consumers were always looking for bargains. Department stores first appeared before the Civil War, but became more common in cities afterward. A & P (Atlantic and Pacific) stores were the first national food chain. In rural areas, people looked forward to receiving their Sears Roebuck or Montgomery Ward catalogs to buy the same clothes and supplies available in cities.

The United States had no experience with large corporations; so at first, government saw no need to interfere with the way they conducted business. The corporations were usually chartered by a state, but most of their money came from other parts of the nation and world. As some corporations got larger, they began to wipe out competitors.

Name: _____

1. The US transformed from a nation of farmers and small businesses and craftsmen to one of large industries and corporations. **List the reasons for this change:**

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

2. What are some of the resources that the US has that made us an industrial giant?

1. _____ 2. _____ 3. _____ 4. _____

3. What agricultural products were also processed & sold in huge quantities by industry?

1. _____ 2. _____ 3. _____ 4. _____

4. What communications advances are described in the article?

1. _____ 2. _____ 3. _____

5. How was petroleum (oil) first processed and sold for use by Americans?

6. What innovations or inventions helped create an industry for supplying food to Americans?

7. What businessmen from this time period still have their names associated with the food industry?

8. How did mass production of goods impact prices?

What basic economic concept is behind this?

9. How did the sale of products to consumers (retail sales) change in this period?