

GILDED AGE BUSINESS, LABOR & GOVERNMENT

Unit 9 Review Guide

1: THE INDUSTRIALISTS

In the late 1800s, the industrial revolution went into overdrive. Business in America was dominated by a few enormously wealthy tycoons who engaged in unethical business practices, but also gave away their fortunes to benefit all of society.



Watch Mr. Loomis's Review Video:
<https://youtu.be/ch6pyXGEQgc>



2: CORRUPTION & PHILANTHROPY

The late 1800s was a time of both enormous political corruption and the beginning of corporate philanthropy.



Study the Vocabulary on Quizlet:
https://quizlet.com/_6zmvba



3: ORGANIZED LABOR

Organized labor unions emerged in the late 1800s, although their efforts were often limited because government generally sided with business owners

4: GOVERNMENT REGULATION

A series of progressive presidents in the first decades of the 1900s, beginning with Teddy Roosevelt, tried to balance the power of workers and owners and took trusts and monopolies to court



Read the Online Textbook:
www.inquiryhistory.com/unit09



9-1: THE INDUSTRIALISTS

BIG IDEA: In the late 1800s, the industrial revolution went into overdrive. Business in America was dominated by a few enormously wealthy tycoons who engaged in unethical business practices, but also gave away their fortunes to benefit all of society.

In the decades after the Civil War, the industrial revolution exploded in the North. This period saw a rise in consolidation and the development of monopolies dominated by extraordinarily wealthy industrialists.

Cornelius Vanderbilt dominated the transportation industry. He started with ferries, but later owned the New York Central Railroad. He was the first to start giving away his fortune. His money built Vanderbilt University.

Andrew Carnegie consolidated the steel industry. Pittsburg grew as the center of the steel industry. Carnegie sold his steel empire to J.P. Morgan in 1901. He gave his money away to build libraries, universities and Carnegie Hall in New York City.

Andrew Mellon was a leader in the banking industry. He also served in government as Secretary of the Treasury. He gave his money to build the National Art Gallery in Washington, DC.

J.P. Morgan was also a banker. He bought Carnegie's steel company and renamed it US Steel. He also owned controlling stakes in General Electric, AT&T and numerous railroads.

John D. Rockefeller was the nation's richest man. He owned Standard Oil. He pioneered the use of trusts as a way to avoid antitrust laws. Rockefeller gave his money away to build universities and hospitals.

Other great industrialists of the time included Marshall Field who owned a department store chain and Leland Stanford who owned land and railroads in California. Stanford University was built with his money. William Clark dominated copper mining.

People who admired these men called them captains of industry. Those who criticized them for their underhanded competitive tactics and mistreatment of workers called them robber barons.

Some of these industrialists tried to dominate all of one stage of a business. For example, Clark bought all of the copper mines. This is a horizontal monopoly. Others bought one company at each stage of business. Carnegie bought a steel mine, iron ore mine, railroad and ships. This is a vertical monopoly. Rockefeller used trusts to hide his businesses. In this way, he controlled many companies that the public thought were competitors.

VOCABULARY



IDEAS

Philanthropy
Horizontal Integration
Vertical Integration
Rebate
Captain of Industry
Robber Baron



PEOPLE & GROUPS

Cornelius Vanderbilt
Andrew Carnegie
Henry Clay Frick
Andrew Mellon
J.P. Morgan
John D. Rockefeller
Marshall Field
Leland Stanford
William Clark



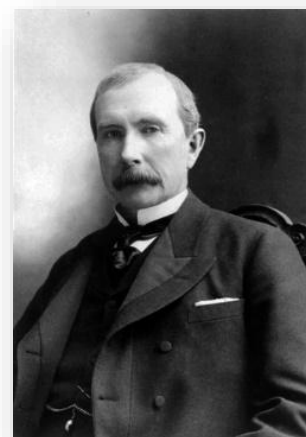
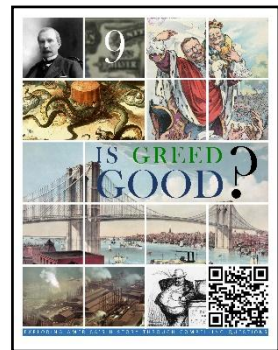
LOCATIONS

Pittsburg, Pennsylvania
Titusville, Pennsylvania



COMPANIES

Carnegie Steel Company
U.S. Steel



9-2: CORRUPTION & PHILANTHROPY

BIG IDEA: The late 1800s was a time of both enormous political corruption and the beginning of corporate philanthropy.

The years after the Civil War saw a series of forgettable presidents who did not have much power relative to Congress. One thing government dealt with was corruption. The Pendleton Civil Service Act made many government jobs open to candidates based on competitive exams. This helped limit the spoils system of giving jobs as rewards for supporting political candidates.

This period was also a time of corruption in city governments. Big city mayors used their power to give jobs and contracts to friends. In exchange they bought votes, stayed in power, took bribes, and became rich. These political machines were common. The most famous was nicknamed Tammany Hall in New York.

Money was not always as source of corruption and evil. Andrew Carnegie's essay the Gospel of Wealth encouraged the wealthy to use their money to benefit humanity.

VOCABULARY

✓ IDEAS

Mayor
Political Machine
Boss
Bribe
Voter Fraud
The Gospel of Wealth
Carnegie Library

✍ LAWS

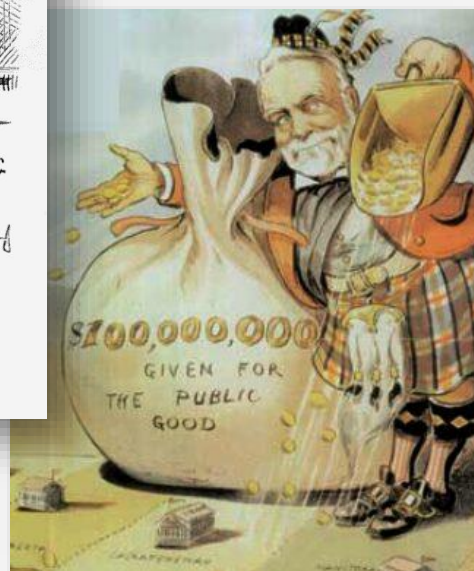
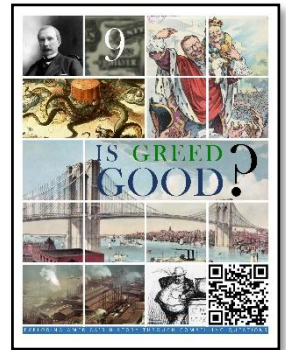
Pendleton Civil Service Act

👤 PEOPLE & GROUPS

Ulysses S. Grant
Rutherford B. Hayes
James Garfield
Chester Arthur
William "Boss" Tweed
Tammany Hall
Thomas Nast

📅 EVENTS

Crédit Mobilier Scandal



9-3: ORGANIZED LABOR

BIG IDEA: Organized labor unions emerged in the late 1800s, although their efforts were often limited because government generally sided with business owners

The period after the Civil War saw a growth of labor unions. The Great Upheaval of 1877 was the nation's first mass strike as workers in the railroad industry started a strike that spread and was supported by striking workers across the nation.

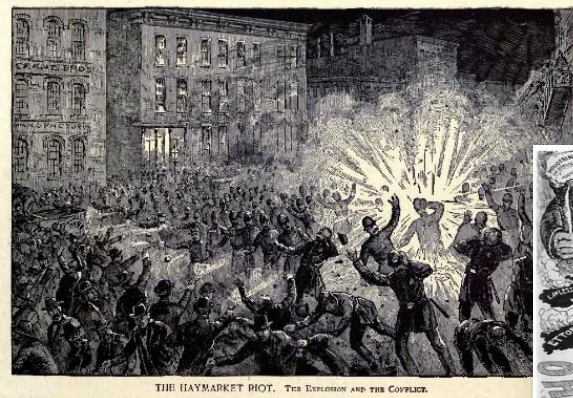
Labor unions used boycotts and strikes to stop work and try to force owners to meet their demands. Owners locked out workers and hired scabs to break strikes. Most strikes in the late 1800s went badly for workers. A large number of immigrants were willing to work for low wages and take the place of striking workers. Government usually supported owners and the police and army broke strikes at Carnegie's steel plant in Pittsburg and a strike at the Pullman railroad car factory in Chicago.

The first major union was the Knights of Labor. They lost support after the Haymarket Square Riot.

A new union grew as the Knights of Labor fell out of favor. The American Federation of Labor was led by Samuel Gompers and focused on basic issues like wages and working conditions instead of political reform. The AFL was a composite of many smaller craft unions, so they did not represent unskilled workers.

Eugene Debs led the American Socialist Party. This group wanted to change America's system of government. They wanted to take leadership of the nation's industries away for the rich. Although they were popular with workers, they never gained the support of more than a small percentage of all Americans.

A more extreme group were the Industrial Workers of the World. They wanted a violent revolution to take power away for the wealthy and the overthrow the government. Although Americans rejected these ideas, they eventually caught on in Russia and led to the Communist Revolution there in 1917.



VOCABULARY

IDEAS

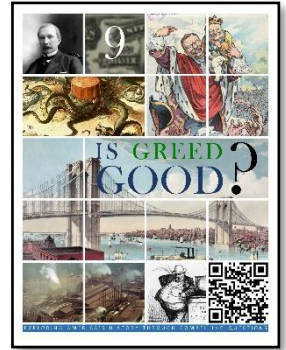
- Union
- Mass Strike
- Boycott
- Sabotage
- Lockout
- Yellow-Dog Contract
- Scab
- Picket Line
- Blacklist
- Bread and Butter Issues
- Socialist
- Arbitration

PEOPLE & GROUPS

- National Labor Union
- Knights of Labor
- Samuel Gompers
- American Federation of Labor
- Eugene Debs
- Socialist Party
- Industrial Workers of the World
- William "Big Bill" Haywood

EVENTS

- Great Upheaval
- Haymarket Square Incident
- Pullman Strike



9-4: GOVERNMENT REGULATION

BIG IDEA: A series of progressive presidents in the first decades of the 1900s, beginning with Teddy Roosevelt, tried to balance the power of workers and owners and took trusts and monopolies to court



Theodore Roosevelt took an interesting road to the White House. He was born rich, became a national hero in the Spanish-American War, was briefly a cowboy, became Governor of New York, and eventually vice president. Republican leaders who didn't like Roosevelt chose him to be vice president on purpose, because they believed he would be sidelined and

would have no influence. They didn't expect McKinley to be assassinated.

As president, Theodore Roosevelt wanted to balance the needs of workers and owners. When trusts were beneficial to the growth of the nation, he ignored them. When he thought business leaders were hurting people and the nation, he took them to court to break up their monopolies.

Roosevelt grew tired of the job and helped William Howard Taft win as his successor. Taft continued Roosevelt's trustbusting ways. In 1912, Roosevelt came back, this time with his own Bull Moose Party to try to win back his old job. Republicans were split between Taft and Roosevelt, giving the electoral win to Woodrow Wilson, a democrat.

Wilson was also a progressive and used government's power to promote reform. During his time in office he created the Federal Reserve to stabilize the nation's banking system and the Federal Trade Commission to oversee business practices.



VOCABULARY



IDEAS

Trust Buster
New Freedom



LAWS

Sherman Anti-Trust Act
Clayton Antitrust Act



PEOPLE & GROUPS

Mark Hanna
William Howard Taft
Bull Moose Party
Woodrow Wilson



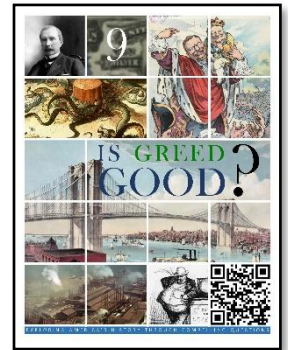
EVENTS

Election of 1912



GOVERNMENT AGENCIES

Federal Reserve
Federal Trade Commission



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.

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.