

Section Quiz 9–2

Name _____ Date _____ Class _____

Chapter 9

Section Quiz 9–2

DIRECTIONS: Matching Match each item in Column A with the item in Column B. Write the correct letter in the blank.

Column A	Column B
1. use of the most famous and successful railroad construction	A. steel roller
2. regions where the more time is kept	B. James J. Hill
3. used information he received as a railroad owner to manipulate stock prices to his benefit	C. land grants
4. built the Great Northern Railroad	D. Cornelius Vanderbilt
5. given to the railroad companies by the government to encourage railroad construction	E. Jay Gould

DIRECTIONS: Multiple Choice Circle the letter of the choice that



Time Tales Opponents of standard time called local time “God’s time” because it was based on the laws of nature—the sun’s position in the sky. Not until 1918 was Congress able to pass a law that standardized time zones.

Reteach Have students analyze how the railroads were financed.

Enrich Have students research and write a report on one of the railroad tycoons.

taxpayers, bribing government officials, and cheating on their contracts and debts. The person with probably the worst reputation for this kind of activity was **Jay Gould**, who often practiced “insider trading.” He used information he received as a railroad owner to manipulate stock prices to his benefit.

Bribery occurred frequently in this era, partly because the state and federal governments were so deeply entangled in funding the railroads. Railroad investors quickly discovered that they could make more money by acquiring government land grants than by operating the railroad. As a result, many investors bribed members of Congress and the state legislatures to vote for more grants.

The Crédit Mobilier Scandal The corruption in the railroad industry became public in 1872 when the Crédit Mobilier scandal erupted. **Crédit Mobilier** was a construction company set up by several stockholders of the Union Pacific, including Oakes Ames, a member of Congress. Acting for both the Union Pacific and Crédit Mobilier, the investors signed contracts with themselves. Crédit Mobilier greatly overcharged Union Pacific for the work it did, and since the same investors controlled both companies, the railroad agreed to pay the inflated bills.

By the time the Union Pacific railroad was completed, the investors had made several million dollars, but the railroad itself had used up its federal grants and was almost bankrupt. To convince Congress to give the railroad more grants, Ames gave other members of Congress shares in the Union Pacific at a price well below their market value.

During the election campaign of 1872, a disgruntled associate of Ames sent a letter to the *New York*

Sun listing the members of Congress who had accepted shares. The scandal led to an investigation that implicated several members of Congress, including Speaker of the House James G. Blaine and James Garfield, who later became president. It also revealed that Vice President Schuyler Colfax had accepted stock from the railroad.

The Great Northern The Crédit Mobilier scandal provided sensational newspaper headlines. It created the impression that all railroad entrepreneurs were robber barons—people who loot an industry and give nothing back—but the term was not always deserved.

One railroad entrepreneur who was clearly not a robber baron was **James J. Hill**. Hill built and operated the Great Northern Railroad from St. Paul, Minnesota, to Everett, Washington, without any federal land grants or subsidies. He built the Great Northern across good land, carefully planning his route to pass by towns in the region. To increase business, he offered low fares to settlers who homesteaded along his route. He then identified American products that were in demand in China, including cotton, textiles, and flour, and arranged to haul those goods to Washington for shipment to Asia. This enabled the railroad to earn money by hauling goods both east and west, instead of simply sending lumber and farm products east and coming back empty, as many other railroads did. Operating without government subsidies or land grants, the Great Northern became the most successful transcontinental railroad and the only one that was not eventually forced into bankruptcy.

Reading Check **Describing** How was the Great Northern different from other railroads of the time?

SECTION 2 ASSESSMENT

Checking for Understanding

- Define:** time zone, land grant.
- Identify:** Pacific Railway Act, Grenville Dodge, Leland Stanford, Cornelius Vanderbilt, Jay Gould, Crédit Mobilier, James J. Hill.
- Explain** the provisions of the Pacific Railway Act.

Reviewing Themes

- Individual Action** How did Grenville Dodge contribute to the economic growth of the United States in the late 1800s?

Critical Thinking

- Synthesizing** How did railroad expansion in the United States lead to industrial growth?
- Organizing** Use a graphic organizer similar to the one below to list the different ways that railroads were financed.



Analyzing Visuals

- Examining Maps and Graphs** Study the map and the graph on page 317. Then make up a quiz of at least five questions based on the information presented.

Writing About History

- Persuasive Writing** Take on the role of an employee of a major railroad corporation. Your job assignment is to write an advertisement to recruit workers for your corporation. After writing the advertisement, present it to your class.

SECTION 2 ASSESSMENT ANSWERS

- Terms are in blue.
- Pacific Railway Act (p. 315), Grenville Dodge (p. 315), Leland Stanford (p. 315), Cornelius Vanderbilt (p. 316), Jay Gould (p. 318), Crédit Mobilier (p. 318), James J. Hill (p. 318)
- provided for the construction of the transcontinental railroad
- supervised the Union Pacific’s westward expansion
- increased size of markets, spent great amounts of money on resources
- land grants, private investment, gifts of public lands to railroads, money generated from running the railroads
- Students’ quizzes will vary. Students should include answers for their quiz questions.
- Students’ advertisements will vary. Advertisements should include a list of benefits.

SECTION 3 Big Business

Guide to Reading

Main Idea

After the Civil War, big business assumed a more prominent role in American life.

Key Terms and Names

corporation, stockholder, stock, economies of scale, fixed costs, operating costs, pool, Andrew Carnegie, Bessemer process, vertical integration, horizontal integration, monopoly, trust, holding company

Reading Strategy

Organizing As you read about the rise of corporations in the United States, complete a graphic organizer similar to the one below to describe the steps large business owners took to weaken or eliminate competition.



Reading Objectives

- Analyze** how large corporations came to dominate American business.
- Evaluate** how Andrew Carnegie’s innovations transformed the steel industry.

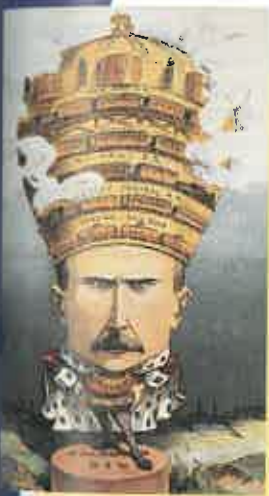
Section Theme

Economic Factors Large national corporations formed in the United States in the mid-1800s and contributed to greater production.

Preview of Events



An American Story



Cartoon of John D. Rockefeller

In the 1860s, the oil industry in the United States was highly competitive. One highly efficient company was Standard Oil, owned by John D. Rockefeller and his associates. Because his company shipped so much oil, Rockefeller was able to negotiate rebates, or refunds, from railroads that wanted his business. This gave his company an advantage, and he began to pressure other oil companies to sell out to him.

Oil producer Franklin Tarbell pledged never to surrender. Tarbell’s daughter Ida later recalled her father’s indignation over Rockefeller’s maneuvers:

“It was as if somebody had tried to crowd me off the road. . . . There were rules, you couldn’t use the road unless you obeyed those rules. . . . The railroads—so said my father—ran through the valley by the consent of the people; they had given them a right of way. The road on which I trotted was a right of way. One man had the same right as another, but the railroads had given to one something they would not give to another. . . . The strong wrested from the railroads the privilege of preying upon the weak.”

—quoted in *All in the Day’s Work*

The Rise of Big Business

Before the Civil War, the personal wealth of a few people operating in partnership financed most businesses, including many early factories. Most manufacturing enterprises were very small. By 1900 everything had changed. Big businesses dominated the economy, operating vast complexes of factories, warehouses, offices, and distribution facilities.

1 FOCUS

Section Overview

This section focuses on how big business became important in American life.

BELLRINGER Skillbuilder Activity

Project transparency and have students answer the question.

Available as a blackline master.

Daily Focus Skills Transparency 9–3

Guide to Reading

Answers to Graphic: pools, vertical and horizontal integration, holding companies, trusts

Preteaching Vocabulary

Have students use a standard dictionary to look up the Key Terms in this section to gain a better understanding of them.

SECTION RESOURCES

Reproducible Masters

- Reproducible Lesson Plan 9–3
- Daily Lecture and Discussion Notes 9–3
- Guided Reading Activity 9–3
- Section Quiz 9–3
- Reading Essentials and Study Guide 9–3

Transparencies

- Daily Focus Skills Transparency 9–3

American Art & Architecture

Multimedia

- Interactive Tutor Self-Assessment CD-ROM
- ExamView® Pro Testmaker CD-ROM
- Presentation Plus! CD-ROM
- TeacherWorks™ CD-ROM
- Audio Program