

Ch. 24 Study Guide

AP US History

Industry Comes of Age, 1865-1900

Theme: America accomplished heavy industrialization in the post-Civil War era. Spurred by the transcontinental rail network, business grew and consolidated into giant corporate trusts, as epitomized by the oil and steel industries.

Theme: Industrialization radically transformed the practices of labor and the condition of American working people. But despite frequent industrial strife and the efforts of various reformers and unions, workers failed to develop effective labor organizations to match the corporate forms of business.

Theme: With the concentration of capital in hands of a few, new moralities arose to advance justifications for this social and economic phenomenon. A “survival of the fittest” theory emerged, a popular theory based on the thought of Herbert Spencer and William Graham Sumner, which argued that millionaires were products of natural selection. Another theory known as the “Gospel of Wealth” argued that societies of well-to-do had to prove themselves morally responsible.

Summary:

Aided by government subsidies and loans, the first transcontinental rail line was completed in 1869, soon followed by others. This rail network opened vast new markets and prompted industrial growth. The power and corruption of the railroads led to public demands for regulation, which was only minimally begun.

New technology and forms of business organization led to the growth of huge corporate trusts. Andrew Carnegie and John D. Rockefeller led the way in the steel and oil industries. Initially, the oil industry supplied kerosene for lamps; it eventually expanded by providing gasoline to fuel automobiles. Cheap steel transformed industries from construction to rail building, and the powerful railroads dominated the economy and reshaped American society.

The benefits of industrialization were unevenly distributed. The South remained in underdeveloped dependence, while the industrial working class struggled at the bottom of the growing class divisions of American society. Increasingly transformed from independent producers and farmers to dependent wage earners, America’s workers became vulnerable to illness, industrial accident, and unemployment.

Workers’ attempts at labor organization were generally ineffective. The Knights of Labor disappeared after the Haymarket bombing. Gompers founded the AF of L to organize skilled craft laborers but ignored most industrial workers, women, and blacks.

Key Terms:

Land grants	Thomas Edison	Sherman Anti-Trust Act 1890
Union Pacific Railroad	Andrew Carnegie	New South
Central Pacific Railroad	John D. Rockefeller	Yellow dog contract
Leland Stanford	J. P. Morgan	National Labor Union
James J. Hill	Vertical integration	Knights of Labor
Cornelius Vanderbilt	Horizontal Integration	Terence V. Powderly
Jay Gould	Trusts	Haymarket Square Riot
<i>Wabash</i> case	United States Steel	AF of L
Interstate Commerce Act 1887	Bessemer Process	Samuel Gompers
Grange	Gospel of wealth	
Alexander Graham Bell	Social Darwinist	

Key Questions:

-What was the impact of the **transcontinental rail system** on the American economy and society in the late 19th century?

-Identify some of the tactics used by "**Robber Barons**" to establish **monopolies**. What efforts were made to control these industrial giants and how effective were they?

-Compare the impact of the new **industrialization on the North and the South**. Why was the "New South" more a slogan than a reality?

-What was the effect of the new industrial revolution on American laborers (including immigrants, women and farmers) and how did various **labor organizations** attempt to respond to the new conditions?

Identification *Supply the correct identification for each numbered description.*

- _____ 1. Federally owned acreage granted to the railroad companies in order to encourage the building of rail lines.
- _____ 2. The original transcontinental railroad company, commissioned by Congress, which built its rail line west from Omaha
- _____ 3. The California-based railroad company, headed by Leland Stanford that employed Chinese laborers in building lines across the mountains
- _____ 4. The northernmost of the transcontinental railroad lines, organized by economically wise and public-spirited industrialist James J. Hill
- _____ 5. Dishonest device by which RR promoters artificially inflated price of their stocks & bonds
- _____ 6. Supreme Courts case of 1886 that prevented states from regulating railroads or other forms of interstate commerce
- _____ 7. Federal agency, originally intended to regulate railroads, that was often used by rail companies to stabilize the industry and prevent ruinous competition
- _____ 8. Late-nineteenth-century invention that revolutionized communication and created a large new industry that relied heavily on female workers
- _____ 9. First of the great industrial trusts, organized through a principle of “horizontal integration” that ruthlessly incorporated or destroyed competitors
- _____ 10. The first billion-dollar American corporation, organized by J.P. Morgan bought out Andrew Carnegie
- _____ 11. Term that identified southern promoters’ belief in a technologically advanced industrial South
- _____ 12. Black labor organization that briefly flourished in the late 1860s
- _____ 13. Secret, ritualistic labor organization that enrolled many skilled and unskilled workers but collapsed suddenly after the Haymarket Square bombing
- _____ 14. Skilled labor organizations, such as those of carpenters and printers, that were most successful in conducting strikes and raising wages
- _____ 15. The conservative labor group that successfully organized a minority of American workers but left others out

Matching Cause and Effect

Match the historical cause in the left column with the proper effect in the right column by writing the correct letter on the blank.

Cause

- ___ 1. Federal land grants and subsidies
- ___ 2. The building of a transcontinental rail network
- ___ 3. Corrupt financial manipulations by the railroads
- ___ 4. New technological developments in steel making, oil refining, and communication
- ___ 5. The ruthless competitive techniques of Rockefeller and other industrialists
- ___ 6. The growing concentration of wealth and power in the new corporate “plutocracy”
- ___ 7. The North’s use of discriminatory price practices against the South
- ___ 8. The growing mechanization and depersonalization of factory workers
- ___ 9. The Haymarket Square bombing
- ___ 10. The American Federation of Labor’s concentration on skilled craft workers

Effect

- A.** Eliminated competition and created monopolistic “trusts” in many industries
- B.** Fostered growing class divisions and public demands for restraints on corporate trusts
- C.** Created a strong but narrowly based union organization
- D.** Stimulated the growth of a huge unified national market for American manufactured goods.
- E.** Created a public demand for railroad regulation, such as the Interstate Commerce Act
- F.** Often made laborers feel powerless and vulnerable to their well-off corporate employers
- G.** Helped destroy the Knights of Labor and increased public fear of labor agitation
- H.** Laid the basis for huge new industries and spectacular economic growth
- I.** Encouraged the railroads to build their lines across the North American continent
- J.** Kept the South in economic dependency as a poverty-stricken supplier of farm products and raw materials to the Northeast

Matching People, Places and Events

Match the person, place or event in the left column with the proper description in the right column by inserting the correct letter on the blank line.

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|-------------------------------|--|
| ___ 1. Leland Stanford | A. Inventive genius of industrialization who worked on devices such as the electric light, the phonograph, and the motion picture |
| ___ 2. Russell Conwell | B. The only businessperson in America wealthy enough to buy out Andrew Carnegie and organize the United States Steel Corporation |
| ___ 3. James J. Hill | C. Illinois governor who pardoned the Haymarket anarchists |
| ___ 4. Cornelius Vanderbilt | D. Southern newspaper editor who tirelessly promoted industrialization as the salvation of the economically backward South |
| ___ 5. Charles Dana Gibson | E. Aggressive energy-industry monopolist who used tough means to build a trust based on “horizontal integration” |
| ___ 6. Alexander Graham Bell | F. Magazine illustrator who created a romantic image of the new, independent woman |
| ___ 7. Thomas Edison | G. Aggressive eastern railroad builder and consolidator who scorned the law as an obstacle to his enterprise |
| ___ 8. Andrew Carnegie | H. Pro-business clergyman whose “Acres of Diamonds” speeches criticized the poor |
| ___ 9. John D. Rockefeller | I. Scottish immigrant who organized a cast new industry on the principle of “vertical integration” |
| ___ 10. J. Pierpont Morgan | J. Former California governor and organizer of the Central Pacific Railroad |
| ___ 11. Henry Grady | K. Organizer of a conservative craft-union group and advocate of “more” wages for skilled workers |
| ___ 12. Terence V. Powderly | L. Eloquent leader of a secretive labor organization that made substantial gains in the 1880s before it suddenly collapsed |
| ___ 13. William Graham Sumner | M. Public-spirited railroad builder who assisted farmers in the northern areas served by his rail lines |
| ___ 14. John P. Altgeld | N. Intellectual defender of Laissez-faire capitalism who argued that the wealthy owed “nothing” to the poor |
| ___ 15. Samuel Gompers | O. Former teacher of the deaf whose invention created an entire new industry |

Putting Things in Order

Put the following events in correct order by numbering them from 1 to 5.

- ___ J. P. Morgan buys out Andrew Carnegie to form the first billion-dollar U.S. corporation
- ___ The first federal law regulating railroads is passed
- ___ The killing of policemen during a labor demonstration results in the execution of radical anarchists and the decline of the Knights of Labor
- ___ A teacher of the deaf invents a machine that greatly eases communication across distance
- ___ A golden spike is driven, fulfilling the dream of linking the nation by railroad

Answers:

Identification

1. land grants
2. Union Pacific Railroad
3. Central Pacific Railroad
4. Great Northern Railroad
5. Stock watering
6. *Wabash* case
7. Interstate Commerce Commission
8. Telephone
9. Standard Oil Company
10. United States Steel Corporation
11. New South
12. Colored National Labor Union
13. Knights of Labor
14. Craft unions
15. American Federation of Labor

Matching People, Places, and Events

1. J
2. H
3. M
4. G
5. F
6. O
7. A
8. I
9. E
10. B
11. D
12. L
13. N
14. C
15. K

In Order

5, 4, 3, 2, 1

Cause and Effect

1. I
2. D
3. E
4. H
5. A
6. B
7. J
8. F
9. G
10. C