

U.S. Credit # 2

11.2 Students analyze the relationship among the rise of industrialization, large-scale rural-to-urban migration, and massive immigration from Southern and Eastern Europe.

Credit 2

- ~~Credit 2~~ Vocabulary
- Movie "Far and Away" (Notes)
- 1: "Industrial Revolution" (Packet Pg. 85)
- 2: "Industrial Leaders" (Packet Pg. 86)
- 3: "Labor Unrest" (Packet Pg. 87)
- 4: "Immigration" (Packet Pg. 88)
- 5: "Immigration / Labor Unrest" (Packet Pg. 89)
- 6: "Growth of an Industry" (Packet Pg. 90)
- 7: "Business and Labor Crossword" (Packet Pg. 91)
- Questions 3.1
- Study Guide 3.2 (Packet Pgs. 54-59)
- 3.3 Reading Strategies – Graphic Organizer (Problems in Urban Areas – Ans. Pg. 260) Answer Questions 1-8 (Ans. Found in Textbook Pgs. 257-261)
- Guided Reading Activity 3.3 (Packet Pg. 134)
- Study Guide 3.5 (Packet Pgs. 68 – 75)
- Credit # 2 Test /or Project

All work on lined paper is to be stapled in the packet. All work must be stamped off before you turn in a credit. Cover sheet will be on the front, all assignments must be in number order and credit test is on the back.

When you are finished make sure the cover sheet is finished completely (learning goal, standard, assignments filled out, and all assignments stamped off.)

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Credit 2 Vocabulary

1. Placer mining p. 237
2. Quartz mining p. 237
3. Vigilance committees p. 238
4. Great Plains p. 238
5. Open range p. 238
6. Long drive p. 239
7. Homestead Act p. 240
8. Wheat Belt p. 240
9. Indian Peace Commission p. 241
10. Ghost Dance p. 242
11. Assimilate p. 242
12. Dawes Act p. 242
13. Gross national product p. 244
14. Entrepreneurs p. 245
15. Laissez-faire p. 245
16. Pacific Railway Act p. 246
17. Corporation p. 248
18. Vertical integration p. 249
19. Horizontal integration p. 249
20. Monopoly p. 249
21. Marxism p. 250
22. Industrial unions p. 250
23. American Federation of Labor (AFL) p. 251
24. Closed shops p. 251
25. Ellis Island p. 255
26. Angel Island p. 257
27. Nativism p. 257
28. Chinese Exclusion Act 258
29. Tenements p. 260
30. Political Machine p. 261
31. Graft p. 261
32. William M. Boss Tweed p. 261

Far And Away

Movie Questions Part I + 2

Directions: Complete the answers to these questions as you watch the movie "Far And Away."

Learning Goal: In relation to US and World standards 10 & 11. 2, students should realize the impacts of the rise of industrialization, specifically on the effect on immigration, and urbanization of cities in America.

1. Where and when does this story originally take place?

2. Why does Joseph seek revenge?

3. Who owned the land that Joseph's family lived on?

4. Why does Shannon want to go with Joseph?

5. Where do Shannon and Joseph land in America?

6. What are some of the vendors selling in the port?

7. What is the overall Experience of coming to a new city?

8. What type of work do Joseph and Shannon find?

9. Does Shannon enjoy this work?

10. How does the city portrayed in this movie, compare to cities of today, in terms of language, number of people, cleanliness, transportation, and communication?

1 The Industrial Revolution

Getting the Main Idea

Read each paragraph below. Choose which of the three sentences following each paragraph best states the main idea of that paragraph. Write the letter of that sentence in the blank.

____ 1. For thousands of years, there was little change in how people made things. Skilled workers made their goods by hand, one at a time. In the 1700s, people began to experiment to find better and faster ways to make things. Complicated and powerful machines soon were developed to replace simple hand tools. A new source of power was also discovered. Steam engines began to be used to run the machines. This development of new machines and a new source of power is known as the Industrial Revolution. The Industrial Revolution greatly changed the way people lived and worked. Instead of working on goods by hand at home, people went to operate machines in factories. A whole new way of life developed.

- A. When the Industrial Revolution began, people left the factories to work at home.
- B. People have always had machines to help them.
- C. The Industrial Revolution changed the way people lived and worked.

____ 2. The Industrial Revolution began in England. There machines were first used to weave cloth. The English wanted to protect this advantage by making certain that other countries could not use their machines. The plans to their machines were a carefully guarded secret. The machines, their plans, and even the textile workers were not allowed to leave the country. In 1789, however, Samuel Slater, a mechanic in an English weaving mill, managed to move to the United States. Before he left, he memorized the plans of the weaving machine. In 1790, Slater built a weaving mill in Rhode Island. Samuel Slater brought the Industrial Revolution to the United States. Factories soon sprang up all over the country. Slater became known as the "father of the American factory system."

- A. Samuel Slater had a very poor memory.
- B. Samuel Slater brought the Industrial Revolution to the United States.
- C. The English were willing to share their secrets with the rest of the world.

____ 3. After the Civil War, factories in the United States grew very rapidly. There are several reasons for this growth. Railroads made it easy to ship raw materials to the factories and to ship finished goods across the country. New natural resources, such as coal and iron, were discovered. New sources of power, such as oil and later electricity, were found. Factories began to make new and better goods. During this time, many people from other countries moved to the United States. These immigrants provided cheap labor for the factories. Also, the population of the country grew quickly. This increased the demand for factory goods.

- A. Factories in the United States grew rapidly after the Civil War.
- B. As the population went up, factory production went down.
- C. War caused factories to produce more guns and supplies.

____ 4. During much of the 1800s, the United States government favored business. The government followed the theory of laissez-faire. According to this idea, government should not try to control business. Several high tariffs, or taxes on goods brought in from other countries, were passed to help American businesses. The Supreme Court often ruled in favor of business. It used the Fourteenth Amendment's equal protection clause to keep states from passing laws to check large businesses. It also ruled that unions and strikes were not legal.

- A. The Supreme Court defended the labor unions' right to strike.
- B. The government favored business during the nineteenth century.
- C. The government lowered its tariffs to please business leaders.

2 Industrial Leaders

Getting the Main Idea

Read each paragraph below. Choose which of the three sentences following each paragraph best states the main idea of that paragraph. Write the letter of that sentence in the blank.

____ 1. The last twenty-five years of the nineteenth century are sometimes called the Gilded Age. During this time, there was a tremendous difference between how the rich and the poor lived. The average worker earned only enough money to barely feed and clothe his family. Many people lived in dirty, crowded slum buildings without enough heat, light, or ventilation. The working conditions of many jobs were dangerous. Thousands of people were killed or injured each year. The few rich people, on the other hand, were able to spend millions just on luxuries. Cornelius Vanderbilt, for example, built a special vacation house for his family. The house itself cost several million dollars, and the Vanderbilts spent another 9 million dollars just to furnish it. Yet this house was used only seven weeks each summer.

- A. All people were treated equally in the United States.
- B. The Vanderbilt family shared their money with the poor.
- C. The rich and the poor lived very differently during the Gilded Age.

____ 2. Some business leaders who spent most of their lives building up their companies and their fortunes gave most of the money away when they retired. These people are known as philanthropists. John D. Rockefeller, the founder of the Standard Oil Company and the world's first billionaire, gave over \$500 million to charity. He donated to churches, schools, libraries, and colleges. Andrew Carnegie, who made his millions in the steel industry, was also a famous philanthropist. After he retired, Carnegie gave away over \$400 million. His money helped set up over 2,500 libraries.

- A. Philanthropists gave away their fortunes to charity.
- B. Rich men such as Rockefeller and Carnegie had no respect for money.
- C. Andrew Carnegie was the richest man in the world.

____ 3. J. P. Morgan was one of the greatest financiers in United States history. During the Civil War, Morgan served his country and made money for himself by selling government bonds to other countries. Morgan then began to buy up small railroad lines. The company he formed was called the Northern Securities Company. It soon controlled the country's largest railroads. Morgan twice helped the government out of financial difficulties. In 1895, a run on bank notes nearly wiped out the government's supply of gold. Morgan lent the government gold at an interest rate of only 2 percent. At the time, the standard rate was 30 percent. During the recession of 1907, Morgan bought gold for the government. When he formed the J. P. Morgan Company in 1895, Morgan was the richest person in the country. In 1901, Morgan formed the world's first billion-dollar business, the U.S. Steel Company.

- A. J. P. Morgan interfered too much in the nation's economy.
- B. J. P. Morgan became rich by cheating the government.
- C. J. P. Morgan was a great financier.

____ 4. When Theodore Roosevelt became President in 1905, large companies, known as trusts, controlled many industries. Roosevelt believed that the trusts had too much power for the public good. He ordered the Justice Department to break up the Northern Securities Company into smaller, competing railroads. Roosevelt also began court cases against the beef, oil, chemical, and tobacco trusts. Because he tried to break up the powerful American trusts, President Roosevelt became known as the "trust buster."

- A. President Roosevelt encouraged businesses to form trusts.
- B. Roosevelt was known as the "trust buster" because he worked to break up trusts.
- C. Theodore Roosevelt was president of the Northern Securities Company.

3 Labor Unrest

Getting the Main Idea

Read each paragraph below. Then underline the sentence that best states the main idea of each paragraph.

1. In 1900, working conditions in American factories were terrible. The workers sometimes worked fourteen hours a day. Other days, there was no work at all. Workers were paid only \$15 for seventy hours of hard work. Working conditions were often very dangerous. Many workers were injured or killed while on the job. They were not paid for any injury or sickness which happened during work. Instead, they were simply fired. Factory owners sometimes owned the workers' houses and the stores where the workers shopped. They charged very high rents and prices. Workers who complained were often fired. Sometimes workers tried to organize a strike. That is, they refused to work until the owner met their demands for better working conditions and higher pay. The owners would bring in strike-breakers, known as scabs, to keep the factories open.

2. Many workers came to believe that they had to join together to protect themselves from unfair factory owners. They formed labor unions to get better working conditions and more pay. Of course, the factory owners were opposed to unions. To keep workers from joining the unions, owners used the blacklist. If they found out that any of their workers were members, owners put their names on a blacklist. Any worker on this list was fired at once. Since owners gave their blacklists to other owners, a worker on the list found it very hard to get another job. The blacklist proved to be a very effective weapon.

3. The Knights of Labor, once a powerful union, declined sharply after 1886. In 1869, the Knights of Labor had been formed to unite all workers into one national union. It invited everyone to join. Women and men, blacks and whites, immigrants and native born, skilled and unskilled were all welcome. The Knights of Labor grew very rapidly. By 1886, it had 700,000 members. By 1900, however, there were only 100,000 members. One reason for the decline was the Haymarket Riot. On May 3, 1886, workers gathered at Haymarket Square in Chicago. They were protesting the killing of several striking workers by police two days earlier. When police tried to break up the meeting, someone threw a bomb. Eleven people were killed. The Haymarket Riot turned the public against labor. Another reason for the Knights' decline was that skilled workers grew unhappy because the union took in unskilled workers. Many skilled workers left to join the American Federation of Labor, which was formed in 1886.

4. The railroad strike of 1877, the first major strike in the country, failed to win the workers' demands. The strike began when railroad workers walked off the job because of a pay cut. The railroad company hired scabs to take their place. The angry strikers tried to keep the scabs from running the trains. Battles broke out between them and the guards hired to protect the trains. The army was ordered in to stop the violence and keep the trains running. The strikers began to realize they might lose their jobs if the strike lasted much longer. They accepted the pay cut and returned to work.

5. Eugene V. Debs was an important labor and political leader for many years. In 1893, he organized the American Railway Union. By 1894, Debs had enough power to strike against the giant Northern Pacific Railroad. He won, forcing the railroad to drop its planned pay cut. In 1896, Debs led his members against the Pullman Palace Car Company of Chicago. It was the largest strike until then. Debs ordered his members across the country not to handle any train carrying a Pullman car. When Debs refused to obey an injunction, or court order, to end the strike, he was jailed for six months. While in jail, Debs became a Socialist. He ran for President as a Socialist five times—in 1900, 1904, 1908, 1912, and 1920.

4 Immigration

Getting the Main Idea

Read each paragraph below. Then write what you think is the main idea of each paragraph on the lines provided.

1. Between 1800 and 1900, millions of people, hoping to find a better life, left their homelands and moved to the United States. Events in their own countries made these immigrants believe they should go to the United States. In some parts of the world, there were terrible food shortages. In Ireland, over a million people starved to death during the Irish potato famines of 1845 and 1846. About 1.5 million survivors moved to the United States. Other people came to the United States to escape political or religious persecution. Still others came to escape overcrowding or lack of opportunity.

The main idea of this paragraph is _____

2. For many years, people in the United States welcomed the immigrants who came here to live. These new immigrants were needed to settle the wilderness, farm the land, and work in the factories. However, by the 1880s, people began to view the immigrants as a threat. They believed that the immigrants took away jobs from American workers. The immigrants did not "fit in" with the American way of life, some said. They spoke a different language and had strange customs and clothes. Many working people wanted the United States government to pass laws restricting the number of immigrants allowed to enter the country.

The main idea of this paragraph is _____

3. Largely due to immigration, cities in the United States grew very rapidly at the end of the nineteenth century. In 1800, only six cities in the United States had a population of 8,000. By 1900, the number had grown to 448 cities. Twenty-six of them had a population of over 100,000. Between 1880 and 1900, the population of Chicago went from less than 500,000 to over 1.5 million. During the same time, the population of New York jumped from 2 million to 3.5 million. In New York City, 90 percent of the people were either immigrants or children of immigrants. In Philadelphia, one-fourth of the people were immigrants. One-third of the citizens of both Chicago and Boston were foreign born.

The main idea of this paragraph is _____

4. Jane Addams was a social worker who helped immigrants in Chicago. In 1899, she opened a settlement house known as Hull House. Addams made Hull House into a neighborhood center for immigrants. Classes were started to teach them to read and write English. Hull House also offered courses about American laws and customs. Free breakfasts for children, a day-care center for working mothers, and a free medical center were available at Hull House.

The main idea of this paragraph is _____

5 Immigration and Labor Unrest

Learning the Vocabulary

Fill in the blank in each of the following sentences with the word that best fits. Use each word in the list below just once.

railroad strike of 1877	strike
immigrants	blacklist
labor unions	scabs
Knights of Labor	Jane Addams
Hull House	Eugene V. Debs

1. To protect themselves from unfair factory owners, workers formed _____.
2. _____, the center founded by Jane Addams, offered many activities for immigrants who lived in the poorest sections of Chicago.
3. A _____ is the temporary stopping of work by employees in order to force their employer to meet their terms for better working conditions and wages.
4. The _____ was the first major strike in the United States. Federal troops were called out to restore order.
5. _____ are people from other countries who have moved to the United States to find better jobs and better living conditions.
6. _____ helped improve the lives of many immigrants in Chicago. She had classes to teach them English. She also started a nursery for working mothers.
7. _____ ordered his union members not to work on trains carrying Pullman cars.
8. Union members who were put on an owner's _____ found it almost impossible to get a job.
9. _____ are strikebreakers brought in to keep a factory open when the workers go on strike.
10. The _____ was a labor organization formed in 1869 that took in all workers, skilled or unskilled.

6 The Growth of Industry

Learning the Vocabulary

Match the vocabulary words on the left with the meanings on the right. Write the correct letter in the blank next to the vocabulary word.

- | | |
|--|---|
| _____ 1. tariff | A. Constitutional change that the Supreme Court used to protect American businesses |
| _____ 2. trust | B. Bombing in Chicago that killed eleven people and turned the public against the labor movement |
| _____ 3. John D. Rockefeller | C. President known for breaking up trusts |
| _____ 4. Samuel Slater | D. Tax on goods coming into the United States from other countries |
| _____ 5. Irish potato famine | E. Period in the late 1800s when a few extremely wealthy Americans lived lavishly while many others were extremely poor |
| _____ 6. scabs | F. Food shortages in 1845 and 1846 that caused over a million people to starve to death because of a crop failure |
| _____ 7. Jane Addams | G. Wealthy people who gave money to charities |
| _____ 8. Haymarket Riot | H. Financier who set up the Northern Securities Company |
| _____ 9. Theodore Roosevelt | I. Giant company that controlled a particular industry |
| _____ 10. laissez-faire | J. The development of machines to do the work that used to be done with hand tools |
| _____ 11. philanthropists | K. Holding company for several railroads which President Theodore Roosevelt later broke up |
| _____ 12. Northern Securities Company | L. Strikebreakers brought in to keep a factory in operation when its workers went on strike |
| _____ 13. Eugene V. Debs | M. Socialist candidate for President in five elections in the early 1900s |
| _____ 14. Gilded Age | N. Founder of the Standard Oil Company and the world's first billionaire |
| _____ 15. "trust buster" | O. Nineteenth-century theory that government should not involve itself in business affairs |
| _____ 16. J. P. Morgan | P. President Theodore Roosevelt's nickname |
| _____ 17. American Federation of Labor | Q. Social worker who set up Hull House to serve the people of a slum neighborhood in Chicago |
| _____ 18. Andrew Carnegie | R. Person who memorized the plans of the weaving machine in England and brought his knowledge to the United States |
| _____ 19. Fourteenth Amendment | S. Union set up in 1886 that drew skilled workers away from the Knights of Labor |
| _____ 20. Industrial Revolution | T. Philanthropist who helped set up over 2,500 libraries in the United States |

7 Business and Labor

Learning the Vocabulary

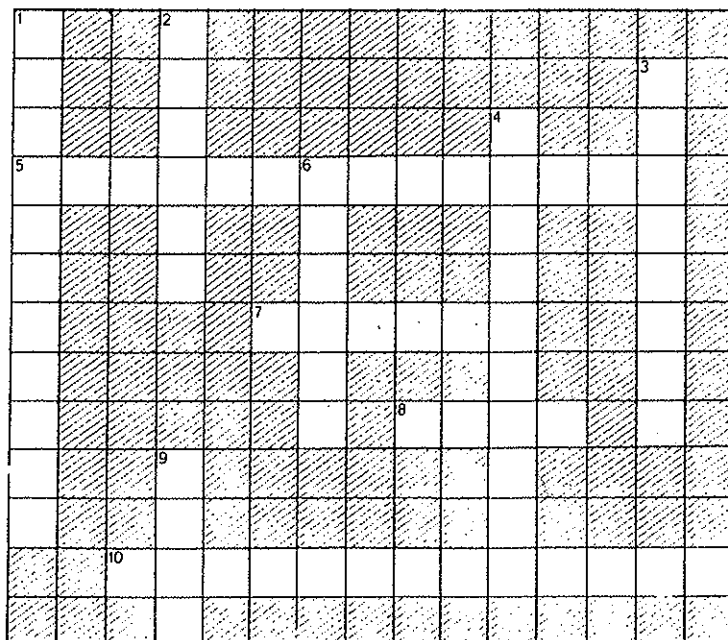
Fill in the squares to spell out the names or terms described in the clues.

ACROSS

5. Labor union set up in 1869 that was open to all workers—women and men, blacks and whites, native born and foreign born, skilled and unskilled
7. Workers' refusal to work until their demands are met
8. Organizer of the American Railway Union who ordered his union members not to work on trains carrying Pullman cars
10. Incident in Chicago in which eleven people were killed by a bomb

DOWN

1. Founder of the Standard Oil Company who gave over \$500 million to charity after he retired
2. Financier who twice helped the United States out of financial problems
3. Millionaire who made his fortune in the steel industry and became famous for giving away large sums of money
4. Wealthy man who built a special vacation house that cost several million dollars
6. English mechanic who brought the Industrial Revolution to the United States
9. Strikebreaker



Questions: Chapter 3 Section 1 (3.1)

1. Why did mining help the growth of western population?
2. What was considered the Great Plains?
3. What were the goals and terms of the Homestead Acts?

Goals:

Terms:

4. Why was the "Wheat Belt" such a big part of the United States?
5. How did the "Indian Peace Commission" affect the Native American Indians?
6. *A Century of Dishonor*, a book by written by Helen Hunt, had what impact on Native American Indians?
7. What was the Dawes Act?

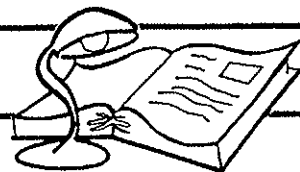
Read through this section; answer these questions in your own words:

8. How did the United States treat the Native American Indians?
9. Why was the United States treating the Native American Indians this way?

Study Guide

Chapter 3, Section 2

For use with textbook pages 243–251



INDUSTRIALIZATION

CONTENT VOCABULARY

gross national product the total value of all goods and services produced by a country (page 244)

entrepreneurs people who risk their capital in organizing and running a business (page 245)

laissez-faire belief that government should not interfere in a nation's economy (page 245)

corporation an organization owned by many people but treated by law as though it were a single person (page 248)

vertical integration the joining of different types of businesses that are involved in the operation of a particular company (page 249)

horizontal integration the joining of many firms involved in the same type of business into one large corporation (page 249)

monopoly total control of a type of industry by one person or one company (page 249)

marxism theory of socialism in which workers would struggle to create a society without classes (page 250)

industrial union unions that represented all craft workers and common laborers in a particular industry (page 250)

closed shop a system in which companies could only hire union members (page 251)

DRAWING FROM EXPERIENCE

What are unions? Why do people join unions? Do you think unions are important for workers? Why or why not?

This section discusses the reaction of workers to big businesses—the rise of unions.

California History-Social Science Standards

11.1 Students analyze the significant events in the founding of the nation and its attempts to realize the philosophy of government described in the Declaration of Independence.

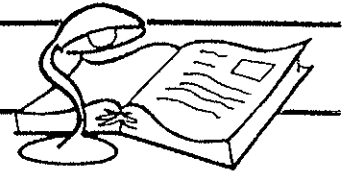
11.2 Students analyze the relationship among the rise of industrialization, large-scale rural-to-urban migration, and massive immigration from Southern and Eastern Europe.

11.6 Students analyze the different explanations for the Great Depression and how the New Deal fundamentally changed the role of the federal government.

Focuses on: 11.1.4, 11.2.1, 11.2.5, 11.2.6, 11.6.5

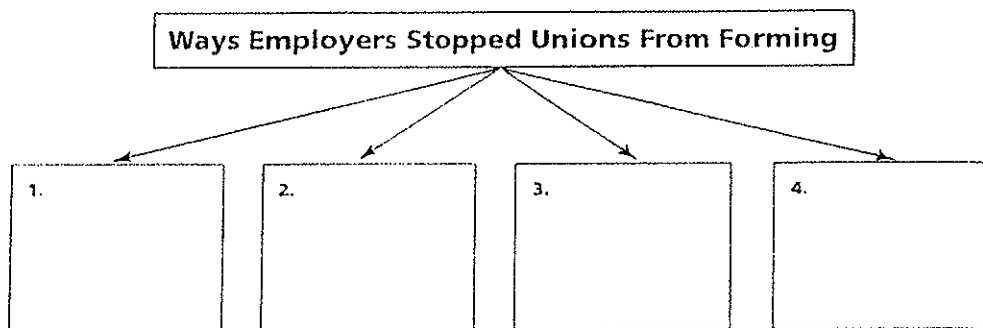
Study Guide

Chapter 3, Section 2 (continued)



ORGANIZING YOUR THOUGHTS

Use the diagram below to help you take notes. Employers in the late 1800s tried to stop unions from forming. Describe four of these actions in the chart.



READ TO LEARN

• The United States Industrializes (page 244)

After the Civil War, industry grew rapidly. Many people left their farms to find work in factories. By the early 1900s, the United States had become one of the world's leading industrial nations. By 1914 the **gross national product** (GNP), or the total value of all goods and services produced by a country—was eight times greater than it had been at the end of the Civil War.

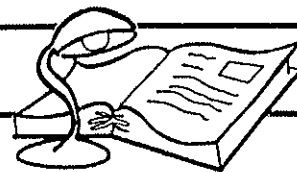
One reason that industries expanded was that the United States had many natural resources that industries needed. Factories could get these resources cheaply without having to import them. Many resources were located in the West. The transcontinental railroad brought settlers to the region and moved the resources to the factories in the East.

At the same time, a new resource—petroleum—was being developed. This resource was in demand even before the automobile was invented. Petroleum could be turned into kerosene, which was used in lanterns and stoves. The American oil industry was built on the demand for kerosene. Oil production helped to expand the nation's economy.

In addition to natural resources, a population increase provided factories with a larger workforce. It also provided a demand for the goods that these factories produced. The population increase was the result of large families and an increase in immigrants. Between 1870 and 1910, about 20 million immigrants came to the United States.

The United States's industries also expanded because of the free enterprise system. In the late 1800s, Americans took on a **laissez-faire** policy toward the economy. Those who supported it believed that the government should not interfere in the economy. Laissez-faire relies on supply and demand, not the

Study Guide



Chapter 3, Section 2 (continued)

government, to set prices and wages. The theory states that a free market, in which companies compete, leads to more wealth for everyone. It also proposes that taxes should be low and the government's debt should be kept limited. The idea of gaining wealth attracted people into businesses. **Entrepreneurs**, or people who risk their capital in organizing and running a business, began developing businesses in hopes of making profits for themselves.

In the late 1800s, the United States government practiced laissez-faire. It kept taxes and spending low. It did not pass laws to regulate industries, and it did not control prices. In some ways, however, the government introduced policies that were intended to help industry.

Inventions also contributed to the growth of industries. In 1876 Alexander Graham Bell developed the telephone. This invention changed both business and personal communication.

Thomas Alva Edison created many inventions. Two major inventions were the phonograph and the light bulb. In 1882 the Edison Electric Illuminating Company began to supply electric power to customers in New York City. Electric power changed American society.

New methods and inventions increased production in many industries. These changes resulted in lower prices for American consumers.

Academic Vocabulary

practice: to do something repeatedly so it becomes the standard (p. 245)

5. How did the invention of the telephone change American society?

• The Railroads: Linking the Nation (page 246)

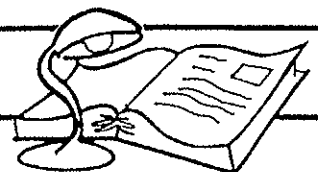
In 1862 President Lincoln signed the Pacific Railway Act. This law called for the building of a transcontinental railroad by the Union Pacific and the Central Pacific railroad companies. To encourage the companies, the government gave each company land along the route of the tracks. On May 10, 1869, the first transcontinental railroad was completed.

By 1865 the United States had hundreds of unconnected railroad lines. Railroads began to combine them into fewer connected rail lines. To make rail service more reliable, in 1883 the American Railway Association divided the country into four time zones where the same time was kept.

The large railroad systems benefited the nation in many ways. They could shift rail cars from one section of the country to another. Long-distance transportation was faster. New technology allowed railroads to put longer and heavier trains on their lines. More powerful locomotives helped make railroad operations more efficient and less expensive. Railroads also united people from different regions of the country.

Study Guide

Chapter 3, Section 2 (continued)



The government helped encourage railroad building by giving many railroad companies land grants. Railroads would then sell the land to settlers and businesses to raise the money they needed to build the railroad. By the 1860s, the railroads owned an area of land larger than New England, New York, and Pennsylvania combined. Some railroad companies earned enough money from the land grants to pay for the entire cost of building their lines.

Some railroad entrepreneurs in the late 1800s got their wealth by cheating investors and taxpayers, bribing government officials, and cheating on their contracts. Bribery occurred often with federal and state governments.

Not all railroad entrepreneurs were robber barons, or people who loot an industry and give nothing back. James J. Hill, an entrepreneur, built the Great Northern Railroad without federal land grants. The Great Northern became the most successful transcontinental railroad and the only one that did not eventually go bankrupt.

6. What was a robber baron?

• The Rise of Big Business (page 248)

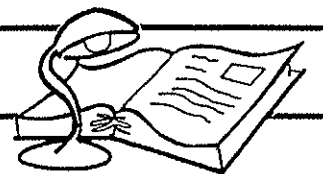
By 1900 big businesses dominated the nation's economy. Big businesses became possible because of the **corporation**. This is an organization owned by many people but treated by law as though it were a single person. The people who own a corporation are called stockholders. They own shares of ownership called stock. By issuing stock, a corporation can raise large amounts of money while spreading out the financial risk. Corporations used the money they received from selling stock to invest in new technologies, to hire many workers, and to buy many machines.

Small businesses had high operating costs, so they could not compete with big businesses and many went out of business. Many people criticized the corporations for cutting prices. They believed that these corporations used their wealth to drive small companies out of business.

To make his business even bigger, Andrew Carnegie, the owner of a steel company, began the **vertical integration** of the steel industry. A vertically integrated company owns all the different businesses that it depends on to run. Carnegie's company bought coal mines and iron ore fields. Owning these companies saved Carnegie money and made his company bigger.

Business leaders also looked to **horizontal integration**, which involved combining many companies involved in the same business into one large corporation. When a single company gains control of an entire market—from

Study Guide



Chapter 3, Section 2 (continued)

raw materials to distribution—it becomes a **monopoly**. Many people opposed monopolies because they believed that a monopoly could charge whatever price it wanted for its products. Some people, however, believed that monopolies helped to keep prices low because raising prices would cause the competition to reappear.

Academic Vocabulary
distribution: the act of shipping products from a central location to a vast amount of customers (p. 248)

Many states made it illegal for a company to own stock in another company without getting permission from the state legislature. As a result, in 1882 the Standard Oil Company formed the first trust. This was a new way of combining companies that did not go against the laws that made owning other companies illegal. A trust is a legal concept that allows a person to manage another person's property. The person who manages another person's property is called a trustee.

Academic Vocabulary
concept: an abstract idea which can be put into practice (p. 249)

Many companies also created a new organization called a holding company. A holding company owns the stock of companies that produce goods. The holding company controls all the companies, combining them into one large corporation.

7. In what two ways did Andrew Carnegie and other business leaders try to make their businesses larger?

• Unions (page 249)

Conditions for workers in industries were difficult. Work was monotonous and repetitive. Workers often worked in unhealthy and unsafe environments. However, industrialization brought people a higher standard of living.

The difference in the standard of living between the wealthy owners and the working class was great. Many workers decided that the best way to improve their conditions was to organize into unions.

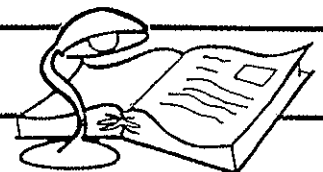
Workers who wanted to organize unions faced several problems. No laws gave them the right to organize. Some people thought that unions threatened American institutions. Others believed that unions were influenced by **Marxism**—the ideas of Karl Marx. Marx believed the basic force that shaped society was the conflict between workers and owners. He believed that eventually workers would revolt, take control of the factories, and overthrow the government. He believed that then the government would take all private property and distribute wealth evenly among everyone. Marxism greatly influenced European unions.

As Marxist ideas spread in Europe, thousands of European immigrants began arriving in the United States. Some Americans began associating

Name _____ Date _____ Class _____

Study Guide

Chapter 3, Section 2 (continued)



European immigrants with anarchism. Because many workers were European immigrants, these Americans also became suspicious of unions.

Employers had to deal with trade unions because they needed the skills the workers in the unions had. However, they thought unions interfered with property rights. Employers of large corporations particularly opposed **industrial unions**. These unions represented all craft workers and common laborers in a particular industry.

Employers tried to stop unions from forming in their companies in several ways. They required workers to sign contracts promising not to join unions. They hired detectives to point out union organizers. Those who tried to start a union or strike were fired and placed on a blacklist—a list of “troublemakers.” Once a worker was blacklisted, a person found it almost impossible to get hired. If workers did form a union, companies often used a lockout to break it. The employers locked workers out of the factory and refused to pay them. If the union called a strike, employers would hire replacement workers.

Although industrial unions were not very successful in the late 1800s, trade unions were. Over twenty of the nation’s trade unions organized the American Federation of Labor (AFL). Samuel Gompers was the union’s first leader. He believed that unions should stay out of politics. He believed that they should fight for things such as higher wages and better working conditions. He preferred negotiation over strikes. The AFL had three goals. It tried to convince companies to recognize unions and to agree to negotiations. It pushed for **closed shops**, in which companies hired only union members. It pushed for an eight-hour workday.

By 1900 the AFL was the largest union in the country. However, by 1900 most workers in the nation were still not union members.

After the Civil War, the number of women who earned wages increased. About one-third of these women worked as servants. Another third worked as teachers, nurses, or secretaries. The final third were industrial workers. Many of these women worked in clothing and food processing factories. Women were paid less than men, and most unions did not include women. As a result, in 1903 two women founded the Women’s Trade Union League (WTUL). This was the first union organized to address women’s labor issues.

8. What were three goals of the American Federation of Labor?

3.3 – Reading Strategies Read Pages 257 - 261

Make a Graphic Organizer titled: “Problems in Urban Areas.”

Answer the questions below:

- 1) Why did nativists oppose immigration?
- 2) How did the influx of immigrants affect the cities?
- 3) What were Political Machines?
- 4) How did the political machines help out the poor new city dwellers? What were the needs of the poor?
- 5) What did the political machines expect back from the poor or new city dwellers?
- 6) What is a graft?
- 7) In what ways were political machines corrupt?
- 8) Who was William M. “Boss” Tweed?

Name _____ Date _____ Class _____

★ Guided Reading Activity 3-3

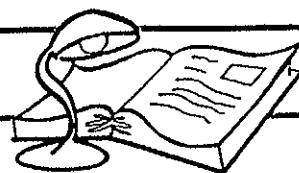
DIRECTIONS: Filling in the Blanks In the space provided, write the word or words that best complete the sentence. Refer to your textbook to fill in the blanks.

1. By 1900 more than half of all immigrants in the United States were _____ and _____ Europeans.
2. Many of these immigrants moved to avoid forced _____. Others, like the Jews living in Poland and Russia, fled to avoid _____.
3. Most immigrants booked passage in _____ the cheapest accommodations on a steamship, and they disembarked at _____, a tiny island in New York Harbor.
4. How well immigrants adjusted depended partly on how quickly they _____ and adapted to _____.
5. The 1848 _____ began to lure Chinese immigrants to the United States.
6. The _____ in China took some _____ lives and caused such suffering that thousands of Chinese left for the United States.
7. These waves of immigration led to increased feelings of _____, which is _____.
8. In 1840 the United States had only 131 cities; by 1900 that number had risen to over _____.
9. Lacking money and education, most _____ remained in the _____.
10. Many rural Americans moved to the cities for _____. The cities had much to offer—for example _____.
11. New approaches to _____ and _____ were developed because millions of people were now moving into the cities.
12. American industrialization helped create a growing _____ that included doctors, lawyers, engineers, managers, and teachers.
13. Among the problems of cities were various _____, and contaminated _____, caused by improper sewage disposal.
14. In exchange for the votes of new urban residents in city elections, _____ provided basic services such as jobs, housing, and police protection.
15. Many leaders of political machines grew rich as a result of fraud or _____—getting money through dishonest or questionable means.

Study Guide

Chapter 3, Section 5

For use with textbook pages 271–281



POPULISM

CONTENT VOCABULARY

populism the movement to increase farmers' political power and to work for legislation in their interest (page 276)

inflation a decline in the value of money (page 276)

deflation an increase in the value of money and a decrease in the level of prices (page 276)

graduated income tax a tax that taxed higher earnings more heavily (page 277)

poll tax a fee required to register to vote (page 279)

grandfather clause a clause that allowed people to vote if their ancestors had voted in 1867 (page 280)

segregation separation of the races (page 280)

Jim Crow laws laws that enforced segregation (page 280)

DRAWING FROM EXPERIENCE

Have you ever visited a farm or know someone who owns one? What kind of work is done on a farm? What kind of problems do you think farmers face?

This section discusses why a new political party started in the 1890s.

ORGANIZING YOUR THOUGHTS

Use the diagram on the next page to help you take notes. Many farmers, frustrated with the lack of support for their issues from the two major political parties, supported the new People's Party. List the issues the People's Party ran on in the 1892 election.

People's Party Issues in 1892 Election

1.	2.	3.
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California History-Social Science Standards

11.1 Students analyze the significant events in the founding of the nation and its attempts to realize the philosophy of government described in the Declaration of Independence.

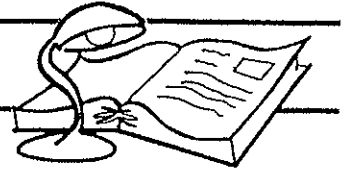
11.2 Students analyze the relationship among the rise of industrialization, large-scale rural-to-urban migration, and massive immigration from Southern and Eastern Europe.

11.10 Students analyze the development of federal civil rights and voting rights.

Focuses on: 11.1.4, 11.2.4, 11.2.8, 11.10.2

Study Guide

Chapter 3, Section 5 (continued)



READ TO LEARN

- **Stalemate in Washington** (page 272)

Under the spoils system, or patronage, government jobs were given to those who supported the winning party in an election. When Rutherford B. Hayes became president, he tried to stop patronage. He appointed reformers to his cabinet and got rid of people who received their jobs through party bosses. Some Republicans, called Stalwarts, opposed Hayes's actions. They called Hayes and other Republican reformers "Halfbreeds."

In the 1880 presidential election, the Republicans nominated James Garfield, a Halfbreed, for president and Chester Arthur, a Stalwart, for vice president. They won, but President Garfield was assassinated a few months into his presidency.

In response, Congress passed the Pendleton Act in 1883. People applying for federal jobs had to pass an exam.

In the 1870s and 1880s the Republican Party had support from the North and the Midwest. The Democrats gained support from the South. They also had support from big cities, where large numbers of Catholics and immigrants lived. Republicans and Democrats were evenly divided and had to share power.

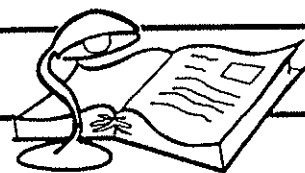
Between 1877 and 1896, the Democrats generally had more members in the House of Representatives, where each congressional district elected members directly. Republicans had more members in the Senate, because state legislatures chose senators and Republicans controlled a majority of state governments.

Most presidential elections during that time were very close. Twice during this time, a candidate lost the popular vote but won the election. Republicans won four of the six presidential elections between 1876 and 1896. However, the president had to deal with a House controlled by Democrats and a Senate controlled by Republicans who did not always agree with the president. In addition, at this time, local political bosses controlled the parties. With power divided almost equally between the two parties, Congress experienced deadlock on many issues.

In the 1884 presidential elections, Democrats nominated Grover Cleveland of New York. He had opposed Tammany Hall, the corrupt Democratic machine in New York City. The Republicans nominated James G. Blaine, a former Speaker of the House. The campaigns focused on the moral character of the candidates.

Some Republican reformers were unhappy with Blaine as the Republican candidate. They left the party and supported Cleveland. These reformers became known as Mugwumps. Cleveland won the election.

Study Guide



Chapter 3, Section 5 (continued)

Unrest among the nation's workers grew, and many strikes occurred. Americans were upset with the power of big business, particularly with the railroads. Some large corporations, such as Standard Oil, were able to negotiate rebates, or partial refunds, and lower their rates because of the large volume of goods they shipped. Those who did not ship large volumes had to pay much higher rates.

Congress responded in 1887 by passing the Interstate Commerce Act, which created the Interstate Commerce Commission. The law was the first to regulate interstate trade.

Tariffs were another issue facing the government. Many people believed that tariffs were no longer necessary to protect the nation's manufacturing because large American companies were now able to compete internationally. Democrats in the House passed tariff reductions. The Senate, however, rejected the bill in support of a high protective tariff.

The Republicans nominated Benjamin Harrison for president in 1888. He received large contributions from big businesses, which benefited from higher tariffs. Cleveland and the Democrats campaigned against high tariffs. Harrison lost the popular vote but won the electoral vote. After the election, Republicans controlled both the House and the Senate.

The Republicans addressed the tariff issue by passing the McKinley Tariff. This bill cut tobacco taxes and tariff rates on raw sugar while increasing rates on items such as textiles. The bill lowered federal revenue. The nation's budget surplus became a deficit.

To curb the power of trusts, Congress passed the Sherman Antitrust Act of 1890. However, the courts were responsible for enforcing this act and saw nothing in the law that would require big companies to change the way they did business. By the election of 1890, many people began to believe that the two political parties could not solve the nation's problems.

Academic Vocabulary

volume: refers to a considerable amount (p. 274)

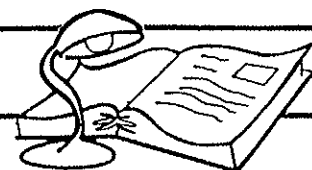
4. What was the effect of the Sherman Antitrust Act?

• Populism (page 275)

Populism was the movement to increase farmers' political power and to work to pass laws in their interest. Shortly after the Civil War, farmers produce more crops. The increase in crops led to lower prices. At the same time, high tariffs increased the price of manufactured goods farmers needed. This

Study Guide

Chapter 3, Section 5 (continued)



made it harder for farmers to sell their products overseas. Farmers also felt that they were being treated unfairly by both the banks from which they obtained their loans and from the railroads.

The farmers were concerned about the nation's money supply. To pay for the war, the United States had increased its money supply by issuing millions of dollars in greenbacks—paper currency that could not be exchanged for gold or silver coins. This increase in money supply without an increase in goods for sale led to **inflation**—a decline in the value of money. As the paper money lost its value, the prices of goods soared.

After the war, the United States had three types of currency—greenbacks, gold and silver coins, and bank notes backed by government bonds. The government stopped printing greenbacks to get inflation under control. It began paying off its bonds. Congress also decided to stop making silver into coins. As a result, the government did not have a large enough money supply to meet the needs of the economy. As the economy grew, **deflation**—or an increase in the value of money and a decrease in prices—began.

The farmers were particularly affected by deflation. They had to borrow money for seeds and supplies. With money in short supply, interest rates increased. This increased the amount of money that farmers owed. The falling prices due to deflation meant that farmers sold their crops for less. However, they still had to make the same loan payments. Farmers blamed the Eastern bankers for their condition. They believed that the bankers pressured Congress to reduce the money supply. Some farmers wanted the government to print more greenbacks to increase the money supply. Those who lived in the West, where silver mines were located, wanted the government to mint silver coins. Many farmers believed that the only way they could convince the government was to organize.

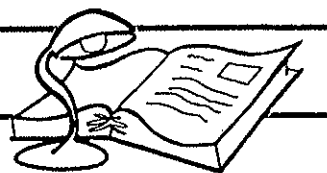
The first national farm organization was the Patrons of Husbandry. It was better known as the Grange. Many farmers joined the Grange to get help.

Grangers also pooled their resources and created cooperatives, which were marketing organizations that worked for the benefit of their members. Farmers could not charge more for their crops because there were so many farmers in competition. So when they joined a cooperative, farmers pooled their crops and held them off the market in order to force the price up. A cooperative could also work for better shipping rates from railroads.

The Grangers' strategies were not successful. The Grange's cooperatives failed because they were too small to influence prices. Also, Eastern businesses refused to deal with them because they believed that they were too much like unions.

By the late 1870s, a new organization known as the Farmers' Alliance began to form. The Alliance organized large cooperatives called exchanges in hopes of increasing farm prices while making loans to farmers at low interest rates. These exchanges had some success.

Study Guide



Chapter 3, Section 5 (continued)

However, overall the cooperatives failed. They were too small to affect world prices for farm goods. Soon, conflict started among members of the Alliance. Alliance members in the West wanted to form a new party and push for political reforms. They formed the People's Party, also known as the Populists. The party nominated candidates to run for Congress and the state legislature.

Most Southern members of the Alliance did not want to form a third party. They wanted the Democrats to keep control of the South. Instead, they wanted to produce a list of demands and promise to vote for candidates who supported the demands.

In 1890 the Farmers' Alliance met in Ocala, Florida, and set up the Ocala Demands. The demands were to help farmers decide whom to vote for in 1890. The demands called for the free coinage of silver, an end to tariffs and the national bank, regulation of the railroads, and direct election of senators instead of by state legislatures.

Republicans in Congress tried to discourage farmers from voting for Populists. The Sherman Silver Purchase Act of 1890 authorized the purchase of silver to put more money in circulation. It did little to help farmers.

Both the Southern and Western plans of the Alliance had worked. In the South, many Democratic governors and state legislators who were elected promised to support the demands of the Alliance. In the West, the People's Party did equally well.

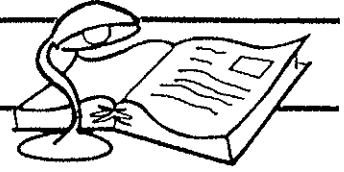
Many southern members of the Alliance soon realized that they could not count on Democrats to work for their programs. Many broke with the Democrats and joined the People's Party. The party held its first national convention in Omaha, Nebraska, in July 1892. It nominated James B. Weaver to run for president. The Populists wanted the government to coin silver to increase the money supply. It wanted a **graduated income tax**, one that taxed higher earnings more heavily. The Populists also believed that the government should take a greater role in regulating big business. Although the Populists supported many of the positions that labor unions had, most urban workers continued to support the Democratic Party.

The Democratic Party nominated Grover Cleveland as their presidential candidate. He won easily. However, James Weaver did very well, winning four states and 22 electoral votes.

In 1893 the United States entered a serious economic crisis. Many railroad companies had expanded too quickly and were unable to repay their loans. They declared bankruptcy. The stock market crashed, and banks closed. By 1894 the economy was in a depression. As the nation's economy worsened, many foreign investors started cashing in their U.S. government bonds for gold. This left the government with a very small gold reserve. Gold was also being lost every time people exchanged silver for gold under the Sherman Silver Purchase Act. As a result, in 1893, President Cleveland asked Congress

Study Guide

Chapter 3, Section 5 (continued)



to repeal that law. His actions split the Democrats into two groups. The gold-bugs believed the American currency should be based only on gold. The silverites believed coining silver in unlimited quantities would solve the nation's economic problems.

In the 1896 presidential election, the Republicans supported a gold standard. The Populists hoped that pro-silver Democrats would vote for Populists. However, the Democrats nominated William Jennings Bryan, a supporter of silver, as their candidate. As a result, the Populists decided to support Bryan instead of nominating their own candidate.

Bryan ran an energetic campaign, traveling thousands of miles and making hundreds of speeches. Republicans knew that Bryan would be difficult to beat in the West and the South. They knew that they had to win in the Northeast and in the Midwest. They nominated William McKinley. Most urban workers and business leaders supported the Republicans. McKinley won the election.

In 1896 gold was discovered in Alaska and in Canada's Yukon Territory. This helped to increase the money supply without turning to silver. Credit became easier to get and the farmers' situation improved. In 1900 the United States officially adopted a gold-based currency.

When the silver issue died out, the Populists lost much of their energy. They had not been successful in helping the farmers or in regulating big business. However, some of the reforms that they wanted, such as the graduated income tax, came later.

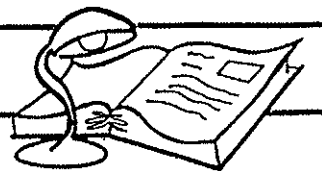
5. From what parts of the country did Bryan and McKinley gain support during the 1896 presidential election?

• The Rise of Segregation (page 279)

After Reconstruction, many African Americans in the South lived in conditions that were similar to slavery. Although they were technically free, many could not escape poverty. Most African Americans were sharecroppers, or landless farmers who had to hand over a large part of their crops to the landlord to pay for rent and supplies. Because they were always in debt, many African Americans left farming to look for jobs or to claim homesteads in the West.

In 1879 thousands of African Americans migrated from the South to Kansas. They became known as Exodusters. Some African Americans did not move but joined with poor white farmers in the Farmers' Alliance. In 1886 a group of African Americans formed their own organization called the Colored

Study Guide



Chapter 3, Section 5 (continued)

Farmers' National Alliance. Many members joined the Populist Party when it formed in 1891. They hoped that by joining poor whites with poor African Americans, they could challenge the Democrats in the South.

The Democrats feared that if enough poor whites left the party and joined the African American Populists, that combination might become unbeatable. As a result, the Democrats began to appeal to racism. They warned whites that joining African Americans in the Populist Party would bring back "Black Republican" rule like that during Reconstruction. Democrats were also making it more difficult for African Americans to vote.

The Fifteenth Amendment said that states could not deny people the right to vote because of race or color. It did not, however, say that states could not require that citizens had to know how to read and write or had to own property in order to vote. Southern states began to use this loophole to prevent African Americans from voting.

Some Southern states began requiring that all citizens pay a \$2 **poll tax**. Most poor African Americans could not afford to do so and were, therefore, not allowed to vote. Some states required that prospective voters had to prove that they could read and write. Many failed the test. Some African Americans who did know how to read and write failed because they were deliberately given complicated passages that few could understand. As a result of these restrictions, the number of African Americans registered to vote fell dramatically.

Election officials did not apply these laws as strictly to poor whites. Some states gave whites a break by introducing a **grandfather clause**. This allowed any man to vote if he had an ancestor who voted in 1867. The clause made almost all former enslaved Africans ineligible to vote.

African Americans faced discrimination in the North as well as in the South. They were often not allowed in public places used by whites. In the South, laws enforced **segregation**, or separation of the races. These laws were known as **Jim Crow laws**. The Civil Rights Act of 1875 prohibited keeping people out of public places and prohibited racial discrimination when selecting jurors. Whites challenged the law in both the North and the South. In 1883 the Supreme Court ruled that the Fourteenth Amendment said that "no state" could deny people equal protection under the laws. The Court said that private places and organizations could practice segregation.

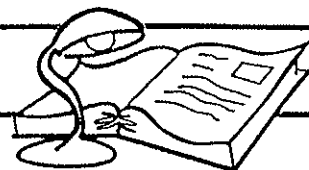
After the ruling, Southern states passed laws that enforced segregation in all public places. Southern whites and African Americans could no longer ride in the same railroad cars or drink from the same drinking fountains. Restrooms and hotels were segregated. In 1892 an African American named Homer Plessy was arrested for riding in a railroad car that was designated for whites only. He challenged the law as being unconstitutional. Judge John H. Ferguson rejected that argument. In 1896 the Supreme Court ruled in *Plessy v. Ferguson* that the Louisiana law was constitutional. The ruling supported the idea of "separate but equal" facilities for African Americans. However,

Academic Vocabulary

prospective: to be likely to, or have intentions to, perform an act (p. 279)

Study Guide

Chapter 3, Section 5 (continued)



although facilities for African Americans were separate, they were almost always inferior to those for whites.

In addition to the Jim Crow laws, African Americans faced mob violence from whites. The incidences of lynchings—executions without proper court proceedings—by mobs increased. More than 80 percent of the lynchings happened in the South and most of the victims were African Americans.

In the 1890s, Ida B. Wells, an African American woman from Tennessee, started a campaign against lynching. She pointed out that greed was often behind racial violence.

Booker T. Washington believed that the way to stop discrimination was for African Americans to concentrate on economic goals rather than on political ones. He believed that African Americans should postpone the fight for civil rights and focus on education and vocations to prepare themselves economically for equality.

Other African Americans, such as W.E.B. Du Bois, challenged Washington's ideas. Du Bois pointed out that the civil rights of African Americans continued to be taken away even after they had educational and vocational training. He believed that the only way African Americans could achieve full equality was by demanding their rights, particularly voting rights.

6. How did the views of Booker T. Washington and W.E.B. Du Bois regarding the best way to solve discrimination differ?
