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Chapter 20 – Topics to Review

- Railroads – rebates, rate wars, pools, Vanderbilt
- Steel – Bessemer Process, Carnegie, Vertical Integration
- Corporations – organization
- J.P. Morgan
- Rockefeller – Oil, Horizontal Integration, Standard Oil Trust, Monopoly
- Inventors – Samuel Morse, Thomas Edison, Alexander Gram Bell
- Henry Ford – Assembly Line
- Labor – child labor, Haymarket Riot
- Unions – Uriah Stephens (KoL), Terrance Powderly (KoL), Samuel Gompers (AFL)
- Knights of Labor (KoL) –
- American Federation of Labor (AFL) –
- Mother Jones, ILGWU (accomplishments), Triangle Fire



Name _____

Railroads

Date _____

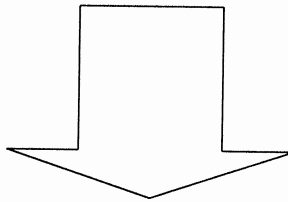


COMPETITION

Consolidation: Large RR companies take over small RR companies

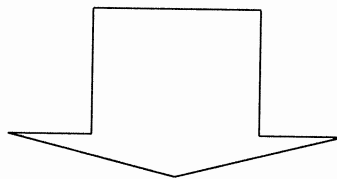
Rate Wars: Slash prices to win customers

Rebates: Discounts given to large grain shipments → Hurt small farmers



ENDING COMPETITION

Pools: RR's divided up areas, each RR controlled one area & fixed high prices



IMPACT

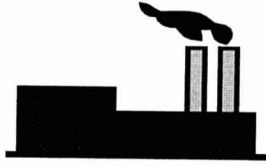
- High shipping prices for small farmers
- Farmers try to fight RR's
- Populist Party forms → Try to regulate RR rates



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The Rise of Industry



Steel

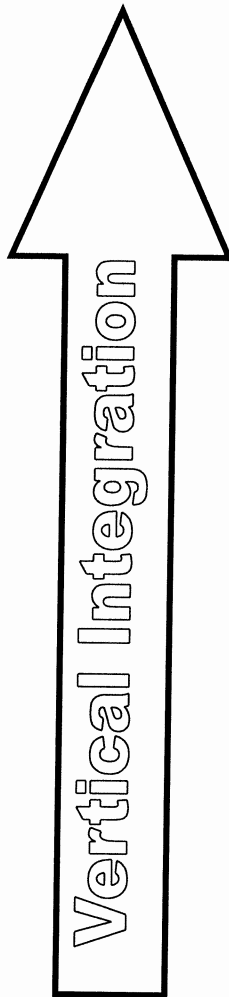
Bessemer Process:

- Easy way to make steel at a lower cost

Impact:

- RR's begin using steel – Lasts longer than Iron
- Skyscrapers can be built, Nails screws, needle & pins made of steel
- Pittsburgh = Steel capital

Andrew Carnegie:



- RR's to ship products to customers
- Factory – produces steel products
- RR's – Ship ore to factory
- Mining Ore



Oil

John D. Rockefeller

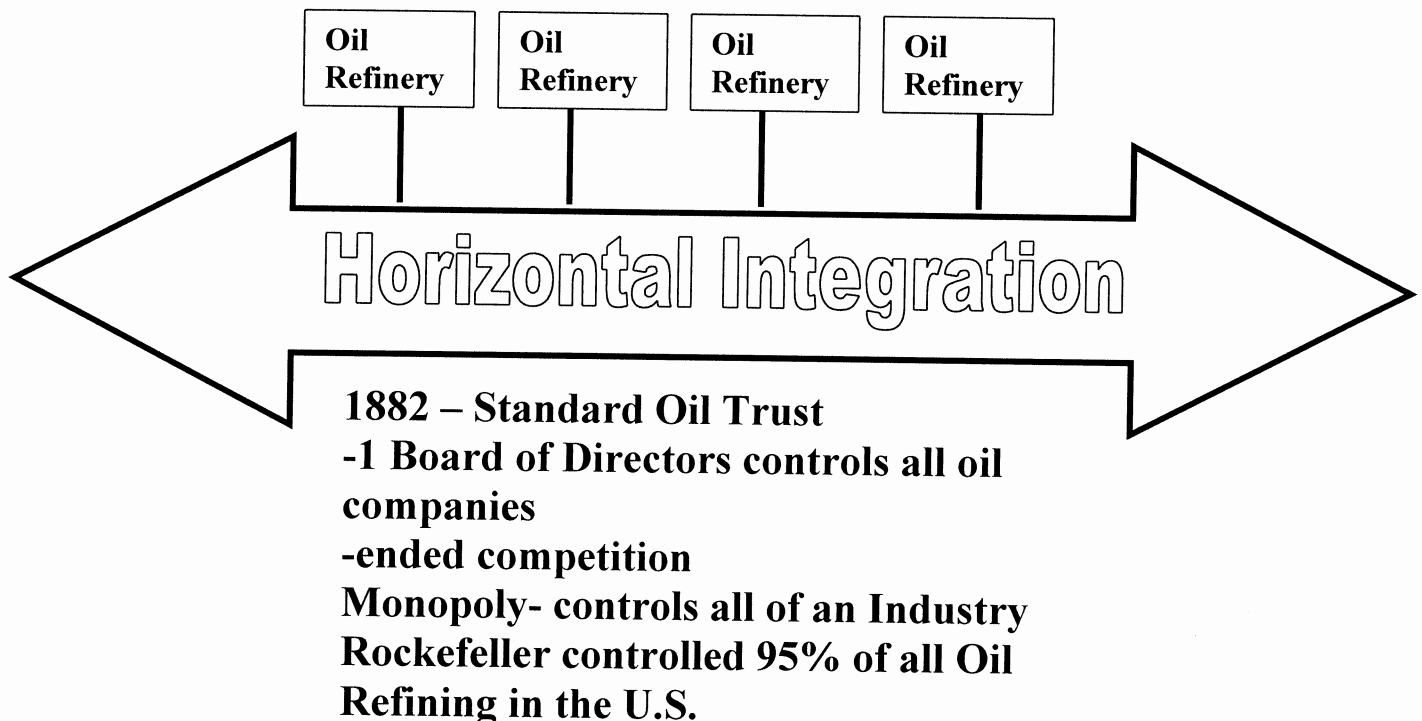


Invested in Oil Refineries

STANDARD OIL COMPANY

Methods of Competition:

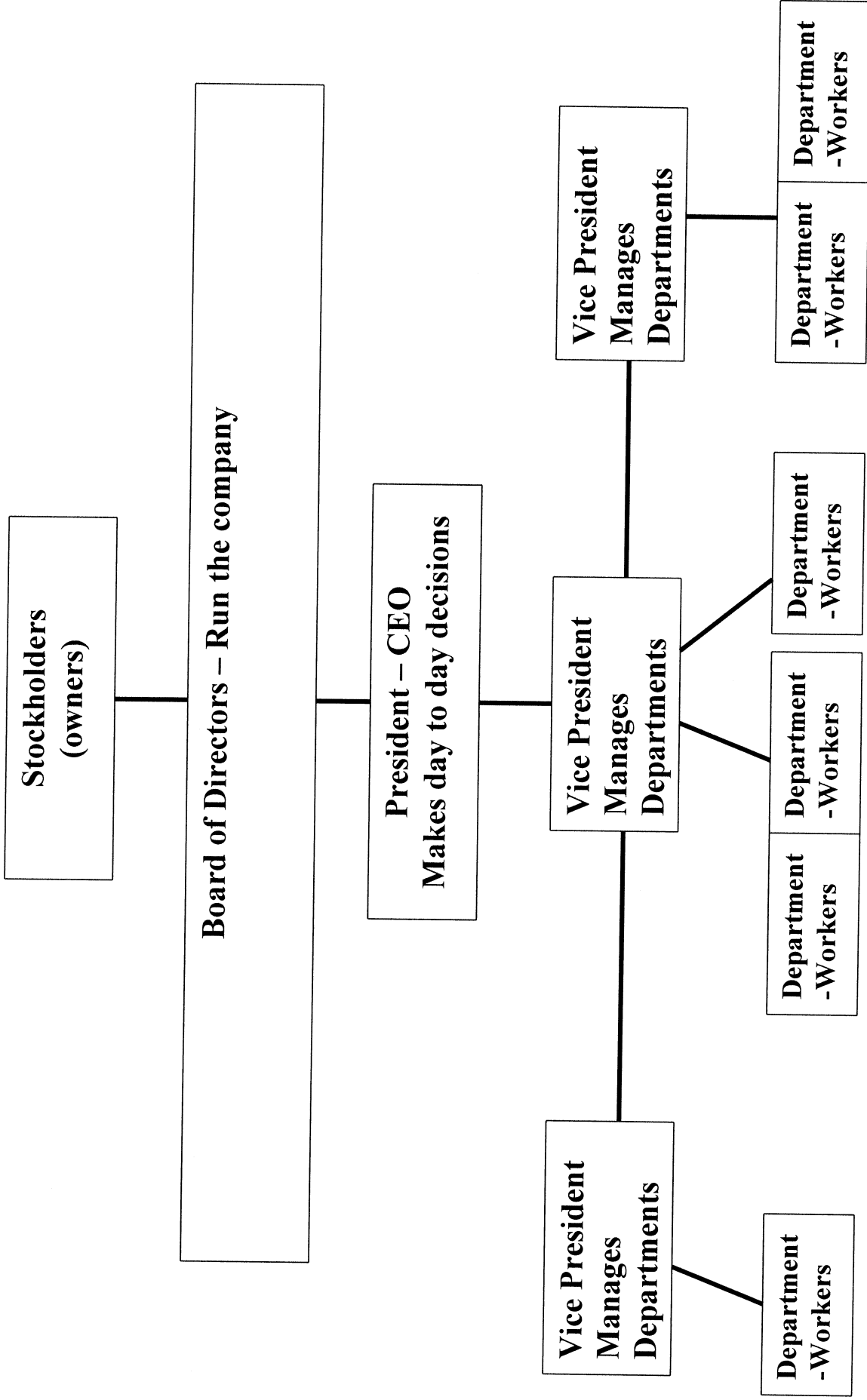
- Slashed prices – Drove other companies out of business by slashing prices so low he would not make a profit.
- Pressured customers to deal only with Standard Oil
- Persuaded RR companies to give rebates to Standard Oil



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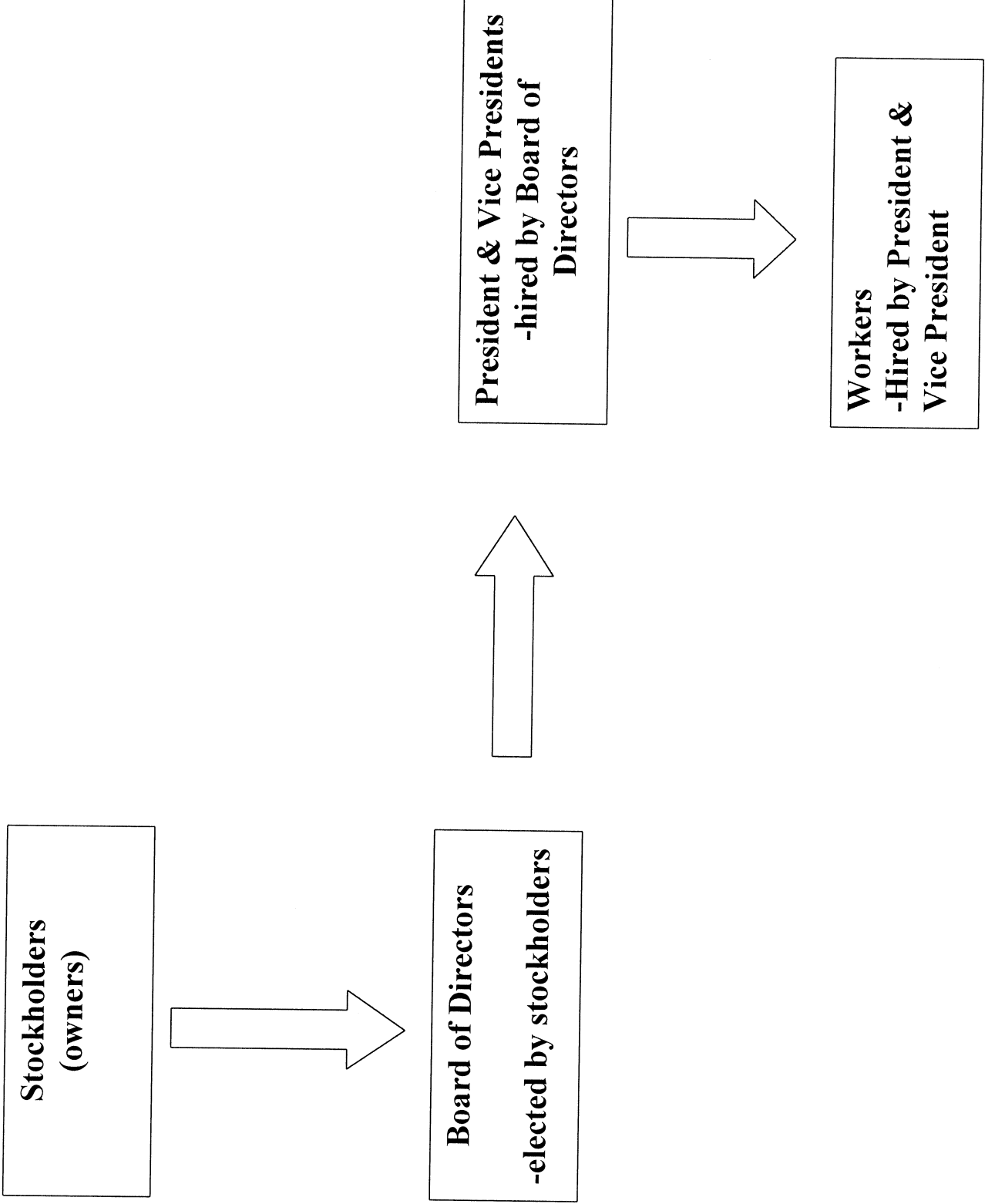
Corporate Structure



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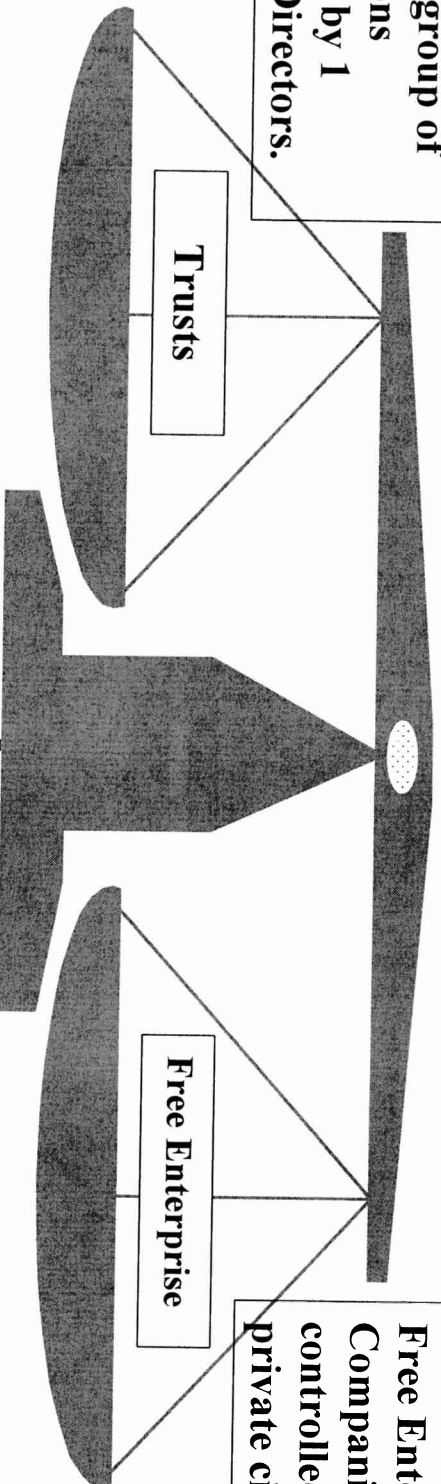
The Corporate Decision Making Scheme



TRUSTS VS. FREE ENTERPRISE

Trust = A group of corporations controlled by 1 Board of Directors.

Free Enterprise – Companies controlled by private citizens.



Positives

- Products could be made cheaper due to no competition
- (NEVER HAPPENED)

Negative

- Difficult for new companies to start up.
- Products are not improved
- Prices are higher
- Corruption in Politics (Bribes)
- Workers are treated poorly

Positives

- competition = encouraged lower prices
- Products are always being improved

Negative

- Competition can be bad for the companies = Lower profits

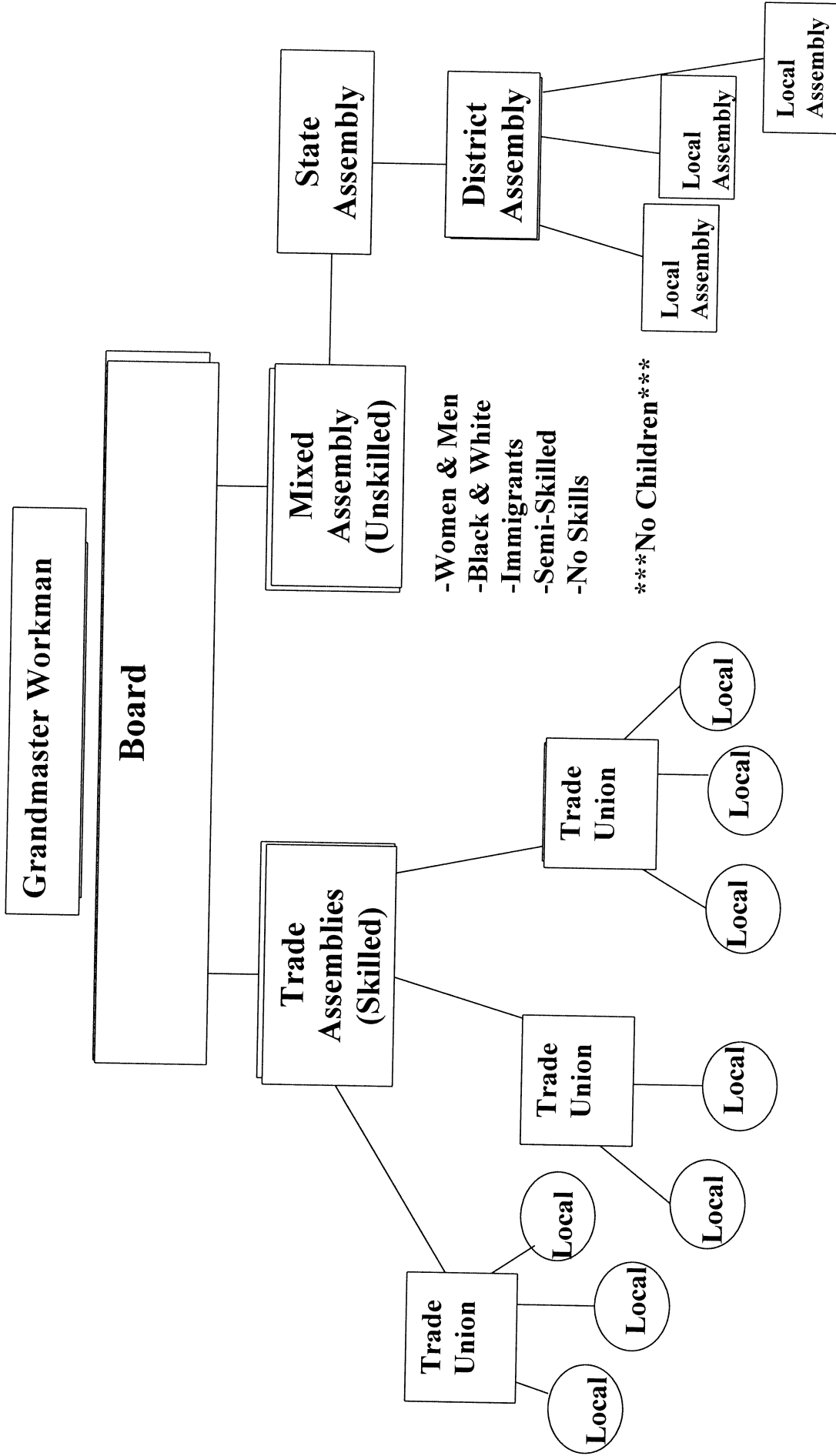
Sherman Antitrust Act: 1890 – Banned the formation of trusts – Too weak to be enforced

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Knights of Labor

-founded by Uriah Stephens



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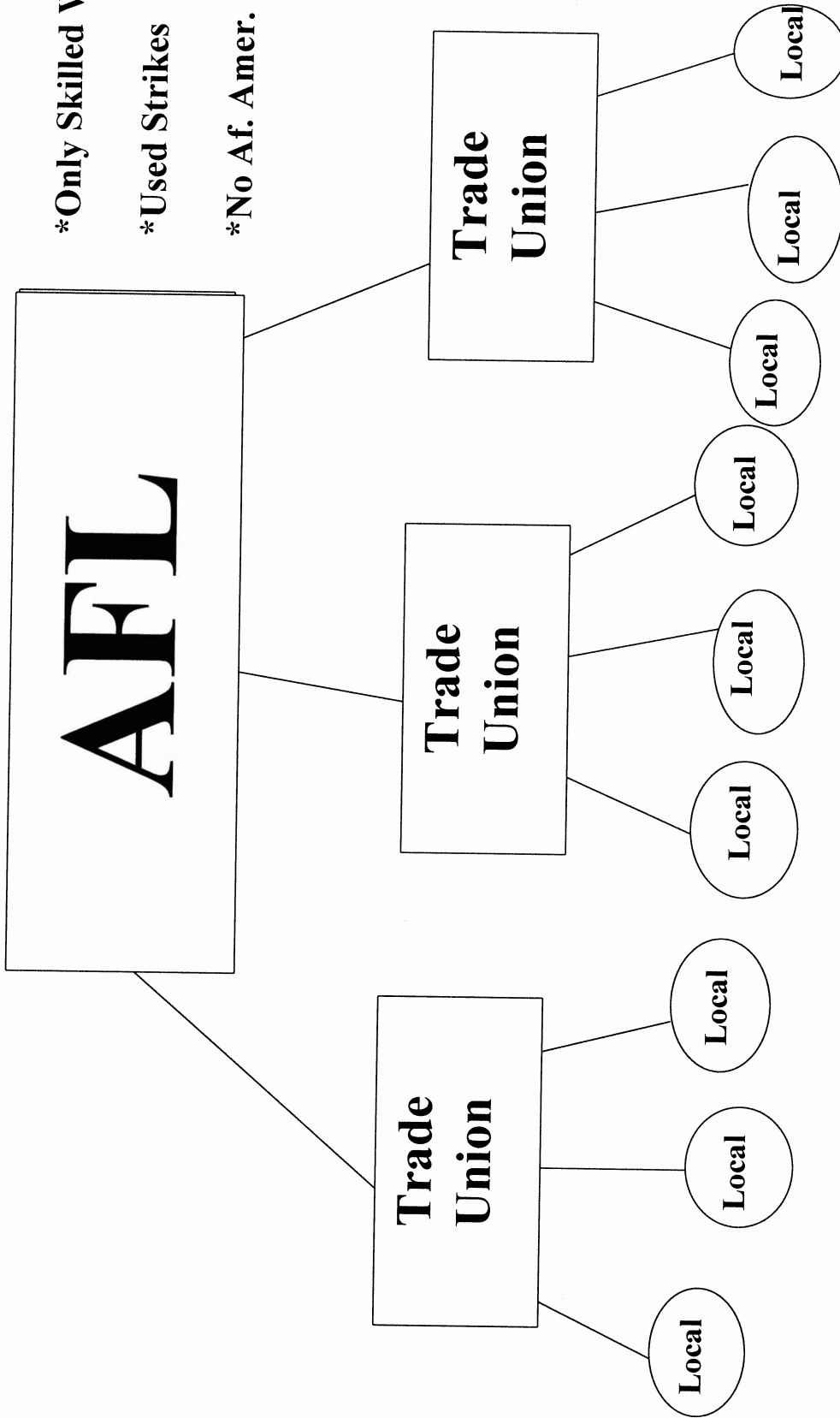
American Federation of Labor (AFL)

Founded by Samuel Gompers

***Only Skilled Workers**

***Used Strikes**

***No Af. Amer.**



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Knights of Labor & American Federation of Labor

Knights of Labor – 1869

Goals: Shorter work day
End to Child Labor
Equal pay for men & Women

Did Not Use Strikes
Skilled & Unskilled workers joined

Haymarket Riot

-1886

Violence led to Anti-labor feelings across the United States. Membership in the KoL decreases.

American Federation of Labor – 1886

Goals: Higher wages
Shorter hours
Improved working conditions

Used Strikes (Strike Fund)
Only allowed Skilled workers to join

Pullman Strike

-1894

-Violence broke out
-Sherman Antitrust Act was used against union

Which Union was more effective and why?
