

Assignment for HIST202:

Readings - Henretta & Brody, *America Concise History*, Ch 17 pgs. 495-503

Section Review Questions – Ch 17 p.503 (3 questions total)

Map Skills – Danzer, *Maps in Context*: Sec 2 Worksheet 17

- Gospel of Success
 - Hebert Spencer
 - Social Darwinists
 - Ex. Rockefeller & Carnegie
 - Progress of society
 - Govt intervention
 - *McGuffey's Reader* for 2nd Graders (1853):
 - Accumulate wealth = natural, Christian, & progressive
 - Another important lesson:
 - Poor were poor
 - Rags-to-riches success stories
 - Vast majority
 - Ex. Log cabin myth
 - Experiences dramatized basic conflict

- RRs
 - US joined together
 - Almost all = privately financed
 - Competition = fierce & ruthless
 - RR barons
 - Ex. Jay Gould, Jim Fisk, & Daniel Drew
 - Ex. Cornelius Vanderbilt
 - Opened 1st Grand Central Terminal in NYC
 - Ex. Thomas A Scott
 - To attract freight = rebates
 - Where monopoly
 - Northern lines
 - Southern lines
 - Transcontinentals
 - Union Pacific & Central Pacific

- Both companies
 - @ Promontory Point
- 3 other transcontinentals
- Central Pacific
- Western Lines
 - Jay Gould
 - vs. Collis Huntington
 - Entire West Coast = private empire
- North West
 - Northern Pacific
 - Henry Villard
 - James J Hill
 - Great Northern
 - Aided by JP Morgan & Co.
 - Hill vs. Edward H Harriman

- Harriman aided by Kuhn, Loeb, & Co.
 - Allied w/ Standard Oil
- One of great financial contests of 20th century
- Northern Securities Company
 - *Northern Securities Co. v. US.*
 - Anti-Trust Act (1890)
- Loved RR, but hated RR management
- Heavy Industry
 - John D. Rockefeller & Andrew Carnegie
 - Standard Oil & Carnegie Steel = **models**
 - Rockefeller
 - “*Cutthroat competition*”
 - Demanded RRs grant lower freight rates
 - Rebates
 - Stabilized industry

- Carnegie
 - Adopted Bessemer process
 - Ability as salesman
 - Better grasp of management
 - Bought up resources
 - Invested in ships & RR cars
- Rockefeller & Carnegie competed in philanthropy
- Conglomeration: Panics, Trusts, & Banks
 - By 1860
 - By 1890
 - No one questioned “the system”
 - Depressions seen as errors in judgment
 - Presented opportunities
 - Panic of 1873
 - Began on Sept 8
 - NY Warehouse & Securities Co.
 - Jay Cooke & Co.
 - Sept 20

- By 1877
- Industrial giants did well

— Trusts & Pools

- Call for industrial efficiency
- Interchangeable parts
- Continuous-flow
- There was catch:
- *Pools*
- *Trusts*
- *Cartels*
- Sherman Anti-Trust of 1890

— Panic of 1893

- Philadelphia & Reading RR
- Morgan & few others

— RR finance

- New combines
- John Moody, *The Truth About the Trusts*
- Bankers' power spread to big business
- Close alliance w/, other sources of capital
- *Conglomerates*