

# Contextualization... *business consolidation*

## From the 2015 Revised Framework:

**Contextualization** involves the ability to connect historical events and processes to specific circumstances of time and place as well as broader regional, national, or global processes. Proficient students will be able to situate historical events, developments, or processes within the broader regional, national, or global context in which they occurred in order to draw conclusions about their relative significance.

## From the 2015 Revised Framework for Period 6:

Key Concept 6.1: **Technological advances, large-scale production methods, and the opening of new markets encouraged the rise of industrial capitalism in the United States.**

- I. Large-scale industrial production — accompanied by massive technological change, expanding international communication networks, and pro-growth government policies — generated rapid economic development and **business consolidation**.
- A) Following the Civil War, government subsidies for transportation and communication systems helped open new markets in North America.
- B) Businesses made use of technological innovations, greater access to natural resources, redesigned financial and management structures, advances in marketing, and a growing labor force to dramatically increase the production of goods.
- C) As the price of many goods decreased, workers' real wages increased, providing new access to a variety of goods and services; many Americans' standards of living improved, while the gap between rich and poor grew.
- D) Many business leaders sought increased profits by **consolidating corporations** into large trusts and holding companies, which further concentrated wealth.
- E) Businesses and foreign policymakers increasingly looked outside U.S. borders in an effort to gain greater influence and control over markets and natural resources in the Pacific Rim, Asia, and Latin America.

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Directions: Using knowledge from the reading assignment as well as your unit review materials, review the historical significance of **business consolidation**. Then, complete the broad, thematic contextualization for the concept. Write in complete sentences and include at least one specific piece of evidence in your answer.

## Local Context

(Who, What, When, Where) Business consolidation is the consolidation of several business units or several different companies into a larger organization in order to improve operational efficiency by reducing redundant personnel and processes. In the Gilded Age it was most often associated with the creation of large trusts or monopolies by men such as Carnegie, Rockefeller, Vanderbilt, and Morgan. ...Also known as the creation of a monopoly or trust.

## Broad Context

Why, How *What is the "Big Picture?" What is the theme?*

## Extending the contextualization...

The political and economic factors that enabled business consolidation and the formation of trusts in the Gilded Age Continued into the Roaring Twenties when industries formed oligopolies to control markets such as Ford, Chrysler, and General Motors who dominated the automobile market with little government interference. Although trusts like Standard Oil had been broken up by the 1920's and consolidation slowed, big business continued to grow.

## Extension:

In your groups or with a partner, discuss and contextualize for the following terms: industrial workforce, child labor, national unions, sharecropping, tenant farming, "Gilded Age," and "New South."