

#17: The Age of Big Business

1. By the end of the nineteenth century, American industrial capacity
 - A) had almost caught Great Britain's.
 - B) dwarfed that of both Great Britain and Germany.
 - C) barely lagged behind Germany's.
 - D) did not match Japan's output.
2. In the 25 years after the Civil War, railroads
 - A) were the most corrupt business organizations in the United States.
 - B) spent most of their energies in building transcontinental lines.
 - C) barely kept pace with industrial advances.
 - D) were probably the most significant element in American economic development.
3. The emphasis in railroad construction after 1865 was on
 - A) organizing integrated systems.
 - B) building cheaper rolling stock.
 - C) eliminating unused feeder and trunk lines.
 - D) perfecting more efficient steam engines.
4. In the late nineteenth century, "Commodore" Cornelius Vanderbilt, Thomas Scott, and Jay Gould organized
 - A) complex, transcontinental railroad lines.
 - B) the radical reform movement.
 - C) the oil trust.
 - D) huge open-range cattle operations.
5. Following the Civil War, most southern railroad systems were
 - A) controlled by European investors.
 - B) unable to afford rolling stock or track maintenance.
 - C) financed by local capital.
 - D) controlled by northern capitalists.
6. American land-grant railroads in the late nineteenth century
 - A) seldom took advantage of their land rights.
 - B) found frontier settlement too sparse to justify railroad construction.
 - C) were often forced to return the land grants to state and federal governments.
 - D) sent agents overseas to recruit likely settlers and purchasers of railroad land.
7. After the railroads, the second most important development in America's industrial advance in the late 1800s was the transformation of
 - A) petroleum production.
 - B) iron manufacturing.
 - C) flour and other grain milling.
 - D) precision tool manufacturing.

8. The _____ process directed a stream of air into a mass of molten iron, burning off impurities, and greatly lowered the price of steel.
- A) Bessemer
 - B) Pullman
 - C) Birmingham
 - D) Westinghouse
9. The open-hearth method of making steel was superior in some ways to the Bessemer process because
- A) it was much faster.
 - B) it allowed larger quantities of ore in the furnace.
 - C) more quality control was possible.
 - D) it was cheaper.
10. Technological changes in the petroleum industry in the late nineteenth century
- A) were retarded by the monopolistic control exerted by John Davison Rockefeller.
 - B) had little impact compared to those in iron and steel.
 - C) occurred rapidly and put a premium on refining efficiency.
 - D) were slow in coming because there was a limited consumer demand for petroleum products.
11. Known as the "Wizard of Menlo Park," the inventor of the phonograph and the electric light bulb was
- A) Alexander Graham Bell.
 - B) Nikola Tesla.
 - C) George Westinghouse.
 - D) Thomas Alva Edison.
12. Alexander Graham Bell's interest in _____ led to the invention of the telephone.
- A) deaf education
 - B) gossip
 - C) music and recording
 - D) electric lights
13. What was the relationship between competition and monopoly in American industry during the late 1800s?
- A) Inflation combined with fierce competition to cause expansion leading to increased concentration
 - B) Deflation combined with fierce competition to cause expansion leading to decreased concentration
 - C) Inflation combined with absence of competition to cause expansion leading to decreased concentration
 - D) Deflation combined with fierce competition to cause expansion leading to increased concentration
14. From 1873 to 1893, the economy was characterized by
- A) significant government regulation.
 - B) declining productivity.
 - C) intense competition for markets.
 - D) strong inflationary trends.
15. Railroads commonly encouraged large shippers to use their lines by
- A) giving them rebates.
 - B) selling them stock below the market price.
 - C) providing them private cars.
 - D) refusing to carry goods except under specific contract.

16. As a result of the intense competition among railroads,
- A) the railroads were unstable financially and vulnerable to any downturn in the business cycle.
 - B) industrial decentralization was encouraged.
 - C) railroad rates dropped dramatically and uniformly on all lines.
 - D) costs for small shippers decreased more than they did for any other group.
17. The first giant corporations, capitalized in the hundreds of millions of dollars, were
- A) oil refineries.
 - B) steel corporations.
 - C) telegraph and telephone systems.
 - D) interregional railroad systems.
18. Andrew Carnegie dominated the _____ industry.
- A) railroad
 - B) donut
 - C) steel
 - D) petroleum
19. Andrew Carnegie was one of the first great tycoons to realize the importance of
- A) cultivating foreign markets.
 - B) owning retail chains.
 - C) developing technological improvements.
 - D) controlling the source of raw material.
20. When J. P. Morgan assembled United States Steel, he
- A) was blocked by the Sherman Antitrust Act.
 - B) reversed his earlier commitment to decentralization.
 - C) was sued under the Interstate Commerce Act.
 - D) formed the first billion-dollar corporation.
21. By the middle of the 1880s, _____ monopolized the oil industry in the United States.
- A) John Davison Rockefeller
 - B) J. P. Morgan
 - C) Harry Sinclair
 - D) Leland Stanford
22. John Davison Rockefeller's success was due primarily to his
- A) vast knowledge of petroleum technology.
 - B) refusal to compete unfairly.
 - C) perfection of the modern, moving assembly line.
 - D) talents as an organizer and his meticulous attention to detail.
23. The theory of evolution by natural selection, which helped Americans justify their exploitation of others, was the work of
- A) William Graham Sumner.
 - B) Charles Darwin.
 - C) Jean Lamarck.
 - D) Gregor Mendel.

24. The major development in retailing during this period was the
- A) invention of the franchise chain store.
 - B) growth of huge urban department stores.
 - C) development of national brand names.
 - D) growth of modern advertising on a nationwide scale.
25. In general, as industry expanded, Americans
- A) rejected any type of governmental regulation or interference.
 - B) were mostly unaware of economic regulations.
 - C) advocated against the free enterprise philosophy.
 - D) saw economic regulation as a way to release human energy and increase the area in which business could freely operate.
26. A prominent advocate of Social Darwinism, William Graham Sumner was identified with the phrase
- A) "the invisible hand."
 - B) "from each according to his ability, to each according to his needs."
 - C) "it's root, hog, or die."
 - D) "do unto others what you would have them do unto you."
27. Most Americans reacted to the growth of huge industrial and financial organizations and the increasing complexity of economic relations by
- A) praising them as results of the free market.
 - B) joining socialists in their demands for government ownership of basic industries.
 - C) fearing monopolistic power, yet being greedy for all the new goods and services.
 - D) doing nothing, since most Americans were unaware of the vast changes in the economy.
28. Generally speaking, the formation of monopolies during the 1870s caused a(n)
- A) decrease in chaos in those industries.
 - B) shortage of consumer goods.
 - C) drop in prices.
 - D) increase in competition in those industries.
29. Henry George, author of *Progress and Poverty*, advocated
- A) an active social-welfare system.
 - B) laissez-faire economics.
 - C) social Darwinism.
 - D) the "single tax."
30. Henry George, Edward Bellamy, and Henry Demarest Lloyd were all late 1800s
- A) oil industry executives.
 - B) railroad executives.
 - C) radical reformers.
 - D) inventors.
31. The novelist who described America evolving into an ideal socialist state was
- A) Henry George.
 - B) Henry Demarest Lloyd.
 - C) Stephen Crane.
 - D) Edward Bellamy.

32. Which of the following compared nineteenth-century society to a stagecoach in which the favored few rode in comfort while the masses pulled them along life's route?

- A) Henry Demarest Lloyd
- B) Andrew Carnegie
- C) Edward Bellamy
- D) Henry George

33. In *The Cooperative Commonwealth*, Laurence Gronlund

- A) defended the Granger Laws as the only means by which the family farm could be preserved.
- B) provided the first serious attempt to explain the ideas of Karl Marx to Americans.
- C) justified the mergers of gigantic corporations as the best way to increase harmony and efficiency.
- D) called for a "single tax" to eliminate the profits from land speculation.

34. The National Grange of the Patrons of Husbandry was founded in 1867 by

- A) Henry George.
- B) Daniel De Leon.
- C) James S. Hogg.
- D) Oliver H. Kelley.

35. Granger-controlled legislatures attempted to

- A) restore competition among farm machinery manufacturers.
- B) regulate railroad rates.
- C) prohibit corporate monopolies.
- D) subsidize farm prices.

36. The Supreme Court decision in the *Wabash* case concerned

- A) patent rights.
- B) corporation mergers.
- C) early railroad regulation.
- D) union rights.

37. The federal regulatory board, established in 1887 by Congress to supervise the affairs of railroads, investigate complaints, and issue "cease and desist" orders against railroads acting illegally, was the

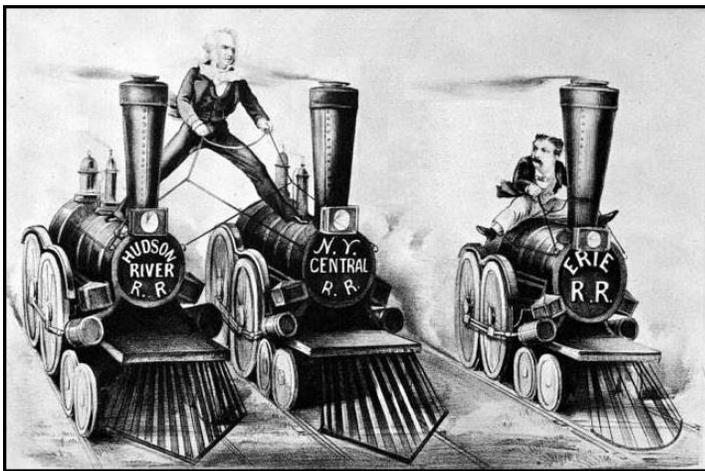
- A) Federal Railroad Commission.
- B) Interstate Commerce Commission.
- C) Federal Transportation Board.
- D) General Services Administration.

38. The creation of the Interstate Commerce Commission in 1887

- A) provided immediate relief for the farmer.
- B) challenged the philosophy of laissez-faire.
- C) was exactly what the railroads desired.
- D) failed so dramatically that the government abandoned this tactic.

39. In 1890, Congress tried to restore competition by outlawing the restraint of interstate trade by corporate monopolies with the _____ Act.
- A) Sherman Antitrust
 - B) Clayton
 - C) Pendleton
 - D) Hepburn
40. The Sherman Antitrust Act was drastically limited by the Supreme Court in
- A) the *Wabash* case.
 - B) *Munn v. Illinois*.
 - C) *Reagan v. Farmers' Loan & Trust Company*.
 - D) *United States v. E. C. Knight Company*.
41. The first union to welcome blacks, women, and immigrants into its ranks was the
- A) Knights of Labor.
 - B) National Labor Union.
 - C) American Federation of Labor.
 - D) Industrial Workers of the World.
42. As a result of the _____, membership in the Knights of Labor declined quickly because the public associated unions with violence and radicalism.
- A) Homestead Steel strike
 - B) Haymarket Square riot
 - C) Triangle Shirtwaist Factory fire
 - D) Pullman strike
43. Established in 1886, the _____ was the prime example of "bread and butter" unionism.
- A) National Labor Union
 - B) Knights of Labor
 - C) Socialist Labor Party
 - D) American Federation of Labor
44. The dramatic labor troubles of 1877 were
- A) centered in Pennsylvania's coal fields.
 - B) the result of significant gains in prosperity for business.
 - C) more violent and destructive than any previous strike in America.
 - D) the work of foreign labor agitators.
45. President Cleveland intervened in the Pullman strike on the pretext that
- A) the mail had to be delivered.
 - B) there was real danger of anarchy.
 - C) strike leaders were not representative of the union.
 - D) passenger traffic was completely disrupted.
46. In the late nineteenth century, wealth, power, and influence were
- A) available to anyone who worked hard and was honest.
 - B) increasingly concentrated among the largest financiers.
 - C) more evenly distributed than at any other previous time in American history.
 - D) increasing among farmers in the Great Plains.

47. As a result of the centralization and concentration of industry in the late nineteenth century,
- A) efficiency increased in industries which produced high-quality handmade goods.
 - B) general living standards declined.
 - C) efficiency increased in industries where close coordination of output, distribution, and sales was important.
 - D) large financial institutions' influence in the economy declined significantly.
48. In the late 1800s, the courts seemed most concerned with protecting
- A) civil rights.
 - B) rights of the nascent labor movement.
 - C) the common man.
 - D) interests of the rich and powerful.



49. The drawing above shows James Fisk, one of the leading railroad moguls during the late nineteenth century, atop the single Erie Railroad locomotive. The best guess about the identity of the other man is
- A) Leland Stanford.
 - B) Elisha Otis.
 - C) John Sherman.
 - D) Cornelius Vanderbilt.
50. The cartoon exemplifies all of the following values, dominant during the Age of Big Business, except
- A) technology and progress.
 - B) competition and success.
 - C) equality and cooperation.
 - D) profit and material wealth.