

# Apush chapter 24



**ASSIGN  
BUSTER**

Wabash, St. Louis & Pacific Railroad Company v. Illinois (1886) A Supreme Court decision that prohibited states from regulating the railroads because the Constitution grants Congress the power to regulate interstate commerce. As a result, reformers turned their attention to the federal government, which now held sole power to regulate the railroad industry. Interstate Commerce Act (1887) Congressional legislation that established the Interstate Commerce Commission, compelled railroads to publish standard rates, and prohibited rebates and pools. Railroads quickly became adept at using the Act to achieve their own ends, but the Act gave the government an important means to regulate big business.

vertical integration The practice perfected by Andrew Carnegie of controlling every step of the industrial production process in order to increase efficiency and limit competition.

horizontal integration The practice perfected by John D. Rockefeller of dominating a particular phase of the production process in order to monopolize a market, often by forming trusts and alliances with competitors.

trust A mechanism by which one company grants control over its operations, through ownership of its stock, to another company. The Standard Oil Company became known for this practice in the 1870s as it eliminated its competition by taking control of smaller oil companies.

interlocking directorates The practice of having executives or directors from one company serve on the Board of Directors of another company. J. P. Morgan introduced this practice to eliminate banking competition in the 1890s. Standard Oil Company (1870-1911) John D. Rockefeller's company, formed in 1870, which came to symbolize the trusts and monopolies of the Gilded Age. By 1877 Standard Oil controlled 95% of the oil refineries in the U. S. It was also one of the first multinational corporations, and at times distributed more than half

of the company's kerosene production outside the U. S. By the turn of the century it had become a target for trust-busting reformers, and in 1911 the Supreme Court ordered it to break up into several dozen smaller companies. Social Darwinists Believers in the idea, popular in the late nineteenth century, that people gained wealth by "survival of the fittest." Therefore, the wealthy had simply won a natural competition and owed nothing to the poor, and indeed service to the poor would interfere with this organic process. Some social Darwinists also applied this theory to whole nations and races, explaining that powerful peoples were naturally endowed with gifts that allowed them to gain superiority over others. This theory provided one of the popular justifications for U. S. imperial ventures like the Spanish-American war. Sherman Anti-Trust Act (1890) A law that forbade trusts or combinations in business, this was landmark legislation because it was one of the first Congressional attempts to regulate big business for the public good. At first the law was mostly used to restrain trade unions as the courts tended to side with companies in legal cases. In 1914 the Act was revised so it could more effectively be used against monopolistic corporations. National Labor Union (1866-1872) This first national labor organization in U. S. history was founded in 1866 and gained 600, 000 members from many parts of the workforce, although it limited the participation of Chinese, women, and blacks. The organization devoted much of its energy to fighting for an eight-hour workday before it dissolved in 1872. Knights of Labor The second national labor organization, organized in 1869 as a secret society and opened for public membership in 1881. The Knights were known for their efforts to organize all workers, regardless of skill level, gender, or race. After the mid-1880s their membership declined for a variety of reasons, including the

Knights' participation in violent strikes and discord between skilled and unskilled members  
Haymarket Square (1886) A May Day rally that turned violent when someone threw a bomb into the middle of the meeting, killing several dozen people. Eight anarchists were arrested for conspiracy contributing to the disorder, although evidence linking them to the bombing was thin. Four were executed, one committed suicide, and three were pardoned in 1893.

American Federation of Labor A national federation of trade unions that included only skilled workers, founded in 1886. Led by Samuel Gompers for nearly four decades, the AFL sought to negotiate with employers for a better kind of capitalism that rewarded workers fairly with better wages, hours, and conditions. The AFL's membership was almost entirely white and male until the middle of the twentieth century.

closed shop A union-organizing term that refers to the practice of allowing only unionized employees to work for a particular company. The AFL became known for negotiating closed-shop agreements with employers, in which the employer would agree not to hire non-union members.

Cornelius Vanderbilt A railroad magnate who made millions in steam-boating before beginning a business consolidating railroads and eliminating competition in the industry.

Alexander Graham Bell The inventor of the telephone, patented in 1876.

Thomas Alva Edison The inventor of, among other things, the electric light bulb, the phonograph, the mimeograph, the moving picture, and a machine capable of taking X-rays. Ultimately he held more than 1,000 patents for his inventions.

Andrew Carnegie A tycoon who came to dominate the burgeoning steel industry. His company, later named United States Steel, was the biggest corporation in United States history in 1901. After he retired, he donated most of his fortune to public libraries, universities, arts

organizations, and other charitable causes. John D. RockefellerThe founder of the Standard Oil Company, he developed the technique of horizontal integration and compelled other oil companies to join the Standard Oil " trust." He became the richest person in the world and the U. S.'s first billionaire. He later became known for his philanthropic support of universities and medical research. Samuel GompersThe president of the American Federation of Labor nearly every year from its founding in 1886 until his death in 1924. He was no foe of capitalism but wanted employers to offer workers a fair deal by paying high wages and providing job security.

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