**Chapter 16 - Railroads and Economic Change**

1. Before the nation's first transcontinental railroad was completed, travelers to the West Coast used which forms of transportation?

a. clipper ship

b. wagon

c. mule

d. dugout canoe

e. All of the above are correct.

2. The joining of the eastern and western sections of nation’s first transcontinental railroad was commemorated with the driving of the last spike on May 10, 1869

a. in Salt Lake City.

b. in Washington, D.C.

c. at Promontory Point.

d. on the rim of the Grand Canyon.

3. The Willie and Martin Companies were

a. two groups of Mormon “handcarters” who were stranded when early winter storms interrupted their migration.

b. two work teams that were instrumental in completing the first transcontinental railroad.

c. the northern and southern branches, respectively, of the Granger organization.

d. two railroad construction companies that were found to have “insiders” on the boards of railroad companies with which they contracted.

4. Between 1864 and 1900, the largest portion of railroad track (as a percentage of total annual construction) was laid in which region of the U.S.?

a. the Southeast

b. the Northeast

c. the Pacific Northwest

d. the Great Plains region

5. In the late 19th century, the chief railroad terminus was

a. New York.

b. Chicago.

c. New Orleans.

d. St. Louis.

6. During the last part of the 19th century, which factor contributed to the lag in railroad construction in the Southeast and Southwest?

a. sparseness of population

b. war-induced poverty

c. costal shipping

d. All of the above are correct.

e. Only b and c are correct.

7. Each of the three major waves in 19th-century railroad construction ended due to

a. a major financial crisis in the U.S.

b. the involvement of the U.S. in a military conflict.

c. labor unrest that led to work stoppages.

d. shortages of iron.

8. The sustained productivity growth of railroads occurred primarily because of:

a. increased economies of scale.

b. more powerful locomotives and more efficient freight cars.

c. stronger steel rails.

d. the advent of refrigerator cars.

9. Gains in railroad productivity were caused by

a. more powerful locomotives.

b. automatic couplers.

c. air brakes.

d. All of the above are correct.

e. Only a and b are correct.

10. Which of the following was *not* used to subsidize railroad companies and their building of railroads?

a. Loans from the U.S. government

b. Reduced corporate income taxes

c. Land grants - t he most significant kind of federal subsidy

d. Direct payments based on the number of miles of tracks laid

11. From 1860 to 1910, miles of railroad track in operation increased from roughly \_\_\_\_ miles to \_\_\_\_\_ miles.

a. 1,000; 75,000

b. 10,000; 50,000

c. 30,000; 250,000

d. 75,000; 500,000

12. The federal government granted 200 million acres of land to railroads. Which of the following statements presents accurate information about these land grants?

a. The railroads were required to return 1/3 of the profits from the sale of this land to the federal government.

b. The alternate section provision allowed state governments to purchase portions of the land grants from the railroads at reduced prices.

c. The federal government incurred huge revenue losses under the land grant program.

d. Congress required railroad companies that received land grants to transport mail, troops and government property at reduced rates.

13. Modern investment banking houses emerged in the U.S. in the 19th century to assist in financing

a. railroad construction.

b. mail-order houses.

c. large corporations producing iron and steel.

d. the textile industry.

14. Types of price discrimination practiced by post-bellum railroads included all of the following except:

a. varied rates based on passenger’s gender.

b. varied rates based on town of origin.

c. higher rates per mile for short-hauls than for long-hauls.

d. higher rates per ton for manufactured goods than for raw materials.

15. In the 1870s, excess capacity in the railroad industry led to

a. rates wars.

b. the formation of regional federations to pool traffic or profits.

c. price-fixing.

d. hidden rate-cutting through rebates.

e. All of the above.

16. The Grangers, an agrarian society, would *most* likely support which policy?

a. Price controls on grain operators

b. Price deflation

c. A strong commitment to backing currency only with gold

d. Federal government aid to railroads

17. "Granger laws" were early efforts by states to regulate the railroads and were

a. were severely limited in scope through litigation.

b. generally outlawed both place and person discrimination.

c. established commissions with the power to investigate complaints.

d. All of the above are correct.

e. Only a and b are correct.

18. In *Munn v. Illinois* (1877), the Supreme Court held that

a. state laws limiting prices charged by grain elevators were a violation of the Fifth Amendment.

b. grain elevator and freight prices could only be regulated by the federal government.

c. states have a right to regulate businesses within the state that are “clothed with a public interest.”

d. organizations like the Grangers violated federal conspiracy laws.

19. In the *Wabash* case (1886), the Supreme Court held that

a. states cannot enact laws that interfere with interstate commerce.

b. states could restrict price-discrimination based on person, but not price-discrimination based on place.

c. states could regulate railroad rates on long-hauls, but not rates on short-hauls.

d. held that railroad practices could not be regulated by any federal or state governing body.

20. The first independent federal regulatory agency was

a. Interstate Commerce Commission.

b. Federal Trade Commission.

c. Federal Bureau of Alcohol, Tobacco, and Fire Arms.

d. United States Fair Trade Commission.

21. The Elkins Act of 1903

a. outlawed any departure from a published shipping rate.

b. authorized the courts to enjoin railroads from unlawfully discriminating.

c. made the receiver of a rebate guilty of violating the law.

d. probably reflected the wishes of a large majority of railroad companies.

e. All of the above.

22. The best description of the economic benefits of the railroads (RRs) is:

a. RRs saved about 3 percent of GNP over what it would have cost to ship goods and people by alternative methods.

b. U.S. GNP was reached about 20 years earlier with RRs than it would have been reached had RRs not been developed.

c. U.S. GNP was reached about 40 years earlier with RRs than it would have been reached had RRs not been developed.

d. Alternative forms of transport could have shipped goods and people for the same cost or less than the RRs did, and therefore, RRs generated no extra economic growth.

23. Robert Fogel’s estimate of the total benefits of the railroad in the transport of agricultural products, nonagricultural products, and passenger service is \_\_\_\_\_ percent of GNP in 1890.

a. about 5

b. about 40

c. about 80

d. about 120