US History

Chapter 3 Lessons 3 & 4 – Guided Reading

Due: Friday, 8/31

**Task 1**:

1.By 1900, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ dominated the economy, operating vast complexes of factories and distribution facilities. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, an organization owned by many people but treated by law as though it were a person, made big business possible.

2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ own corporations through shares of ownership called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Selling stock allows corporations to raise money while spreading out the financial risk.

3. With money raised from selling stock, corporations could invest in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hire large \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and purchase \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, which greatly increased \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is the cost of manufacturing is decreased by producing goods quickly in large quantities.

5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are costs a company pays even if it is not operating.

Examples of this are:

a.

b.

c.

6. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are incurred when running a company.

Examples of these costs include:

7. Falling prices benefited consumers but cut into manufacturer’s profits, so many companies created \_\_\_\_\_\_\_\_\_\_\_\_\_, or other arrangements to keep prices at a certain level. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ interfered with competition and property rights, but generally did not last long as competitors cut prices to compete with one another.

8. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ was a Scottish immigrant who made a fortune in the steel industry.

9. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ occurs when a company owns all parts of the industrial process. For example, instead of paying companies for coal, lime, and iron, Andrew Carnegie bought coal mines, limestone quarries, and iron ore fields.

10. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ occurs when a company grows by buying its competition. For example, J.D. Rockefeller bought out his competitors and controlled about 90% of the U.S. oil refining industry.

11. Many Americans feared \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ because they could charge whatever they wanted for its products.

12. A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a legal arrangement that allows one person to manage another person’s property. The person who manages that property is called a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Standard Oil formed the first \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in 1882.

13. A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a company whose primary business is owning a controlling share of stock in other companies. A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ does not produce anything itself but owns the stock of companies that do produce goods.

14. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ was a successful investment banker, who specialized in helping companies sell large blocks of stock to investment bankers at a discount. In 1901, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ bought out Andrew Carnegie and merged Carnegie Steel with other steel companies to create U.S. Steel Corporation.

Lesson 4: Unions

1.There were two basic types of industrial workers in the United States in the 1800s - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ workers and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ such as machinists, iron molders, and shoemakers had special skills and training, and received higher wages with more control over their time. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

had few skills and received lower wages.

2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a decline in the volume of available money or credit that results in lower prices, and therefore increases the buying power of money.

3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is an organization of common laborers and craft workers in a particular industry.

4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a company tool to fight union demands by refusing to allow employees to enter its facilities to work. Companies used \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to break up existing unions by refusing to pay workers. If the union called a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (work stoppage), employers would hire replacements.

5. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, founded in 1869, opposed strikes in favor or boycotts and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, which is the settling of a dispute by agreeing to accept the decision of an impartial outsider.

6. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ occurred in April 1891, as coal miners went on strike over a dispute with the Tennessee Mining Company. The miners went on a two-year rampage to protest the convict lease program established by the Tennessee Legislature.

7. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (AFL) was created in 1866 and became the dominant labor union of the late 1800s. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ was the first president of the AFL (and held that role until 1924). The AFL had 3 goals:

1.

2.

3.

8. A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is an agreement in which a company agrees to hire only union members.

9. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Wobblies”) was a more radical union, created in 1905, believing that all workers should be organized into “One Big Union.”

**Task 2**: Read Chapter 3 Lessons 3 & 4 and respond to the following guided reading questions. You should answer on this paper.

1. What advantages do large corporations have over small businesses? (Be sure to explain in detail…)

2. How do economies of scale affect corporations?

3. Chart p. 101 – Types of Business Organizations

(1) Comparing proprietorships and corporations, why do you think both still exist today?

(2) Based on the chart, what generalizations can you make about why a corporation might have a competitive advantage over a sole proprietorship?

4. What new business strategies allowed businesses to weaken or eliminate competition? Explain how Andrew Carnegie and JD Rockefeller used these business practices to their advantage.

5. Chart p. 102 – Vertical and Horizontal Integration

(1) How does a large company benefit when it buys its competitors?

(2) Why did business owners want to vertically integrate their companies?

6. What makes monopolies disadvantageous for the consumer? What kind of methods did companies use to get around anti-monopoly laws during the 1800s?

7.*Use the quote to answer the following questions:*

Andrew Carnegie published an article on wealth and how it should be used in society. In the article, he describes industrial society’s inequalities, but insists that there is no other way.

“*We assemble thousands of operatives in the factory, in the mine, and in the counting-house, of whom the employer can know little or nothing, and to whom the employer is little better than a myth. Rigid castes are formed, and, as usual, mutual ignorance breed mutual distrust. The price which society pays for the law of competition, like the price it pays for cheap comforts and luxuries, is great; but the advantages of this law are also greater still than its cost – for it is to this law that we owe our wonderful material development, which brings improved conditions in its train. But, whether the law be benign or not, we must say of it: it is here; we cannot evade it; no substitutes for it have been found; and while the law may be sometimes hard for the individual, it is best for the race, because it ensures the survival of the fittest in every department.”*

* *Andrew Carnegie, From “the Gospel of Wealth,” 1901*

Q: What problems does Carnegie associate with industrialization and the workers? What is his response to this problem and how does he justify it?

Lesson 4

1. How did working conditions encourage workers to form unions in the late 1800s?

2. Describe the two basic types of industrial workers in the US during the 1800s. How were their jobs and experiences different?

3. Why and how did employers oppose trade and industrial unions during the late 1800s? (think about ideas such as Marxism and anarchy)

4. How did major strikes prevent large industrial unions from maintaining power and influence? (Think about the Great Railway Strike, Coal Creek Labor Saga, The Haymarket Riot, and the Homestead and Pullman Strikes)

5. How were the new industrial unions different from the older trade unions? Describe the Knights of Labor, AFL, and IWW.

7. What goal did the major strikes of the period have in common?