

## 9: BUSINESS, LABOR & POLITICS IN THE GILDED AGE

### ESSENTIAL TERMS



#### PEOPLE AND GROUPS

**Cornelius Vanderbilt:** American business leader who made a fortune in the shipping and railroad business in the 1800s. Known as the Commodore, he owned the New York Central Railroad and built New York City's Grand Central Terminal.

**Andrew Carnegie:** Industrialist who monopolized the steel industry.

**Andrew Mellon:** American financier. He was so wealthy he bailed out the U.S. government during financial crisis.

**J.P. Morgan:** American financier who purchased Carnegie Steel. His businesses were the target of antitrust lawsuits.

**John D. Rockefeller:** American industrialist who dominating the oil business. He was the richest man in America.

**Ulysses S. Grant:** General and hero of the Civil War who became president. Although honest, he was a poor politician. His administration was weakened by the Cr dit Mobilier Scandal.

**William "Boss" Tweed:** Famous boss of the Tammany Hall political machine.

**Tammany Hall:** Nickname for Boss Tweed's political machine in New York City.

**Knights of Labor:** Early successful union formed by Uriah Stephens. They admitted all wage earners including African Americans and women. They grew in popularity but weakened after the Haymarket Square incident in 1886.

**Samuel Gompers:** Founder of the American Federation of Labor

**American Federation of Labor:** Labor union founded by Samuel Gompers in 1886. It was formed by joining smaller unions of skilled workers.

**Eugene Debs:** Socialist union leader. He led the Pullman strike and ran unsuccessfully for president as a Socialist Party candidate.

**Industrial Workers of the World:** Socialist political party led by Big Bill Haywood. Nicknamed the Wobblies, they advocated violent overthrow of the government and capitalist system.

**William Howard Taft:** Republican president who succeeded Roosevelt. He had previously served as Governor of the Philippines. His presidency did not go well and he lost his bid for reelection after Roosevelt ran as an independent. He later served as Chief Justice of the Supreme Court.

**Bull Moose Party:** Nickname for the independent party that nominated former president Roosevelt in 1912 after he lost his bid for the Republican nomination.

**Woodrow Wilson:** Democratic president from New Jersey. He was president of Princeton University and governor of New Jersey. He defeated Roosevelt and Taft to win the presidency in 1912 and was president during World War One.



#### KEY CONCEPTS

**Horizontal Integration:** A type of monopoly in which one business controls all of one stage of an industry. For example: Carnegie owned all of the steel mills.

**Vertical Integration:** A type of monopoly in which a business undercuts its competitors by owning a company at each stage of an industry. For example: Carnegie owned mines, ships, railroads, and steel mills.

**Rebate:** Money paid back as an incentive. For example, railroad companies gave Rockefeller these in exchange for the exclusive right to ship his oil.

**Trust:** A legal business entity that owns other companies. Industrialists used these to avoid taxes, laws restricting business practices, and to hide the integration of the many elements of their empires.

**Captain of Industry:** Nickname for the industrialists of the Gilded Age. It alludes to the fact that they led great enterprises and advanced the quality of life for many Americans.

**Robber Baron:** Derogatory nickname for the industrialists of the Gilded Age. It refers to the unfair business practices they engaged in and their mistreatment of workers.

**The Gospel of Wealth:** Article by Andrew Carnegie. In it he argued that making money was noble but that wealthy people should give away their fortunes to the benefit of mankind.

**Political Machine:** A system set up in cities in which elected leaders buy or manipulate votes. They accepted bribes and stole government money. In exchange, they lavished favors on friends who protected and supported them. The most famous was Tammany Hall in New York City.

**Boss:** Leader of a political machine. The most famous was William Tweed of Tammany Hall in New York City.

**Bribe:** Money paid to a government official in exchange for a favor. For example, business leaders paid members of congress to pass or not pass certain legislation.

**Voter Fraud:** Any method of manipulating elections including, voting multiple times, voting in someone else's name, or purposefully not counting some votes.

**Union:** An organization of workers. They work together to negotiate for better pay, hours, working conditions, etc. Sometimes they organize strikes or other forms of protest.

**Mass Strike:** A strike in which the workers in many locations stop work at the same time. One example was the Great Upheaval in 1877 when nearly all railroad operations in America stopped.

**Boycott:** When workers convince consumers to not purchase goods from a particular business. If it succeeds, the business owners capitulate to the workers' demands because of the fear of lost revenue.

**Scab:** A replacement worker hired during a strike.

**Picket Line:** The line made up of striking workers outside a business. Workers usually carry signs, chant, and try to prevent scabs from entering to take their jobs.

**Blacklist:** A list of union leaders passed around among business owners. These men and women would not be hired because they might cause problems for the owners.

**Trust Buster:** Nickname for President Theodore Roosevelt, referring to the numerous lawsuits he filed against monopolies using the Sherman Anti-Trust Act.



#### EVENTS

**Great Upheaval:** Mass strike in 1877 that started in West Virginia but spread as many railroad workers went on strike.

**Haymarket Square Incident:** Sometimes called a riot, it was a labor rally in Chicago in 1886 in which a bomb exploded killing a police officer and injuring many others. Labor leaders were blamed for the violence and it led to reduced public support for unions, and especially for the Knights of Labor.

**Pullman Strike:** Strike by workers at the Pullman Car Company (which built railway cars) in 1894. It turned violent and failed when the government ordered federal troops to end the strike.

**Election of 1912:** Presidential election in which Republican president Taft lost his bid for reelection when Roosevelt ran as an independent. Due to the split in the Republican Party, Democrat Woodrow Wilson won the presidency.



#### LAWS

**Pendleton Civil Service Act:** 1883 law limiting the spoils system by requiring that many government employees pass an exam. This helped establish a group of professional government employees outside the influence of politics. It was passed after the assassination of President Garfield by a disgruntled job seeker.

**Sherman Anti-Trust Act:** 1890 law banning business combinations "in restraint of trade." Often used against unions, Theodore Roosevelt used it to take monopolies to court, giving him the nickname "Trustbuster."



#### GOVERNMENT AGENCIES

**Federal Trade Commission:** Government organization charged with monitoring business activities, especially to limit the creation of monopolies