

5. Explain how the sharecropping and tenant systems worked in southern agriculture.
6. Contrast the visions of Booker T. Washington and W. E. B. Du Bois for freed blacks.
7. How did the cattle industry grow and how did it affect both the West and the East?
8. Describe the effects on Indians of the expansion of white settlements in the West.
9. Compare the treatment of Indians in the West to African Americans in the South.
10. What were the different ideas about using the land in the West? Explain the attitudes of Indians, ranchers, farmers, miners, and the federal government.
11. Did the West or the South experience the greater change in the years between 1865 and 1900? Why?
12. How helpful is Turner's frontier thesis in explaining what is distinctive about the United States?

ANSWERS TO MULTIPLE-CHOICE AND TRUE-FALSE QUESTIONS AND MAP EXERCISE

Multiple-Choice Questions

1-A, 2-B, 3-D, 4-A, 5-D, 6-D, 7-B, 8-C, 9-C, 10-C, 11-C, 12-C, 13-B, 14-A, 15-B

True-False Questions

1-T, 2-T, 3-F, 4-T, 5-F, 6-E, 7-F, 8-T, 9-T, 10-F, 11-E, 12-T, 13-T, 14-T, 15-T

Map Exercise

A-8, B-4, C-1, D-2, E-9, F-7, G-12, H-5, I-14, J-13

20

BIG BUSINESS AND ORGANIZED LABOR

CHAPTER OBJECTIVES

After you finish reading and studying this chapter, you should be able to

1. Delineate the important long-term factors in the growth of the economy in the late nineteenth century.
2. Understand the developments that produced the second industrial revolution in Germany and the United States.
3. Describe the role of the major entrepreneurs like Rockefeller, Carnegie, and Morgan.
4. Account for the limited growth of unions in this period and the success of the Knights of Labor and the American Federation of Labor.
5. Discuss the major labor confrontations in the period.
6. Explain the limited appeal of socialism for American labor.

CHAPTER OUTLINE

- I. The rise of big business
 - A. Causes of business growth
 1. Technological innovation
 2. Labor shortage
 3. Standardization
 4. Agricultural production
 5. Railroad network
 6. Inexpensive power
 7. Supportive government

- B. Second industrial revolution
 - 1. Transportation
 - 2. Electric power
 - 3. Scientific research
- C. Railroad building
 - 1. Functions of railroads
 - 2. The transcontinental plan
 - a. Central Pacific
 - b. Union Pacific
 - c. Chinese labor
 - 3. Other transcontinentals
 - 4. Financing the railroads
 - a. Early federal aid to the railroads
 - b. Government returns from the financial assistance given
 - c. Crédit-Mobilier fraud
 - 5. Jay Gould's work
 - 6. Cornelius Vanderbilt
- D. New products and inventions
 - 1. Refrigerated railway car
 - 2. Flour milling
 - 3. Paper making
 - 4. Other improvements and innovations
 - 5. Development of the telephone
 - 6. Edison's work with electricity
- E. Entrepreneurs of the era
 - 1. Rockefeller and the oil industry
 - a. Background
 - b. Concentration on refining and transportation
 - c. Development of the trust
 - d. Evolution of the holding company
 - 2. Andrew Carnegie and the "Gospel of Wealth"
 - a. Background
 - b. Concentration on steel
 - c. Philosophy for big business
 - 3. J. P. Morgan and investment banking
 - a. Background
 - b. Concentration on railroad financing
 - c. Control of organizations
 - d. Consolidation of the steel industry
 - 4. Sears and Roebuck and retailing
 - a. Montgomery Ward
 - b. Retail by mail
 - c. Creation of national market
- II. Developments in labor
 - A. Wealth and income
 - 1. Standard of living
 - 2. Disparities between rich and poor
 - 3. Degree of social mobility
 - 4. Increase in manufacturing wages
 - B. Lives of workers
 - 1. Living and working conditions
 - 2. Bureaucracy's impersonal control
 - C. Violence in union activity
 - 1. The Molly Maguires
 - 2. The railroad strike of 1877
 - 3. "Sand Lot" incident
 - D. Efforts at union building
 - 1. National Labor Union
 - 2. Knights of Labor
 - a. Early development
 - b. Emphasis on the union
 - c. Role of Terrence Powderly
 - d. Victories of the Knights
 - e. Haymarket Affair, 1886
 - f. Lasting influence of the Knights of Labor
 - 3. American Federation of Labor
 - a. Development of craft unions
 - b. Role of Samuel Gompers
 - c. Focus on the eight-hour day
 - d. Growth of the union
 - E. Violence in the 1890s
 - 1. Homestead Strike, 1892
 - 2. Pullman Strike, 1894
 - a. Causes
 - b. Role of the government
 - c. Impact on Eugene V. Debs
 - F. Socialism and American labor
 - 1. Daniel DeLeon and Eugene Debs
 - 2. Social Democratic party
 - a. Early work
 - b. Height of influence
 - 3. Rise of the IWW
 - a. Sources of strength
 - b. Revolutionary goals
 - c. Causes for decline

KEY ITEMS OF CHRONOLOGY

First oil well at Titusville, Pennsylvania	1859
Pacific Railway Act	1862
National Labor Union organized	1866
George Westinghouse invented air brake for railroads	1868
Completion of first transcontinental railroad	May 10, 1869
Knights of Labor started	1869
Standard Oil of Ohio incorporated	1870
Alexander Graham Bell patented the telephone	1876
Railroad Strike	1877
Incandescent light bulb invented	1879
Electric utility industry begun	1882
Standard Oil Trust created	1882
Second transcontinental railroad	1884
American Telephone and Telegraph Company formed	1885
Haymarket Affair	1886
American Federation of Labor started	1886
Andrew Carnegie's "Gospel of Wealth"	1889
Homestead Steel Strike	1892
Pullman Strike	1894
Free rural mail delivery	1898
U.S. Steel Corporation formed	1901
Industrial Workers of the World formed	1905

23. Bessemer converter	34. industrial union
24. "Gospel of Wealth"	35. craft union
25. J. P. Morgan	36. Samuel Gompers
26. investment banker	37. American Federation of Labor
27. Aaron Montgomery Ward	38. Homestead Steel Strike
28. Sears and Roebuck	39. H. C. Frick
29. Molly Maguires	40. Pullman Strike
30. Railroad Strike of 1877	41. Eugene V. Debs
31. Knights of Labor	42. Industrial Workers of the World
32. Terence V. Powderly	43. William D. Haywood
33. Haymarket Affair	

VOCABULARY BUILDING

Listed below are some words or phrases used in this chapter. Look in the dictionary for the meaning of each term you do not know.

preeminent	imperious
buffet (v.)	behemoth
desolate	disparity
scruple	precarious
blatant	animosity
epithet	quell
pristine	carnage
probity	arbitration
patent (v.)	anarchism
incandescent	minuscule
tenacious	reprise
rebate	revulsion
dissuade	sectarian
financier	petulant
detriment	bequeath

TERMS TO MASTER

Listed below are some important people or terms with which you should be familiar after your study of this chapter. Identify each name or term.

1. laissez-faire
2. second industrial revolution
3. transcontinental railroad
4. Union Pacific Railroad
5. Central Pacific Railroad
6. Promontory, Utah
7. robber baron
8. captain of industry
9. Cr dit Mobilier Company
10. Jay Gould
11. Cornelius Vanderbilt
12. Alexander Graham Bell
13. Thomas Edison
14. George Westinghouse
15. "Battle of the Currents"
16. John D. Rockefeller
17. Andrew Carnegie
18. Standard Oil Company
19. vertical integration
20. trust
21. interlocking directorates
22. holding company

EXERCISES FOR UNDERSTANDING

When you have finished reading the chapter, answer each of the following questions. If you have difficulty, go back and reread the section of the chapter related to the question.

Multiple-Choice Questions

Select the letter of the choice that best completes the statement.

1. The federal government contributed to the expansion of business with
 - A. financial assistance to the transcontinental railroad.
 - B. a high tariff.
 - C. little regulation of interstate commerce.
 - D. all of the above
2. The first transcontinental railroad ran from
 - A. Kansas City to San Diego.
 - B. Minnesota to Washington.
 - C. St. Louis to Los Angeles.
 - D. Omaha to Sacramento.
3. In the construction of the transcontinental railroad, most of the workers for the Central Pacific Railroad were from
 - A. Ireland.
 - B. China.
 - C. Germany.
 - D. the Midwest.
4. John D. Rockefeller stands out among business leaders because of his
 - A. innovative organization called vertical integration.
 - B. "Gospel of Wealth" philosophy.
 - C. cooperation with labor unions.
 - D. dominance of investment banking.
5. John D. Rockefeller's "pay nobody a profit" led to the
 - A. formation of an oil trust.
 - B. vertical integration of his business.
 - C. creation of the Rockefeller Foundation.
 - D. construction of Rockefeller Center in New York.
6. Andrew Carnegie's "Gospel of Wealth" explained
 - A. his business techniques in the steel industry.
 - B. the relationship between Christianity and wealth.
 - C. the virtues of the law of competition.
 - D. how accumulation of wealth had disappointed him.
7. Consolidation of the steel industry in the U.S. Steel Corporation was the achievement of
 - A. Cornelius Vanderbilt.
 - B. Andrew Carnegie.
 - C. J. P. Morgan.
 - D. John D. Rockefeller.
8. The "Battle of the Currents" involved
 - A. the transcontinental railroads.
 - B. Thomas Edison and George Westinghouse.
 - C. Alexander Graham Bell.
 - D. Jay Gould and Cornelius Vanderbilt.
9. Sears, Roebuck and Company became the nation's largest retailer by
 - A. creating a national market.
 - B. selling directly to the consumer at low prices.
 - C. distributing goods through the mails.
 - D. all of the above
10. The social costs of industrialization included
 - A. closer relationships between workers and factory owners.
 - B. numerous job-related injuries and deaths.
 - C. rising wages for workers.
 - D. healthier working conditions for most workers.
11. The Knights of Labor
 - A. organized only skilled workers.
 - B. shunned politics and strikes.
 - C. was damaged by the Haymarket Affair.
 - D. all of the above
12. The American Federation of Labor
 - A. included industrial unions.
 - B. primarily organized skilled workers.
 - C. emphasized unions for unskilled workers.
 - D. advocated social reforms leading ultimately to socialism.
13. The president of the United States used federal troops to end the strike at
 - A. Haymarket Square in Chicago.
 - B. the Homestead Works at Pittsburgh.
 - C. Pullman, Illinois.
 - D. all of the above
14. American workers tended to reject unions because
 - A. they believed they would only be workers for a short time until they could own their own farms or move up otherwise.
 - B. they were so strongly committed to a system of equality and uniform wages for all.
 - C. they did not like the association with immigrants in unions.
 - D. they thought all unions were corrupt.
15. As a labor agitator, Mother Jones was particularly concerned about the
 - A. treatment of women in factories.
 - B. exploitation of children in industry.
 - C. growth of the Industrial Workers of the World.
 - D. potential effects of women's suffrage on workers.

True-False Questions

Indicate whether each statement is true or false.

1. The first big business with large-scale bureaucracies was in the steel industry.
2. The first transcontinental railroad was built by private companies under contract to the federal government.
3. By 1900, seven railroad groups controlled two-thirds of the nation's railroad mileage.
4. An important railroad "robber baron" was Andrew Carnegie.
5. John D. Rockefeller used Cleveland as his initial base of operations.
6. Andrew Carnegie invented the Bessemer converter used in steel production.
7. J. P. Morgan's life was an example of rags to riches.
8. In 1880, one out of every six children was working full time.
9. The first major interstate labor strike was the Homestead Strike in 1894.
10. In 1900 the average worker in manufacturing worked only about 45 hours per week.
11. Terence V. Powderly led the Knights of Labor.
12. The Haymarket Affair was related to agitation for the eight-hour workday.
13. Samuel Gompers was an anarchist labor leader.
14. In 1912 the Socialist party's presidential candidate received less than one percent of the popular vote.
15. The Pullman Strike disrupted rail traffic.

Essay Questions

1. List and explain the factors that promoted the growth of industry in the United States in the late nineteenth century.
2. Compare and contrast the achievements of the American economy of Rockefeller, Carnegie, Morgan, and Sears as entrepreneurs.
3. Were the industrial and financial leaders of the late nineteenth century despicable "robber barons" or admirable "captains of industry"? Explain.
4. Why was the Pullman Strike of 1894 important?
5. How did the methods and goals of the Knights of Labor differ from those of the American Federation of Labor?

6. Why did socialism, anarchism, and forms of radicalism appeal to some but not all American workers?
7. Compare and contrast the methods and goals of Eugene V. Debs and Mother Jones.
8. By 1900, which was stronger, business or labor? Why?

ANSWERS TO MULTIPLE-CHOICE AND TRUE-FALSE QUESTIONS**Multiple-Choice Questions**

1-D, 2-D, 3-B, 4-A, 5-B, 6-C, 7-C, 8-B, 9-D, 10-B, 11-C, 12-B, 13-C, 14-A, 15-B

True-False Questions

1-F, 2-F, 3-T, 4-F, 5-T, 6-F, 7-F, 8-T, 9-F, 10-F, 11-T, 12-T, 13-F, 14-E, 15-T