The Beginnings of Industrialization

**MAIN IDEA**
The Industrial Revolution started in England and soon spread to other countries.

**WHY IT MATTERS NOW**
The changes that began in Britain paved the way for modern industrial societies.

**TERMS & NAMES**
- Industrial Revolution
- enclosure
- crop rotation
- industrialization
- factors of production
- factory
- entrepreneur

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**SETTING THE STAGE**
In the United States, France, and Latin America, political revolutions brought in new governments. A different type of revolution now transformed the way people worked. The **Industrial Revolution** refers to the greatly increased output of machine-made goods that began in England in the middle 1700s. Before the Industrial Revolution, people wove textiles by hand. Then, machines began to do this and other jobs. Soon the Industrial Revolution spread from England to Continental Europe and North America.

**Industrial Revolution Begins in Britain**
In 1700, small farms covered England’s landscape. Wealthy landowners, however, began buying up much of the land that village farmers had once worked. The large landowners dramatically improved farming methods. These innovations amounted to an agricultural revolution.

**The Agricultural Revolution Paves the Way**
After buying up the land of village farmers, wealthy landowners enclosed their land with fences or hedges. The increase in their landholdings enabled them to cultivate larger fields. Within these larger fields, called enclosures, landowners experimented with more productive seeding and harvesting methods to boost crop yields. The enclosure movement had two important results. First, landowners tried new agricultural methods. Second, large landowners forced small farmers to become tenant farmers or to give up farming and move to the cities.

Jethro Tull was one of the first of these scientific farmers. He saw that the usual way of sowing seed by scattering it across the ground was wasteful. Many seeds failed to take root. He solved this problem with an invention called the seed drill in about 1701. It allowed farmers to sow seeds in well-spaced rows at specific depths. A larger share of the seeds took root, boosting crop yields.

**Rotating Crops**
The process of crop rotation proved to be one of the best developments by the scientific farmers. The process improved upon older methods of crop rotation, such as the medieval three-field system. One year, for example, a farmer might plant a field with wheat, which exhausted soil nutrients. The next year he planted a root crop, such as turnips, to restore nutrients. This might be followed in turn by barley and then clover.

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**CALIFORNIA STANDARDS**
- 10.3.1 Analyze why England was the first country to industrialize.
- 10.3.2 Examine how scientific and technological changes and new forms of energy brought about massive social, economic, and cultural change (e.g., the inventions and discoveries of James Watt, Eli Whitney, Henry Bessemer, Louis Pasteur, Thomas Edison).
- 10.3.5 Understand the connections among natural resources, entrepreneurship, labor, and capital in an industrial economy.
- CST 1 Students compare the present with the past, evaluating the consequences of past events and decisions and determining the lessons that were learned.
- HI 1 Students show the connections, causal and otherwise, between particular historical events and larger social, economic, and political trends and developments.

**TAKING NOTES**
Following Chronological Order
On a time line, note important events in Britain’s industrialization.
Livestock breeders improved their methods too. In the 1700s, for example, Robert Bakewell increased his mutton (sheep meat) output by allowing only his best sheep to breed. Other farmers followed Bakewell’s lead. Between 1700 and 1786, the average weight for lambs climbed from 18 to 50 pounds. As food supplies increased and living conditions improved, England’s population mushroomed. An increasing population boosted the demand for food and goods such as cloth. As farmers lost their land to large enclosed farms, many became factory workers.

**Why the Industrial Revolution Began in England** In addition to a large population of workers, the small island country had extensive natural resources. Industrialization, which is the process of developing machine production of goods, required such resources. These natural resources included:

- water power and coal to fuel the new machines
- iron ore to construct machines, tools, and buildings
- rivers for inland transportation
- harbors from which merchant ships set sail

In addition to its natural resources, Britain had an expanding economy to support industrialization. Businesspeople invested in the manufacture of new inventions. Britain’s highly developed banking system also contributed to the country’s industrialization. People were encouraged by the availability of bank loans to invest in new machinery and expand their operations. Growing overseas trade, economic prosperity, and a climate of progress led to the increased demand for goods.

Britain’s political stability gave the country a tremendous advantage over its neighbors. Though Britain took part in many wars during the 1700s, none occurred on British soil. Their military successes gave the British a positive attitude. Parliament also passed laws to help encourage and protect business ventures. Other countries had some of these advantages. But Britain had all the factors of production, the resources needed to produce goods and services that the Industrial Revolution required. They included land, labor, and capital (or wealth).

**Inventions Spur Industrialization**

In an explosion of creativity, inventions now revolutionized industry. Britain’s textile industry clothed the world in wool, linen, and cotton. This industry was the first to be transformed. Cloth merchants boosted their profits by speeding up the process by which spinners and weavers made cloth.

**Changes in the Textile Industry** As you will learn in the feature on textile technology on page 285, by 1800, several major inventions had modernized the cotton industry. One invention led to another. In 1733, a machinist named John Kay made a shuttle that sped back and forth on wheels. This flying shuttle, a boat-shaped piece...
Textiles Industrialize First

The Industrial Revolution that began in Britain was spurred by a revolution in technology. It started in the textile industry, where inventions in the late 1700s transformed the manufacture of cloth. The demand for clothing in Britain had greatly increased as a result of the population boom caused by the agricultural revolution. These developments, in turn, had an impact worldwide. For example, the consumption of cotton rose dramatically in Britain (see graph at right). This cotton came from plantations in the American South, where cotton production skyrocketed from 1820 to 1860 in response to demand from English textile mills.

▲ John Kay’s flying shuttle (below) speedily carried threads of yarn back and forth when the weaver pulled a handle on the loom. The flying shuttle greatly increased the productivity of weavers.

▲ Flying shuttle

Patterns of Interaction

Technology Transforms an Age: The Industrial and Electronic Revolutions

Inventions in the textile industry started in Britain and brought about the Industrial Revolution. This revolution soon spread to other countries. The process of industrialization is still spreading around the world, especially in developing countries. A similar technological revolution is occurring in electronics today, transforming the distribution of information around the world.

Connect to Today

1. **Synthesizing** How might the technological innovation and industrialization that took place in the textile industry during the Industrial Revolution have provided a model for other industries?


2. **Recognizing Effects** Research the textile industry today to learn how it has been affected by new technology, including computerization. Prepare a two-paragraph summary on the effects of the new technology.
of wood to which yarn was attached, doubled the work a weaver could do in a day. Because spinners could not keep up with these speedy weavers, a cash prize attracted contestants to produce a better spinning machine. Around 1764, a textile worker named James Hargreaves invented a spinning wheel he named after his daughter. His spinning jenny allowed one spinner to work eight threads at a time.

At first, textile workers operated the flying shuttle and the spinning jenny by hand. Then, Richard Arkwright invented the water frame in 1769. This machine used the waterpower from rapid streams to drive spinning wheels. In 1779, Samuel Crompton combined features of the spinning jenny and the water frame to produce the spinning mule. The spinning mule made thread that was stronger, finer, and more consistent than earlier spinning machines. Run by waterpower, Edmund Cartwright’s power loom sped up weaving after its invention in 1787.

The water frame, the spinning mule, and the power loom were bulky and expensive machines. They took the work of spinning and weaving out of the house. Wealthy textile merchants set up the machines in large buildings called factories. Factories needed waterpower, so the first ones were built near rivers and streams:

**PRIMARY SOURCE**

> A great number of streams . . . furnish water-power adequate to turn many hundred mills: they afford the element of water, indispensable for scouring, bleaching, printing, dyeing, and other processes of manufacture: and when collected in their larger channels, or employed to feed canals, they supply a superior inland navigation, so important for the transit of raw materials and merchandise.

_Edward Bains, The History of Cotton Manufacture in Great Britain (1835)_

England’s cotton came from plantations in the American South in the 1790s. Removing seeds from the raw cotton by hand was hard work. In 1793, an American inventor named Eli Whitney invented a machine to speed the chore. His cotton gin multiplied the amount of cotton that could be cleaned. American cotton production skyrocketed from 1.5 million pounds in 1790 to 85 million pounds in 1810.
Improvements in Transportation

Progress in the textile industry spurred other industrial improvements. The first such development, the steam engine, stemmed from the search for a cheap, convenient source of power. As early as 1705, coal miners were using steam-powered pumps to remove water from deep mine shafts. But this early model of a steam engine gobbled great quantities of fuel, making it expensive to run.

Watt’s Steam Engine

James Watt, a mathematical instrument maker at the University of Glasgow in Scotland, thought about the problem for two years. In 1765, Watt figured out a way to make the steam engine work faster and more efficiently while burning less fuel. In 1774, Watt joined with a businessman named Matthew Boulton. Boulton was an entrepreneur (Ahn•truh•pruh•NUR), a person who organizes, manages, and takes on the risks of a business. He paid Watt a salary and encouraged him to build better engines.

Water Transportation

Steam could also propel boats. An American inventor named Robert Fulton ordered a steam engine from Boulton and Watt. He built a steamboat called the Clermont, which made its first successful trip in 1807. The Clermont later ferried passengers up and down New York’s Hudson River.

In England, water transportation improved with the creation of a network of canals, or human-made waterways. By the mid-1800s, 4,250 miles of inland channels slashed the cost of transporting both raw materials and finished goods.

Road Transportation

British roads improved, too, thanks largely to the efforts of John McAdam, a Scottish engineer. Working in the early 1800s, McAdam equipped road beds with a layer of large stones for drainage. On top, he placed a carefully smoothed layer of crushed rock. Even in rainy weather heavy wagons could travel over the new “macadam” roads without sinking in mud.

Private investors formed companies that built roads and then operated them for profit. People called the new roads turnpikes because travelers had to stop at tollgates (turnstiles or turnpikes) to pay tolls before traveling farther.

The Railway Age Begins

Steam-driven machinery powered English factories in the late 1700s. A steam engine on wheels—the railroad locomotive—drove English industry after 1820.

Steam-Driven Locomotives

In 1804, an English engineer named Richard Trevithick won a bet of several thousand dollars. He did this by hauling ten tons of iron over nearly ten miles of track in a steam-driven locomotive. Other British engineers soon built improved versions of Trevithick’s locomotive. One of these early

First-class passengers on the Liverpool-Manchester Railway in the 1830s rode in covered cars; all others, in open cars.
railroad engineers was George Stephenson. He had gained a solid reputation by building some 20 engines for mine operators in northern England. In 1821, Stephenson began work on the world’s first railroad line. It was to run 27 miles from the Yorkshire coal fields to the port of Stockton on the North Sea. In 1825, the railroad opened. It used four locomotives that Stephenson had designed and built.

**The Liverpool-Manchester Railroad** News of this success quickly spread throughout Britain. The entrepreneurs of northern England wanted a railroad line to connect the port of Liverpool with the inland city of Manchester. The track was laid. In 1829, trials were held to choose the best locomotive for use on the new line. Five engines entered the competition. None could compare with the *Rocket*, designed by Stephenson and his son.

Smoke poured from the *Rocket’s* tall smokestack, and its two pistons pumped to and fro as they drove the front wheels. The locomotive hauled a 13-ton load at an unheard-of speed—more than 24 miles per hour. The Liverpool-Manchester Railway opened officially in 1830. It was an immediate success.

**Railroads Revolutionize Life in Britain** The invention and perfection of the locomotive had at least four major effects. First, railroads spurred industrial growth by giving manufacturers a cheap way to transport materials and finished products. Second, the railroad boom created hundreds of thousands of new jobs for both railroad workers and miners. These miners provided iron for the tracks and coal for the steam engines. Third, the railroads boosted England’s agricultural and fishing industries, which could transport their products to distant cities.

Finally, by making travel easier, railroads encouraged country people to take distant city jobs. Also, railroads lured city dwellers to resorts in the countryside. Like a locomotive racing across the country, the Industrial Revolution brought rapid and unsettling changes to people’s lives.

**TERMS & NAMES**

1. **Industrial Revolution**
   - Enclosure
   - Crop rotation
   - Industrialization
   - Factors of production
   - Factory
   - Entrepreneur

**USING YOUR NOTES**

2. Which of the events listed do you think was the most important? Explain. (10.3.5)

**MAIN IDEAS**

3. What were four factors that contributed to industrialization in Britain? (10.3.1)

4. How did rising population help the Industrial Revolution? (10.3.1)

5. What American invention aided the British textile industry? (10.3.1)

**CRITICAL THINKING & WRITING**

6. **EVALUATING** Was the revolution in agriculture necessary to the Industrial Revolution? Explain. (10.3.5)

7. **MAKING INFERENCES** What effect did entrepreneurs have upon the Industrial Revolution? (10.3.5)

8. **FORMING AND SUPPORTING OPINIONS** Do you agree with the statement that the steam engine was the greatest invention of the Industrial Revolution? Why? (10.3.2)

9. **WRITING ACTIVITY** Write a letter, as a British government official during the Industrial Revolution, to an official in a nonindustrial nation explaining how the railroad has changed Britain. (Writing 2.5.b)
Industrialization

Case Study: Manchester

Setting the Stage

The Industrial Revolution affected every part of life in Great Britain, but proved to be a mixed blessing. Eventually, industrialization led to a better quality of life for most people. But the change to machine production initially caused human suffering. Rapid industrialization brought plentiful jobs, but it also caused unhealthy working conditions, air and water pollution, and the ills of child labor. It also led to rising class tensions, especially between the working class and the middle class.

Industrialization Changes Life

The pace of industrialization accelerated rapidly in Britain. By the 1800s, people could earn higher wages in factories than on farms. With this money, more people could afford to heat their homes with coal from Wales and dine on Scottish beef. They wore better clothing, too, woven on power looms in England’s industrial cities. Cities swelled with waves of job seekers.

Industrial Cities Rise

For centuries, most Europeans had lived in rural areas. After 1800, the balance shifted toward cities. This shift was caused by the growth of the factory system, where the manufacturing of goods was concentrated in a central location. Between 1800 and 1850, the number of European cities boasting more than 100,000 inhabitants rose from 22 to 47. Most of Europe’s urban areas at least doubled in population; some even quadrupled. This period was one of urbanization—city building and the movement of people to cities.

As cities grew, people crowded into tenements and row houses such as these in London.

Economic

The factory system changed the way people lived and worked, introducing a variety of problems.

Why It Matters Now

Many less-developed countries are undergoing the difficult process of industrialization today.

Terms & Names

- urbanization
- middle class

California Standards

10.3.2 Examine how scientific and technological changes and new forms of energy brought about massive social, economic, and cultural change (e.g., the inventions and discoveries of James Watt, Eli Whitney, Henry Bessemer, Louis Pasteur, Thomas Edison).

10.3.3 Describe the growth of population, rural to urban migration, and growth of cities associated with the Industrial Revolution.

10.3.4 Trace the evolution of work and labor, including the demise of the slave trade and the effects of immigration, mining and manufacturing, division of labor, and the union movement.

CST 1 Students compare the present with the past, evaluating the consequences of past events and decisions and determining the lessons that were learned.

CST 3 Students use a variety of maps and documents to interpret human movement, including major patterns of domestic and international migration, changing environmental preferences and settlement patterns, the frictions that develop between population groups, and the diffusion of ideas, technological innovations, and goods.

Taking Notes

Outlining Organize main ideas and details.

I. Industrialization Changes Life
   A. 
   B.
II. Class Tensions Grow

Case Study 289
Factories developed in clusters because entrepreneurs built them near sources of energy, such as water and coal. Major new industrial centers sprang up between the coal-rich area of southern Wales and the Clyde River valley in Scotland. But the biggest of these centers developed in England. (See map on page 281.)

Britain’s capital, London, was the country’s most important city. It had a population of about one million people by 1800. During the 1800s, its population exploded, providing a vast labor pool and market for new industry. London became Europe’s largest city, with twice as many people as its closest rival (Paris). Newer cities challenged London’s industrial leadership. Birmingham and Sheffield became iron-smelting centers. Leeds and Manchester dominated textile manufacturing. Along with the port of Liverpool, Manchester formed the center of Britain’s bustling cotton industry. During the 1800s, Manchester experienced rapid growth from around 45,000 in 1760 to 300,000 by 1850.

Living Conditions Because England’s cities grew rapidly, they had no development plans, sanitary codes, or building codes. Moreover, they lacked adequate housing, education, and police protection for the people who poured in from the countryside to seek jobs. Most of the unpaved streets had no drains, and garbage collected in heaps on them. Workers lived in dark, dirty shelters, with whole families crowding into one bedroom. Sickness was widespread. Epidemics of the deadly disease cholera regularly swept through the slums of Great Britain’s industrial cities. In 1842, a British government study showed an average life span to be 17 years for working-class people in one large city, compared with 38 years in a nearby rural area.

Elizabeth Gaskell’s Mary Barton (1848) is a work of fiction. But it presents a startlingly accurate portrayal of urban life experienced by many at the time. Gaskell provides a realistic description of the dank cellar dwelling of one family in a Manchester slum:

**PRIMARY SOURCE**

You went down one step even from the foul area into the cellar in which a family of human beings lived. It was very dark inside. The window-panes many of them were broken and stuffed with rags...the smell was so fetid [foul] as almost to knock the two men down...they began to penetrate the thick darkness of the place, and to see three or four little children rolling on the damp, nay wet brick floor, through which the stagnant, filthy moisture of the street oozed up.

ELIZABETH GASKELL, Mary Barton

But not everyone in urban areas lived miserably. Well-to-do merchants and factory owners often built luxurious homes in the suburbs.
Working Conditions  To increase production, factory owners wanted to keep their machines running as many hours as possible. As a result, the average worker spent 14 hours a day at the job, 6 days a week. Work did not change with the seasons, as it did on the farm. Instead, work remained the same week after week, year after year.

Industry also posed new dangers for workers. Factories were seldom well lit or clean. Machines injured workers. A boiler might explode or a drive belt might catch an arm. And there was no government program to provide aid in case of injury. The most dangerous conditions of all were found in coal mines. Frequent accidents, damp conditions, and the constant breathing of coal dust made the average miner’s life span ten years shorter than that of other workers. Many women and children were employed in the mining industry because they were the cheapest source of labor.

Class Tensions Grow

Though poverty gripped Britain’s working classes, the Industrial Revolution created enormous amounts of wealth in the nation. Most of this new money belonged to factory owners, shippers, and merchants. These people were part of a growing middle class, a social class made up of skilled workers, professionals, businesspeople, and wealthy farmers.

The Middle Class  The new middle class transformed the social structure of Great Britain. In the past, landowners and aristocrats had occupied the top position in British society. With most of the wealth, they wielded the social and political power. Now some factory owners, merchants, and bankers grew wealthier than the landowners and aristocrats. Yet important social distinctions divided the two wealthy classes. Landowners looked down on those who had made their fortunes in the “vulgar” business world. Not until late in the 1800s were rich entrepreneurs considered the social equals of the lords of the countryside.

Gradually, a larger middle class—neither rich nor poor—emerged. The upper middle class consisted of government employees, doctors, lawyers, and managers of factories, mines, and shops. The lower middle class included factory overseers and such skilled workers as toolmakers, mechanical drafters, and printers. These people enjoyed a comfortable standard of living.

The Working Class  During the years 1800 to 1850, however, laborers, or the working class, saw little improvement in their living and working conditions. They watched their livelihoods disappear as machines replaced them. In frustration, some smashed the machines they thought were putting them out of work.
One group of such workers was called the Luddites. They were named after Ned Ludd. Ludd, probably a mythical English laborer, was said to have destroyed weaving machinery around 1779. The Luddites attacked whole factories in northern England beginning in 1811, destroying laborsaving machinery. Outside the factories, mobs of workers rioted, mainly because of poor living and working conditions.

**Positive Effects of the Industrial Revolution**

Despite the problems that followed industrialization, the Industrial Revolution had a number of positive effects. It created jobs for workers. It contributed to the wealth of the nation. It fostered technological progress and invention. It greatly increased the production of goods and raised the standard of living. Perhaps most important, it provided the hope of improvement in people’s lives.

The Industrial Revolution produced a number of other benefits as well. These included healthier diets, better housing, and cheaper, mass-produced clothing. Because the Industrial Revolution created a demand for engineers as well as clerical and professional workers, it expanded educational opportunities.

The middle and upper classes prospered immediately from the Industrial Revolution. For the workers it took longer, but their lives gradually improved during the 1800s. Laborers eventually won higher wages, shorter hours, and better working conditions after they joined together to form labor unions.

**Long-Term Effects** The long-term effects of the Industrial Revolution are still evident. Most people today in industrialized countries can afford consumer goods that would have been considered luxuries 50 or 60 years ago. In addition, their living and working conditions are much improved over those of workers in the 19th century. Also, profits derived from industrialization produced tax revenues. These funds have allowed local, state, and federal governments to invest in urban improvements and raise the standard of living of most city dwellers.

The economic successes of the Industrial Revolution, and also the problems created by it, were clearly evident in one of Britain’s new industrial cities in the 1800s—Manchester.

**CASE STUDY: Manchester**

**The Mills of Manchester**

Manchester’s unique advantages made it a leading example of the new industrial city. This northern English town had ready access to waterpower. It also had available labor from the nearby countryside and an outlet to the sea at Liverpool.

“From this filthy sewer pure gold flows,” wrote Alexis de Tocqueville (ah•lehk•SEE duh TOHK•vihl), the French writer, after he visited Manchester in 1835. Indeed, the industrial giant showed the best and worst of the Industrial Revolution. Manchester’s rapid, unplanned growth made it an unhealthy place for the poor people who lived and worked there. But wealth flowed from its factories. It went first to the mill owners and the new middle class. Eventually, although not immediately, the working class saw their standard of living rise as well.

Manchester’s business owners took pride in mastering each detail of the manufacturing process. They worked many hours and risked their own money. For their efforts, they were rewarded with high profits. Many erected gracious homes on the outskirts of town.

To provide the mill owners with high profits, workers labored under terrible conditions. Children as young as six joined their parents in the factories. There, for six days a week, they toiled from 6 A.M. to 7 or 8 P.M., with only half an hour for
Industrialization

Industrialization is the process of developing industries that use machines to produce goods. This process not only revolutionizes a country’s economy, it also transforms social conditions and class structures.

Effects of Industrialization

- Industry created many new jobs.
- Factories were dirty, unsafe, and dangerous.
- Factory bosses exercised harsh discipline.
  ► Long-Term Effect Workers won higher wages, shorter hours, better conditions.

- Factory workers were overworked and underpaid.
- Overseers and skilled workers rose to lower middle class. Factory owners and merchants formed upper middle class.
- Upper class resented those in middle class who became wealthier than they were.
  ► Long-Term Effect Standard of living generally rose.

- Factories brought job seekers to cities.
- Urban areas doubled, tripled, or quadrupled in size.
- Many cities specialized in certain industries.
  ► Long-Term Effect Suburbs grew as people fled crowded cities.

- Cities lacked sanitary codes or building controls.
- Housing, water, and social services were scarce.
- Epidemics swept through the city.
  ► Long-Term Effect Housing, diet, and clothing improved.

CALIFORNIA STANDARDS

10.3.3 Describe the growth of population, rural to urban migration, and growth of cities associated with the Industrial Revolution.

► This engraving shows urban growth and industrial pollution in Manchester.

Source: European Historical Statistics, 1750–1975
lunch and an hour for dinner. To keep the children awake, mill supervisors beat them. Tiny hands repaired broken threads in Manchester’s spinning machines, replaced thread in the bobbins, or swept up cotton fluff. The dangerous machinery injured many children. The fluff filled their lungs and made them cough.

Until the first Factory Act passed in 1819, the British government exerted little control over child labor in Manchester and other factory cities. The act restricted working age and hours. For years after the act passed, young children still did heavy, dangerous work in Manchester’s factories.

Putting so much industry into one place polluted the natural environment. The coal that powered factories and warmed houses blackened the air. Textile dyes and other wastes poisoned Manchester’s Irwell River. An eyewitness observer wrote the following description of the river in 1862:

**PRIMARY SOURCE**

Steam boilers discharge into it their seething contents, and drains and sewers their fetid impurities; till at length it rolls on—here between tall dingy walls, there under precipices of red sandstone—considerably less a river than a flood of liquid manure.

**HUGH MILLER, “Old Red Sandstone”**

Like other new industrial cities of the 19th century, Manchester produced consumer goods and created wealth on a grand scale. Yet, it also stood as a reminder of the ills of rapid and unplanned industrialization.

As you will learn in Section 3, the industrialization that began in Great Britain spread to the United States and to continental Europe in the 1800s.
**Main Idea**

**Empire Building**
The industrialization that began in Great Britain spread to other parts of the world.

**Why It Matters Now**
The Industrial Revolution set the stage for the growth of modern cities and a global economy.

**Terms & Names**
- stock
- corporation

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**Setting the Stage**

Great Britain’s favorable geography and its financial systems, political stability, and natural resources sparked industrialization. British merchants built the world’s first factories. When these factories prospered, more laborsaving machines and factories were built. Eventually, the Industrial Revolution that had begun in Britain spread both to the United States and to continental Europe. Countries that had conditions similar to those in Britain were ripe for industrialization.

### Industrial Development in the United States

The United States possessed the same resources that allowed Britain to mechanize its industries. America had fast-flowing rivers, rich deposits of coal and iron ore, and a supply of laborers made up of farm workers and immigrants. During the War of 1812, Britain blockaded the United States, trying to keep it from engaging in international trade. This blockade forced the young country to use its own resources to develop independent industries. Those industries would manufacture the goods the United States could no longer import.

**Industrialization in the United States**

As in Britain, industrialization in the United States began in the textile industry. Eager to keep the secrets of industrialization to itself, Britain had forbidden engineers, mechanics, and tool-makers to leave the country. In 1789, however, a young British mill worker named Samuel Slater emigrated to the United States. There, Slater built a spinning machine from memory and a partial design. The following year, Moses Brown opened the first factory in the United States to house Slater’s machines in Pawtucket, Rhode Island. But the Pawtucket factory mass-produced only one part of finished cloth, the thread.

In 1813, Francis Cabot Lowell of Boston and four other investors revolutionized the American textile industry. They mechanized every stage in the manufacture of cloth. Their weaving factory in Waltham, Massachusetts, earned them enough money to fund a larger...
operation in another Massachusetts town. When Lowell died, the remaining partners named the town after him. By the late 1820s, Lowell, Massachusetts, had become a booming manufacturing center and a model for other such towns.

Thousands of young single women flocked from their rural homes to work as mill girls in factory towns. There, they could make higher wages and have some independence. However, to ensure proper behavior, they were watched closely inside and outside the factory by their employers. The mill girls toiled more than 12 hours a day, 6 days a week, for decent wages. For some, the mill job was an alternative to being a servant and was often the only other job open to them:

**PRIMARY SOURCE**

Country girls were naturally independent, and the feeling that at this new work the few hours they had of everyday leisure were entirely their own was a satisfaction to them. They preferred it to going out as “hired help.” It was like a young man’s pleasure in entering upon business for himself. Girls had never tried that experiment before, and they liked it.

*LUCY LARCOM, A New England Girlhood*

Textiles led the way, but clothing manufacture and shoemaking also underwent mechanization. Especially in the Northeast, skilled workers and farmers had formerly worked at home. Now they labored in factories in towns and cities such as Waltham, Lowell, and Lawrence, Massachusetts.

**Later Expansion of U.S. Industry** The Northeast experienced much industrial growth in the early 1800s. Nonetheless, the United States remained primarily agricultural until the Civil War ended in 1865. During the last third of the 1800s, the country experienced a technological boom. As in Britain, a number of causes contributed to this boom. These included a wealth of natural resources, among them oil, coal, and iron; a burst of inventions, such as the electric light bulb and the telephone; and a swelling urban population that consumed the new manufactured goods.

Also, as in Britain, railroads played a major role in America’s industrialization. Cities like Chicago and Minneapolis expanded rapidly during the late 1800s. This
was due to their location along the nation’s expanding railroad lines. Chicago’s stockyards and Minneapolis’s grain industries prospered by selling products to the rest of the country. Indeed, the railroads themselves proved to be a profitable business. By the end of the 1800s, a limited number of large, powerful companies controlled more than two-thirds of the nation’s railroad tracks. Businesses of all kinds began to merge as the railroads had. Smaller companies joined together to form a larger one.

The Rise of Corporations Building large businesses like railroads required a great deal of money. To raise the money, entrepreneurs sold shares of stock, or certain rights of ownership. Thus people who bought stock became part owners of these businesses, which were called corporations. A corporation is a business owned by stockholders who share in its profits but are not personally responsible for its debts. Corporations were able to raise the large amounts of capital needed to invest in industrial equipment.

In the late 1800s, large corporations such as Standard Oil (founded by John D. Rockefeller) and the Carnegie Steel Company (founded by Andrew Carnegie) sprang up. They sought to control every aspect of their own industries in order to make big profits. Big business—the giant corporations that controlled entire industries—also made big profits by reducing the cost of producing goods. In the United States as elsewhere, workers earned low wages for laboring long hours, while stockholders earned high profits and corporate leaders made fortunes.

Continental Europe Industrializes

European businesses yearned to adopt the “British miracle,” the result of Britain’s profitable new methods of manufacturing goods. But the troubles sparked by the French Revolution and the Napoleonic wars between 1789 and 1815 had halted trade, interrupted communication, and caused inflation in some parts of the continent. European countries watched the gap widen between themselves and Britain. Even so, industrialization eventually reached continental Europe.
Beginnings in Belgium  Belgium led Europe in adopting Britain’s new technology. It had rich deposits of iron ore and coal as well as fine waterways for transportation. As in the United States, British skilled workers played a key role in industrializing Belgium.

Samuel Slater had smuggled the design of a spinning machine to the United States. Much like him, a Lancashire carpenter named William Cockerill illegally made his way to Belgium in 1799. He carried secret plans for building spinning machinery. His son John eventually built an enormous industrial enterprise in eastern Belgium. It produced a variety of mechanical equipment, including steam engines and railway locomotives. Carrying the latest British advances, more British workers came to work with Cockerill. Several then founded their own companies in Europe.

Germany Industrializes  Germany was politically divided in the early 1800s. Economic isolation and scattered resources hampered countrywide industrialization. Instead, pockets of industrialization appeared, as in the coal-rich Ruhr Valley of west central Germany. Beginning around 1835, Germany began to copy the British model. Germany imported British equipment and engineers. German manufacturers also sent their children to England to learn industrial management.

Most important, Germany built railroads that linked its growing manufacturing cities, such as Frankfurt, with the Ruhr Valley’s coal and iron ore deposits. In 1858, a German economist wrote, “Railroads and machine shops, coal mines and iron foundries, spinneries and rolling mills seem to spring up out of the ground, and smokestacks sprout from the earth like mushrooms.” Germany’s economic strength spurred its ability to develop as a military power. By the late 1800s, a unified, imperial Germany had become both an industrial and a military giant.

Expansion Elsewhere in Europe  In the rest of Europe, as in Germany, industrialization during the early 1800s proceeded by region rather than by country. Even in countries where agriculture dominated, pockets of industrialization arose. For example, Bohemia developed a spinning industry. Spain’s Catalonia processed more cotton than Belgium. Northern Italy mechanized its textile production, specializing in silk spinning. Serf labor ran factories in regions around Moscow and St. Petersburg.

In France, sustained industrial growth occurred after 1830. French industrialization was more measured and controlled than in other countries because the agricultural economy remained strong. As a result, France avoided the great social and economic problems caused by industrialization. A thriving national market for new French products was created after 1850, when the government began railroad construction.

For a variety of reasons, many European countries did not industrialize. In some nations, the social structure delayed the adoption of new methods of production. The accidents of geography held back others. In Austria-Hungary and Spain, transportation posed great obstacles. Austria-Hungary’s mountains defeated railroad builders. Spain lacked both good roads and waterways for canals.
The Impact of Industrialization

The Industrial Revolution shifted the world balance of power. It increased competition between industrialized nations and poverty in less-developed nations.

Rise of Global Inequality Industrialization widened the wealth gap between industrialized and nonindustrialized countries, even while it strengthened their economic ties. To keep factories running and workers fed, industrialized countries required a steady supply of raw materials from less-developed lands. In turn, industrialized countries viewed poor countries as markets for their manufactured products.

Britain led in exploiting its overseas colonies for resources and markets. Soon other European countries, the United States, Russia, and Japan followed Britain’s lead, seizing colonies for their economic resources. Imperialism, the policy of extending one country’s rule over many other lands, gave even more power and wealth to these already wealthy nations. Imperialism was born out of the cycle of industrialization, the need for resources to supply the factories of Europe, and the development of new markets around the world. (See Chapter 11.)

Transformation of Society Between 1700 and 1900, revolutions in agriculture, production, transportation, and communication changed the lives of people in Western Europe and the United States. Industrialization gave Europe tremendous economic power. In contrast, the economies of Asia and Africa were still based on agriculture and small workshops. Industrialization revolutionized every aspect of society, from daily life to life expectancy. Despite the hardships early urban workers suffered, population, health, and wealth eventually rose dramatically in all industrialized countries. The development of a middle class created great opportunities for education and democratic participation. Greater democratic participation, in turn, fueled a powerful movement for social reform.

TERMS & NAMES

1. For each term or name, write a sentence explaining its significance.

- stock
- corporation

USING YOUR NOTES

2. Which development had the most impact in the United States? in continental Europe? (10.3.2)

MAIN IDEAS

3. What early industries mechanized in the United States? (10.3.2)

4. Why did Belgium lead Europe in adopting industrialization? (10.3.5)

5. How did the Industrial Revolution shift the world balance of power? (10.3.2)

CRITICAL THINKING & WRITING

6. RECOGNIZING BIAS Go back to the quote from Lucy Larcom on page 296. Do you think her feelings about working in the mill are typical? Why or why not? (10.3.2)

7. MAKING INFERENCES Why was Britain unable to keep industrial secrets away from other nations? (10.3.5)

8. FORMING AND SUPPORTING OPINIONS What was the most significant effect of the Industrial Revolution? (10.3.3)

9. WRITING ACTIVITY DRAW A political cartoon that could have been used by the British government to show their sense of superiority over nonindustrialized nations they planned to colonize. (Writing 2.2.a)

INTERNET ACTIVITY

Use the Internet to research the economy of a less-developed nation in either Asia, Africa, or South America. Create a database of economic statistics for that country. (10.3.5)

INTERNET KEYWORD

country profiles
The Industrial Revolution led to economic, social, and political reforms.

Many modern social welfare programs developed during this period of reform.

• laissez faire
• Adam Smith
• capitalism
• utilitarianism
• socialism
• Karl Marx
• communism
• union
• strike

Setting the Stage
In industrialized countries in the 19th century, the Industrial Revolution opened a wide gap between the rich and the poor. Business leaders believed that governments should stay out of business and economic affairs. Reformers, however, felt that governments needed to play an active role to improve conditions for the poor. Workers also demanded more rights and protection. They formed labor unions to increase their influence.

The Philosophers of Industrialization
The term laissez faire (LEHS•ay•FAIR) refers to the economic policy of letting owners of industry and business set working conditions without interference. This policy favors a free market unregulated by the government. The term is French for “let do,” and by extension, “let people do as they please.”

Laissez-faire Economics
Laissez-faire economics stemmed from French economic philosophers of the Enlightenment. They criticized the idea that nations grow wealthy by placing heavy tariffs on foreign goods. In fact, they argued, government regulations only interfered with the production of wealth. These philosophers believed that if government allowed free trade—the flow of commerce in the world market without government regulation—the economy would prosper.

Adam Smith, a professor at the University of Glasgow, Scotland, defended the idea of a free economy, or free markets, in his 1776 book The Wealth of Nations. According to Smith, economic liberty guaranteed economic progress. As a result, government should not interfere. Smith’s arguments rested on what he called the three natural laws of economics:
• the law of self-interest—People work for their own good.
• the law of competition—Competition forces people to make a better product.
• the law of supply and demand—Enough goods would be produced at the lowest possible price to meet demand in a market economy.

The Economists of Capitalism
Smith’s basic ideas were supported by British economists Thomas Malthus and David Ricardo. Like Smith, they believed that natural laws governed economic life. Their important ideas were the foundation of laissez-faire capitalism. Capitalism is an economic system in which the factors of production are privately owned and money is invested in business ventures to make a profit. These ideas also helped bring about the Industrial Revolution.
In *An Essay on the Principle of Population*, written in 1798, Thomas Malthus argued that population tended to increase more rapidly than the food supply. Without wars and epidemics to kill off the extra people, most were destined to be poor and miserable. The predictions of Malthus seemed to be coming true in the 1840s.

David Ricardo, a wealthy stockbroker, took Malthus’s theory one step further in his book, *Principles of Political Economy and Taxation* (1817). Like Malthus, Ricardo believed that a permanent underclass would always be poor. In a market system, if there are many workers and abundant resources, then labor and resources are cheap. If there are few workers and scarce resources, then they are expensive. Ricardo believed that wages would be forced down as population increased.

Laissez-faire thinkers such as Smith, Malthus, and Ricardo opposed government efforts to help poor workers. They thought that creating minimum wage laws and better working conditions would upset the free market system, lower profits, and undermine the production of wealth in society.

### The Rise of Socialism

In contrast to laissez-faire philosophy, which advised governments to leave business alone, other theorists believed that governments should intervene. These thinkers believed that wealthy people or the government must take action to improve people’s lives. The French writer Alexis de Tocqueville gave a warning:

> Consider what is happening among the working classes. . . . Do you not see spreading among them, little by little, opinions and ideas that aim not to overturn such and such a ministry, or such laws, or such a government, but society itself, to shake it to the foundations upon which it now rests?

ALEXIS DE TOCQUEVILLE, 1848 speech

### Utilitarianism

English philosopher Jeremy Bentham modified the ideas of Adam Smith. In the late 1700s, Bentham introduced the philosophical concept of utilitarianism. Bentham wrote his most influential works in the late 1700s. According to Bentham’s theory, people should judge ideas, institutions, and actions on the basis of their utility, or usefulness. He argued that the government should try to promote the greatest good for the greatest number of people. A government policy was only useful if it promoted this goal. Bentham believed that in general the individual should be free to pursue his or her own advantage without interference from the state.

John Stuart Mill, a philosopher and economist, led the utilitarian movement in the 1800s. Mill came to question unregulated capitalism. He believed it was wrong that workers should lead deprived lives that sometimes bordered on starvation. Mill wished to help ordinary working people with policies that would lead to a more equal division of profits. He also favored a cooperative system of agriculture and women's rights, including the right to vote. Mill called for the government to do away with great differences in wealth. Utilitarians also pushed for reforms in the legal and prison systems and in education.
Utopian Ideas  Other reformers took an even more active approach. Shocked by the misery and poverty of the working class, a British factory owner named Robert Owen improved working conditions for his employees. Near his cotton mill in New Lanark, Scotland, Owen built houses, which he rented at low rates. He prohibited children under ten from working in the mills and provided free schooling.

Then, in 1824, he traveled to the United States. He founded a cooperative community called New Harmony in Indiana, in 1825. He intended this community to be a utopia, or perfect living place. New Harmony lasted only three years but inspired the founding of other communities.

Socialism  French reformers such as Charles Fourier (FUR•ee•AY), Saint-Simon (san see•MOHN), and others sought to offset the ill effects of industrialization with a new economic system called socialism. In socialism, the factors of production are owned by the public and operate for the welfare of all.

Socialism grew out of an optimistic view of human nature, a belief in progress, and a concern for social justice. Socialists argued that the government should plan the economy rather than depend on free-market capitalism to do the job. They argued that government control of factories, mines, railroads, and other key industries would end poverty and promote equality. Public ownership, they believed, would help workers, who were at the mercy of their employers. Some socialists—such as Louis Blanc—advocated change through extension of the right to vote.

Marxism: Radical Socialism  The writings of a German journalist named Karl Marx introduced the world to a radical type of socialism called Marxism. Marx and Friedrich Engels, a German whose father owned a textile mill in Manchester, outlined their ideas in a 23-page pamphlet called The Communist Manifesto.

The Communist Manifesto  In their manifesto, Marx and Engels argued that human societies have always been divided into warring classes. In their own time, these were the middle class “haves” or employers, called the bourgeoisie (BUR•zhwah•ZEE), and the “have-nots” or workers, called the proletariat (PROH•lih•TAIR•ee•iht). While the wealthy controlled the means of producing goods, the poor performed backbreaking labor under terrible conditions. This situation resulted in conflict:

PRIMARY SOURCE  Freeman and slave, patrician and plebeian, lord and serf, guildmaster and journeyman, in a word, oppressor and oppressed, stood in constant opposition to one another, carried on an uninterrupted, now hidden, now open fight, a fight that each time ended, either in a revolutionary reconstitution of society at large, or in the common ruin of the contending classes.

KARL MARX and FRIEDRICH ENGELS, The Communist Manifesto (1848)

According to Marx and Engels, the Industrial Revolution had enriched the wealthy and impoverished the poor. The two writers predicted that the workers would overthrow the owners: “The proletarians have nothing to lose but their chains. They have a world to win. Workingmen of all countries, unite.”

RESEARCH LINKS  For more on Karl Marx, go to classzone.com

INTEGRATED TECHNOLOGY  "RESEARCH LINKS" For more on Karl Marx, go to classzone.com

MAIN IDEA  Summarizing

What were the ideas of Marx and Engels concerning relations between the owners and the working class?
The Future According to Marx

Marx believed that the capitalist system, which produced the Industrial Revolution, would eventually destroy itself in the following way. Factories would drive small artisans out of business, leaving a small number of manufacturers to control all the wealth. The large proletariat would revolt, seize the factories and mills from the capitalists, and produce what society needed. Workers, sharing in the profits, would bring about economic equality for all people. The workers would control the government in a “dictatorship of the proletariat.” After a period of cooperative living and education, the state or government would wither away as a classless society developed.

Marx called this final phase pure communism. Marx described communism as a form of complete socialism in which the means of production—all land, mines, factories, railroads, and businesses—would be owned by the people. Private property would in effect cease to exist. All goods and services would be shared equally.

Published in 1848, The Communist Manifesto produced few short-term results. Though widespread revolts shook Europe during 1848 and 1849, Europe’s leaders eventually put down the uprisings. Only after the turn of the century did the fiery Marxist pamphlet produce explosive results. In the 1900s, Marxism inspired revolutionaries such as Russia’s Lenin, China’s Mao Zedong, and Cuba’s Fidel Castro. These leaders adapted Marx’s beliefs to their own specific situations and needs.
In *The Communist Manifesto*, Marx and Engels stated their belief that economic forces alone dominated society. Time has shown, however, that religion, nationalism, ethnic loyalties, and a desire for democratic reforms may be as strong influences on history as economic forces. In addition, the gap between the rich and the poor within the industrialized countries failed to widen in the way that Marx and Engels predicted, mostly because of the various reforms enacted by governments.

**Labor Unions and Reform Laws**

Factory workers faced long hours, dirty and dangerous working conditions, and the threat of being laid off. By the 1800s, working people became more active in politics. To press for reforms, workers joined together in voluntary labor associations called **unions**.

**Unionization** A union spoke for all the workers in a particular trade. Unions engaged in collective bargaining, negotiations between workers and their employers. They bargained for better working conditions and higher pay. If factory owners refused these demands, union members could **strike**, or refuse to work.

Skilled workers led the way in forming unions because their special skills gave them extra bargaining power. Management would have trouble replacing such skilled workers as carpenters, printers, and spinners. Thus, the earliest unions helped the lower middle class more than they helped the poorest workers.

The union movement underwent slow, painful growth in both Great Britain and the United States. For years, the British government denied workers the right to form unions. The government saw unions as a threat to social order and stability. Indeed, the Combination Acts of 1799 and 1800 outlawed unions and strikes. Ignoring the threat of jail or job loss, factory workers joined unions anyway. Parliament finally repealed the Combination Acts in 1824. After 1825, the British government unhappily tolerated unions.

British unions had shared goals of raising wages for their members and improving working conditions. By 1875, British trade unions had won the right to strike and picket peacefully. They had also built up a membership of about 1 million people.

In the United States, skilled workers had belonged to unions since the early 1800s. In 1886, several unions joined together to form the organization that would become the American Federation of Labor (AFL). A series of successful strikes won AFL members higher wages and shorter hours.

**Reform Laws** Eventually, reformers and unions forced political leaders to look into the abuses caused by industrialization. In both Great Britain and the United States, new laws reformed some of the worst abuses of industrialization. In the 1820s and 1830s, for example, Parliament began investigating child labor and working conditions in factories and mines. As a result of its findings, Parliament passed the Factory Act of 1833. The new law made it illegal to hire children under 9 years old. Children from the ages of 9 to 12 could not work more than 8 hours a day. Young people from 13 to 17 could not work more than 12 hours. In 1842, the Mines Act prevented women and children from working underground.
In 1847, the Parliament passed a bill that helped working women as well as their children. The Ten Hours Act of 1847 limited the workday to ten hours for women and children who worked in factories. Reformers in the United States also passed laws to protect child workers. In 1904, a group of progressive reformers organized the National Child Labor Committee to end child labor. Arguing that child labor lowered wages for all workers, union members joined the reformers. Together they pressured national and state politicians to ban child labor and set maximum working hours.

In 1919, the U.S. Supreme Court objected to a federal child labor law, ruling that it interfered with states’ rights to regulate labor. However, individual states were allowed to limit the working hours of women and, later, of men.

The Reform Movement Spreads

Almost from the beginning, reform movements rose in response to the negative impact of industrialization. These reforms included improving the workplace and extending the right to vote to working-class men. The same impulse toward reform, along with the ideals of the French Revolution, also helped to end slavery and promote new rights for women and children.

The Abolition of Slavery  William Wilberforce, a highly religious man, was a member of Parliament who led the fight for abolition—the end of the slave trade and slavery in the British Empire. Parliament passed a bill to end the slave trade in the British West Indies in 1807. After he retired from Parliament in 1825, Wilberforce continued his fight to free the slaves. Britain finally abolished slavery in its empire in 1833.

British antislavery activists had mixed motives. Some, such as the abolitionist Wilberforce, were morally against slavery. Others viewed slave labor as an economic threat. Furthermore, a new class of industrialists developed who supported cheap labor rather than slave labor. They soon gained power in Parliament.

In the United States the movement to fulfill the promise of the Declaration of Independence by ending slavery grew in the early 1800s. The enslavement of African people finally ended in the United States when the Union won the Civil War in 1865. Then, enslavement persisted in the Americas only in Puerto Rico, Cuba, and Brazil. In Puerto Rico, slavery was ended in 1873. Spain finally abolished slavery in its Cuban colony in 1886. Not until 1888 did Brazil’s huge enslaved population win freedom.

The Fight for Women’s Rights  The Industrial Revolution proved a mixed blessing for women. On the one hand, factory work offered higher wages than work done at home. Women spinners in Manchester, for example, earned much more money than women who stayed home to spin cotton thread. On the other hand, women factory workers usually made only one-third as much money as men did.

Women led reform movements to address this and other pressing social issues. During the mid-1800s, for example, women formed unions in the trades where they dominated. In Britain, some women served as safety inspectors in factories where other women worked. In the United States, college-educated women like Jane Addams ran settlement houses. These community centers served the poor residents of slum neighborhoods.
In both the United States and Britain, women who had rallied for the abolition of slavery began to wonder why their own rights should be denied on the basis of gender. The movement for women’s rights began in the United States as early as 1848. Women activists around the world joined to found the International Council for Women in 1888. Delegates and observers from 27 countries attended the council’s 1899 meeting.

**Reforms Spread to Many Areas of Life** In the United States and Western Europe, reformers tried to correct the problems troubling the newly industrialized nations. Public education and prison reform ranked high on the reformers’ lists.

One of the most prominent U.S. reformers, Horace Mann of Massachusetts, favored free public education for all children. Mann, who spent his own childhood working at hard labor, warned, “If we do not prepare children to become good citizens . . . if we do not enrich their minds with knowledge, then our republic must go down to destruction.” By the 1850s, many states were starting public school systems. In Western Europe, free public schooling became available in the late 1800s.

In 1831, French writer Alexis de Tocqueville had contrasted the brutal conditions in American prisons to the “extended liberty” of American society. Those who sought to reform prisons emphasized the goal of providing prisoners with the means to lead to useful lives upon release.

During the 1800s, democracy grew in industrialized countries even as foreign expansion increased. The industrialized democracies faced new challenges both at home and abroad. You will learn about these challenges in Chapter 10.

### TERMS & NAMES

1. For each term or name, write a sentence explaining its significance.
   - laissez faire
   - Adam Smith
   - capitalism
   - utilitarianism
   - socialism
   - Karl Marx
   - communism
   - union
   - strike

### USING YOUR NOTES

2. What characteristics do capitalism and socialism share? (10.3.6)

### MAIN IDEAS

3. What were Adam Smith’s three natural laws of economics? (10.3.6)
4. What kind of society did early socialists want? (10.3.6)
5. Why did workers join together in unions? (10.3.4)

### CRITICAL THINKING & WRITING

6. IDENTIFYING PROBLEMS What were the main problems faced by the unions during the 1800s and how did they overcome them? (10.3.4)
7. DRAWING CONCLUSIONS Why do you think that Marx’s “dictatorship of the proletariat” did not happen? (10.3.6)
8. MAKING INFERENCES Why did the labor reform movement spread to other areas of life? (10.3.4)
9. WRITING ACTIVITY [ECONOMICS] Write a two-paragraph persuasive essay on how important economic forces are in society. Support your opinion using evidence from this and previous chapters. (Writing 2.4.c)

### CONNECT TO TODAY: PREPARING AN ECONOMIC REPORT

Research a present-day corporation. Prepare an economic report that includes the corporation’s structure, products or services, number of employees, and any other relevant economic information you are able to find. (10.3.5)