

**S3**

## Backgrounder: Industrialization

After the Civil War, a new era of **mass production** (mechanized production of a large quantity of a good) arose in the United States because of **technological innovations** (new ways to solve old problems), a favorable **patent** (legal right to make, use, or sell a product) system, new forms of factory organization, an **abundant** (plentiful) supply of **natural resources** (materials from nature used to produce goods), foreign **investment** (money used to produce a profit), and huge new sources of cheap labor. The labor force came from millions of immigrants from around the world seeking employment and a better way of life and who helped fuel an industrial revolution. The changes brought about by industrialization and immigration gave rise to the labor movement and the emergence of women's organizations advocating industrial reforms.

After Reconstruction, the nation turned its efforts toward economic recovery and expansion. America's rich natural resources, such as coal and oil, encouraged investment, as did a favorable patent system that protected the rights of inventors. Much of this investment came from abroad—from already industrialized countries such as Germany, Great Britain, and France—whose entrepreneurs looked for new investment opportunities in the United States. These investors put money into the work of mechanics and engineers with the **expertise** (skill) to develop new, more efficient ways of mass-producing consumer goods – everything from clothing to typewriters to locomotives.

New forms of factory organization, which allowed companies to achieve **economies of scale**, spread across the nation's industrial areas. The late 19<sup>th</sup> century saw the growth of giant industrial corporations, the largest economic entities the world had ever seen. They developed economies of scale that allowed employers to specialize in manufacturing goods in large quantities to distribute throughout the nation or export abroad. As a result, the cost of mass-produced items went down as their quantity and variety (though not necessarily their quality) went up. Industrial profits rose. An expanding system of transcontinental railroads—alongside which a communication network of telegraph and eventually telephone lines went up—facilitated the growth of national markets to distribute these goods. The invention of pressure-sealed cans and refrigeration, along with the development of agricultural machinery, increased the availability of cheaper foodstuffs, thereby improving the quality of life for many of the nation's city-dwellers..

Industrial expansion required an ever-growing workforce. American businesses and some Southern planters actively recruited workers from the nation's rural areas, as well as from abroad through advertisements published in foreign languages around the world. Between 1870 and 1920, approximately 26.5 million migrants from Asia, Latin America, and Europe entered all regions of the United States, with the majority settling in the Northeast and the Midwest.

*Industrializing America.* <http://www.learner.org/courses/amerhistory/units/14/>