

APUSH TERMS 596-630

596. Benjamin Harrison (1833-1901), Billion Dollar Congress, Czar Reed

Harrison: Republican, ran against Cleveland, became the 23rd president. Billion Dollar Congress: The first session where Congress spent over \$1 billion. Czar Reed: The nickname of Thomas Braket, Speaker of the House 1889-1891. He tried to increase the power of the Speaker.

597. Morgan bond transaction

John Pierpont Morgan took over the Susquehanna and Albany railroads. He won the confidence of European investors and used them for investment capital. He then took over steel companies and bought Carnegie's interests in steel. This was the largest personal financial transaction in U.S. history. Morgan combined the companies to form the U.S. Steel Company, the world's first billion dollar corporation. Eased the Panic of 1873.

598. Wilson - Gorman Tariff

Meant to be a reduction of the McKinley Tariff, it would have created a graduated income tax, which was ruled unconstitutional.

599. *Pollock v. Farmer's Loan and Trust Company*, 1895

The court ruled the income could not be taxed. In response, Congress passed the 16th Amendment which specifically allows taxation of income (ratified 1913).

600. Dingley Tariff

Passed in 1897, the highest protective tariff in U.S. history with an average duty of 57%. It replaced the Wilson - Gorman Tariff, and was replaced by the Payne - Aldrich Tariff in 1909. It was pushed through by big Northern industries and businesses.

601. Laissez-faire

A theory that the economy does better without government intervention in business.

602. Adam Smith, *The Wealth of Nations*

Promoted laissez-faire, free-market economy, and supply-and-demand economics.

603. Union Pacific Railroad, Central Pacific Railroad

Union Pacific: Began in Omaha in 1865 and went west. Central Pacific: Went east from Sacramento and met the Union Pacific Railroad at Promontory Point, Utah on May 10, 1869, where the golden spike ceremony was held. Transcontinental railroad overcharged the federal government and used substandard materials.

604. "Credit Mobilier"

A construction company owned by the larger stockholders of the Union Pacific Railroad. After Union Pacific received the government contract to build the transcontinental railroad, it "hired" Credit Mobilier to do the actual construction, charging the federal government nearly twice the actual cost of the project. When the scheme was discovered, the company tried to bribe Congress with gifts of stock to stop the investigation. This precipitated the biggest bribery scandal in U.S. history, and led to greater public awareness of government corruption.

605. "Robber Barons"

The owners of big businesses who made large amounts of money by cheating the federal government.

606. John D. Rockefeller

Joined his brother William in the formation of the Standard Oil Company in 1870 and became very wealthy.

607. Standard Oil Company

Founded by John D. Rockefeller. Largest unit in the American oil industry in 1881. Known as A.D. Trust, it was outlawed by the Supreme Court of Ohio in 1899. Replaced by the Standard Oil Company of New Jersey.

608. Horizontal consolidation

A form of monopoly that occurs when one person or company gains control of one aspect of an entire industry or manufacturing process, such as a monopoly on auto assembly lines or on coal mining, for example.

609. Andrew Carnegie

Business tycoons, he made his money in the steel industry. Philanthropists.

610. Vertical consolidation

A form of monopoly that occurs when one person or company gains control of every step of the manufacturing process for a single product, such as an auto maker that also owns its own steel mills, rubber plantations, and other companies that supply its parts. This allows the company to lower its costs of production and drive its competition out of business.

611. Thomas A. Edison

One of the most prolific inventors in U.S. history. He invented the phonograph, light bulb, electric battery, mimeograph and moving picture.

612. Alexander Graham Bell

1876 - Invented the telephone.

613. Leland Stanford (1824-1893)

Multimillionaire railroad builder, he founded Stanford University in memory of his only son, who died young. He founded the Central Pacific Railroad.

614. Cornelius Vanderbilt, New York Central Railroad

A railroad baron, he controlled the New York Central Railroad.

615. Bessemer process

Bessemer invented a process for removing air pockets from iron, and thus allowed steel to be made. This made skyscrapers possible, advances in shipbuilding, construction, etc.

616. Pierpont Morgan

Financier who arranged the merger which created the U.S. Steel Corporation, the world's first

billion dollar corporation. Everyone involved in the merger became rich. (Vertical consolidation).

617. Gustavus Swift

In the 1800s he enlarged fresh meat markets through branch slaughterhouses and refrigeration. He monopolized the meat industry.

618. Phillip Armour (1832-1901)

Pioneered the shipping of hogs to Chicago for slaughter, canning, and exporting of meat.

619. James B. Duke

Made tobacco a profitable crop in the modern South, he was a wealthy tobacco industrialist.

620. Andrew Mellon (1855-1937)

One of the wealthiest bankers of his day, and along with other business tycoons, controlled Congress.

621. "Stock watering"

Price manipulation by strategic stock brokers of the late 1800s. The term for selling more stock than they actually owned in order to lower prices, then buying it back.

622. Jay Cooke Company

The Panic of 1873 was caused by the failure of this company, which had invested too heavily in railroads and lost money when the railroads cheated the federal government.

623. Pools

Agreement between railroads to divide competition. Equalization was achieved by dividing traffic.

624. Rebates

Developed in the 1880s, a practice by which railroads would give money back to its favored customers, rather than charging them lower prices, so that it could appear to be charging a flat rate for everyone.

625. Trusts

Firms or corporations that combine for the purpose of reducing competition and controlling prices (establishing a monopoly). There are anti-trust laws to prevent these monopolies.

626. Holding companies

Companies that hold a majority of another company's stock in order to control the management of that company. Can be used to establish a monopoly.

627. Fourteenth Amendment's "Due Process Clause"

No state shall deny a person life, liberty, or property without due process of law. (The accused must have a trial.)

628. *Wabash, St. Louis and Pacific Railroad Company v. Illinois*

1886 - Stated that individual states could control trade in their states, but could not regulate railroads coming through them. Congress had exclusive jurisdiction over interstate commerce.

629. Interstate Commerce Act, Interstate Commerce Commission

A five member board that monitors the business operation of carriers transporting goods and people between states.

630. Long haul, short haul

Different railroad companies charged separate rates for hauling goods a long or short distance. The Interstate Commerce Act made it illegal to charge more per mile for a short haul than a long one.