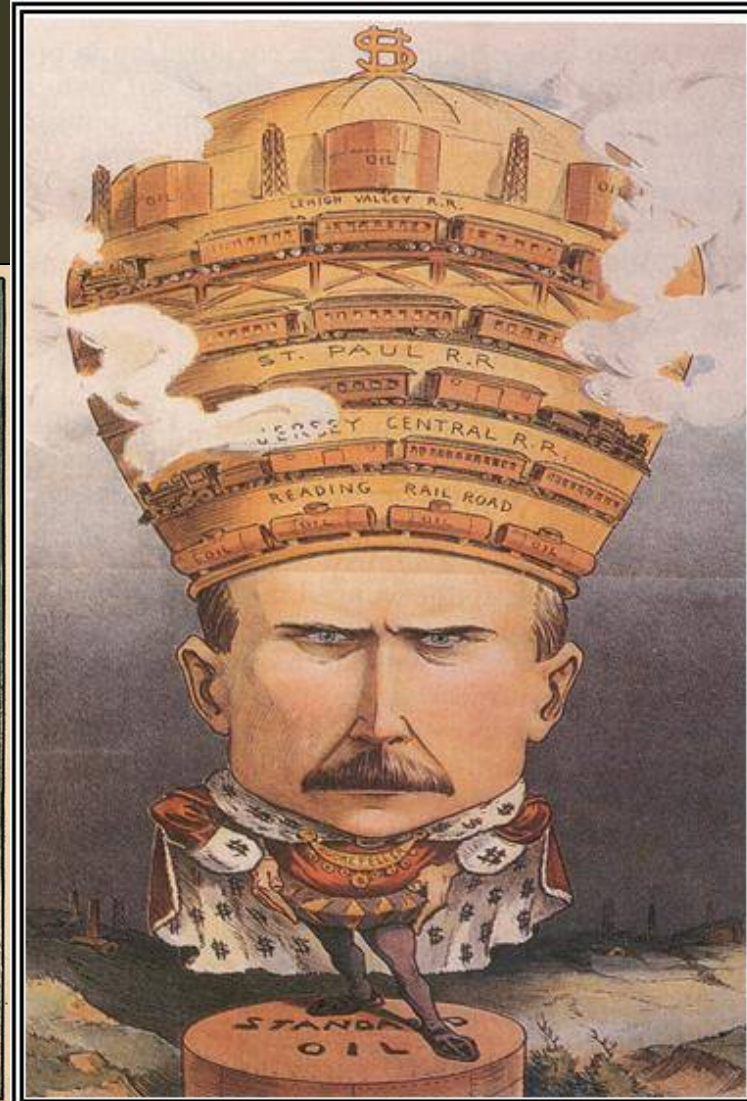
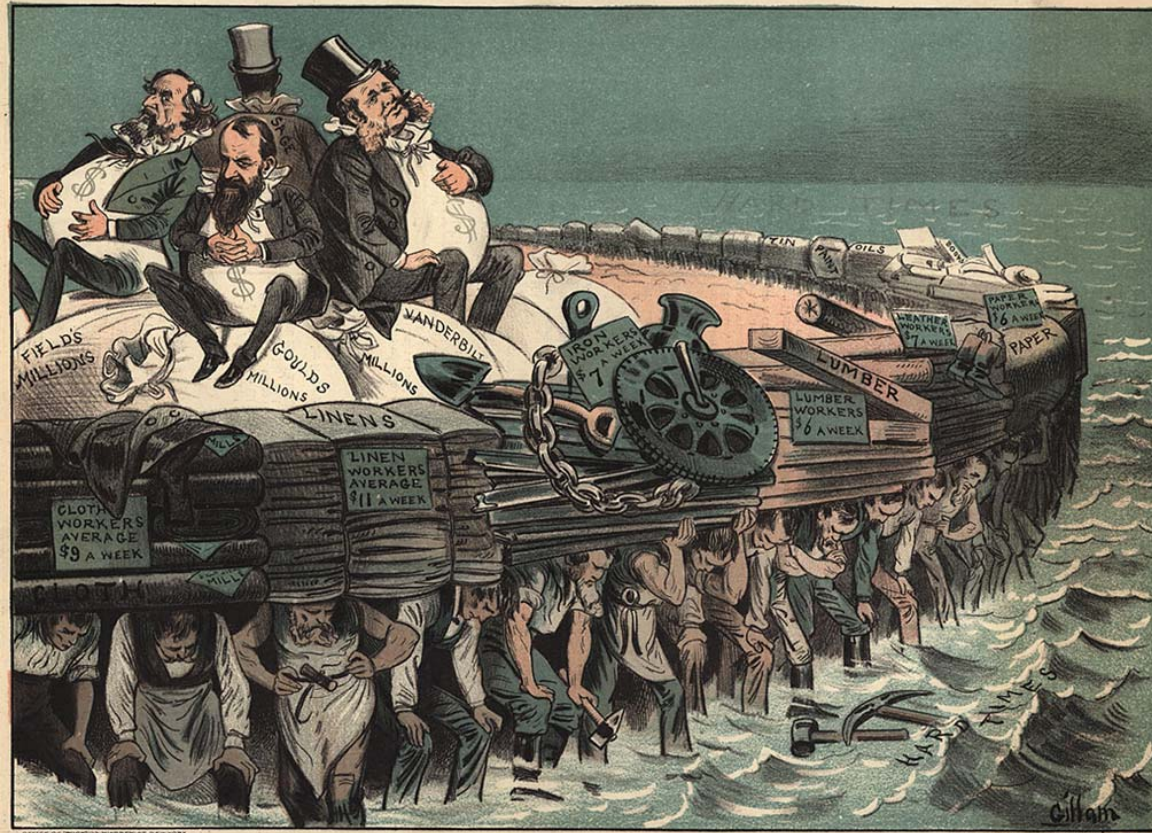


Industry Comes of Age

1865-1900

Chapter 24



Iron Colt Becomes an Iron Horse

- Railroad companies given land incentives to build tracks (20 sq miles for each mile of track)
 - Huge gains for companies (larger than Texas)
 - \$16,000-\$48,000 per mile as well
- 1st millionaires



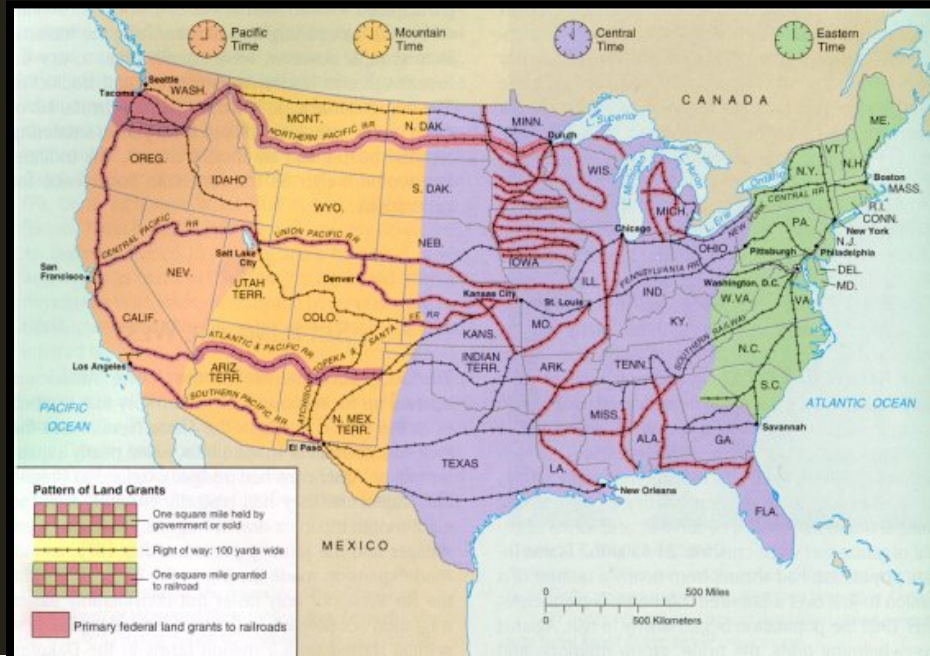
Spanning the Continent with Rails

- Transcontinental Railroad
 - Union Pacific - west from Nebraska
 - Irish workers
 - Credit Mobilier scandal
 - Central Pacific – east from CA
 - Chinese workers
 - Big Four (Stanford, Huntington)



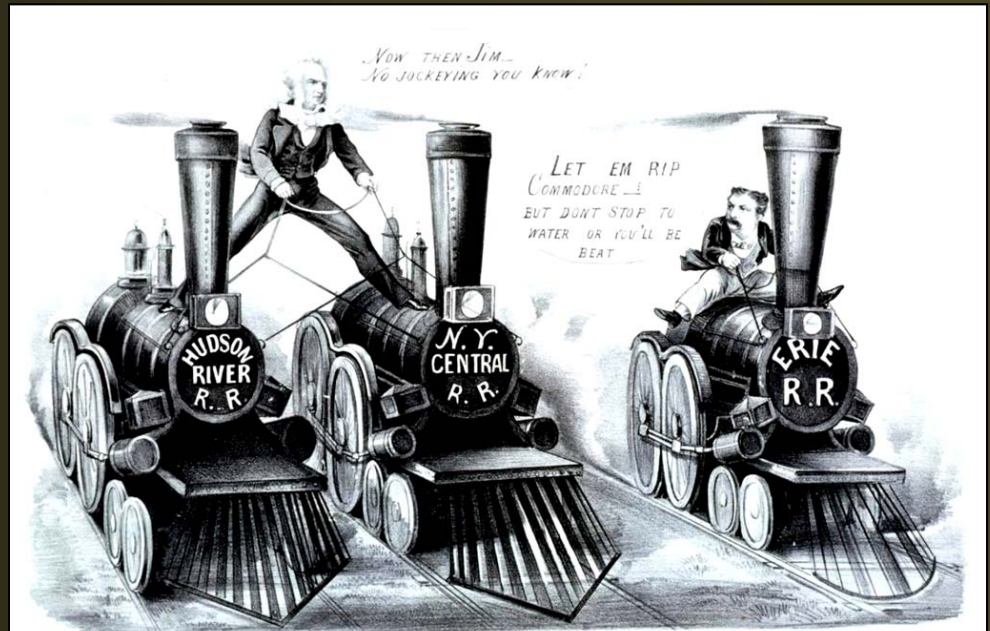
Revolution by Railways

- Allow for speedy transportation of goods
- Changed landscape of country
 - Farming & people followed tracks
- Railroad institutes time zones & “standard” time



Wrongdoing in Railroading

- Massive corruption
 - “Stock watering”
 - Over-inflating stocks to reap huge profits from sales
 - Bribed & bought judges, gov’t, etc.
 - Banded together



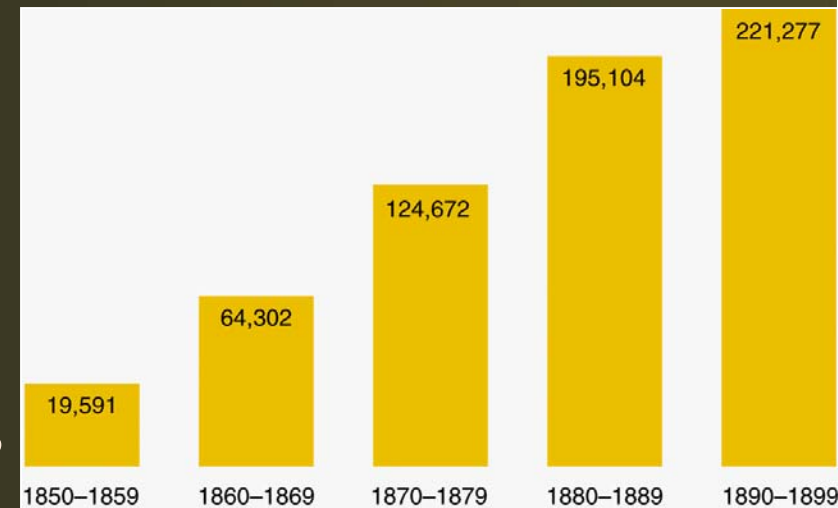
THE GREAT RACE FOR THE WESTERN STAKES 1870

Government Bridles the Iron Horse

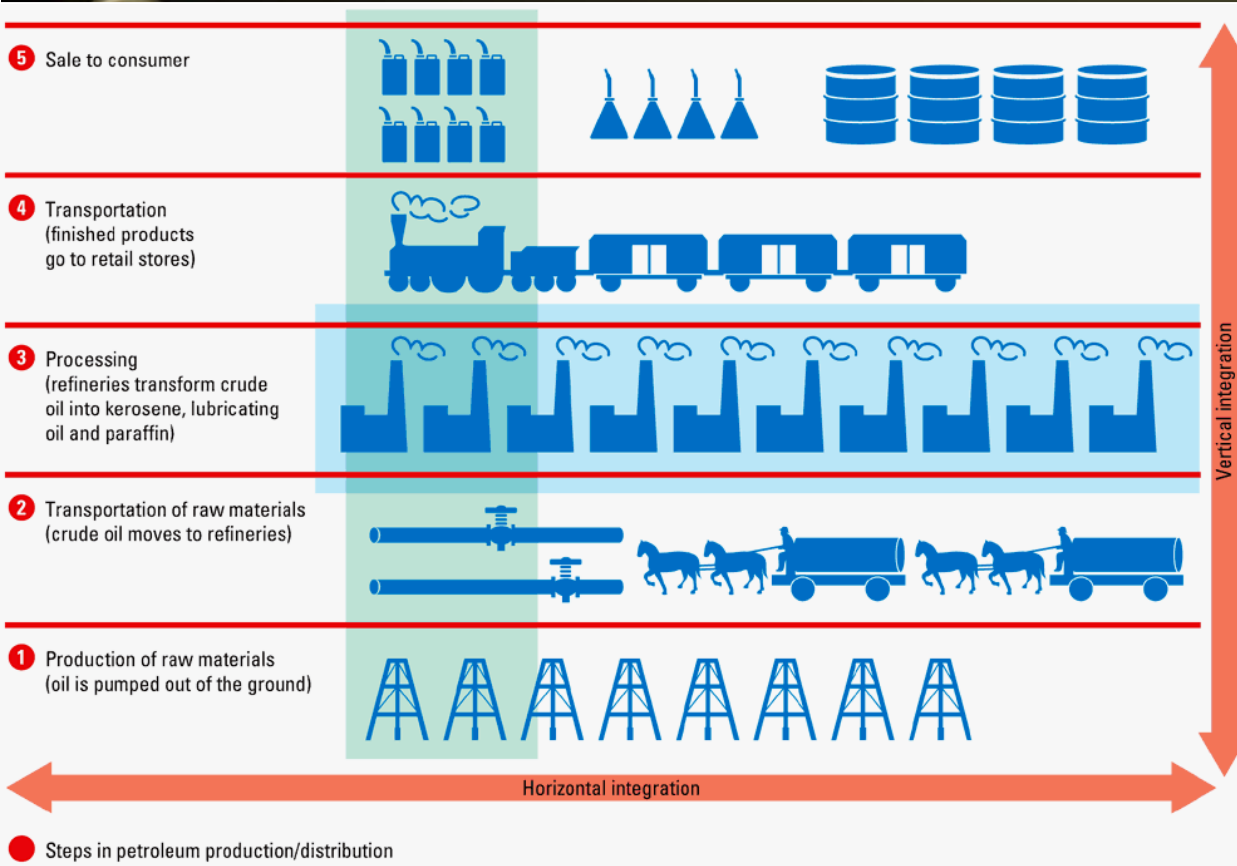
- Midwest leads push to regulate railroad
 - *Wabash, St. Louis & Pacific Railroad Company v. Illinois*
 - SC rules states cannot regulate interstate commerce
- Interstate Commerce Act – 1887 (Fails)
 - Seeks to regulate commerce, establishes ICC

Miracles of Mechanization

- Industry thrives
- Private not public money
- Captains of Industry
 - Owners and entrepreneurs
- New inventions & patents
 - Alexander Graham Bell, Thomas Edison, etc.



Trust Titan Emerges



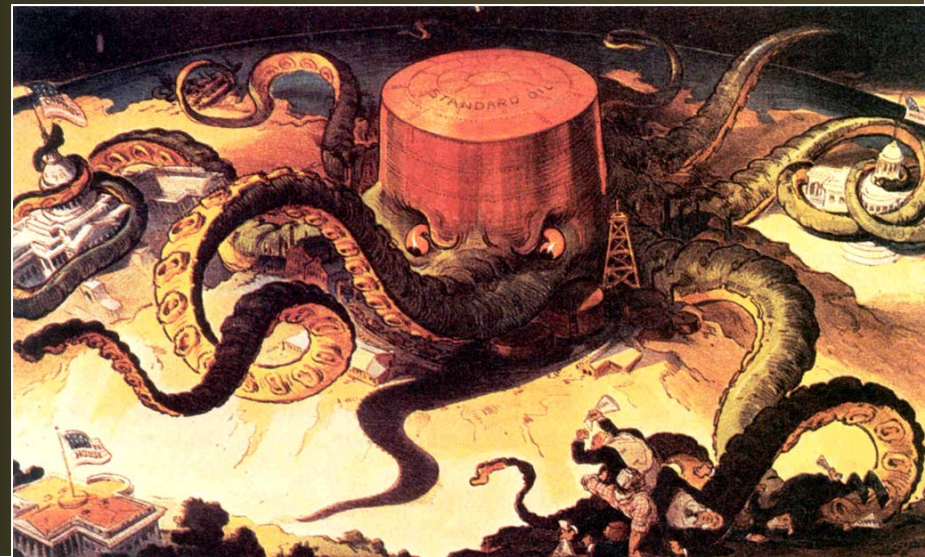
- Vertical Integration
 - Carnegie Steel
 - Company owns all phases of production
- Horizontal Integration – Rockefeller Oil
 - Monopolize a given market
- Interlocking Directorates – JP Morgan
 - Consolidate rival companies & control boards

Supremacy of Steel & Carnegie & Other Sultans of Steel

- Bessemer Process
 - “Steel is King!”
- Andrew Carnegie sells to JP Morgan for \$400 million
 - 1901 – Valued at \$1.5 billion

Rockefeller Grows an American Beauty Rose

- Automobile increases need for oil
- Rockefeller controls 85% of U.S. oil (Standard Oil)
- Laissez-faire policies lead to growth of business “trusts” & economic domination



Gospel of Wealth

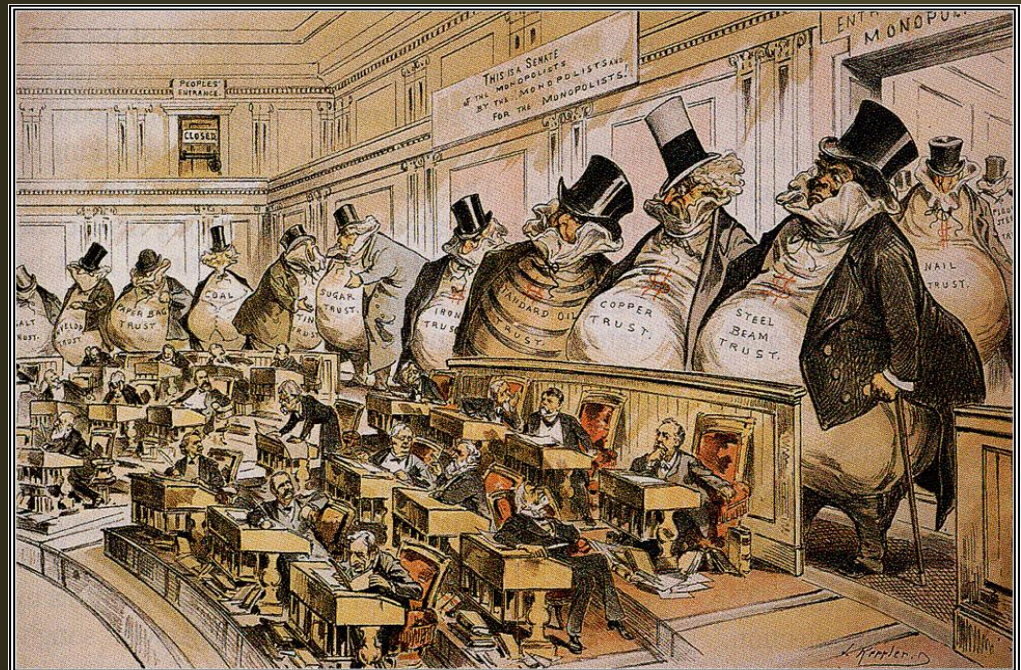
- Constitution & laws initially protect businesses
- Labeled “Robber Barons” by society



HISTORY REPEATS ITSELF.—THE ROBBER BARONS OF THE MIDDLE AGES, AND THE ROBBER BARONS OF TO-DAY.

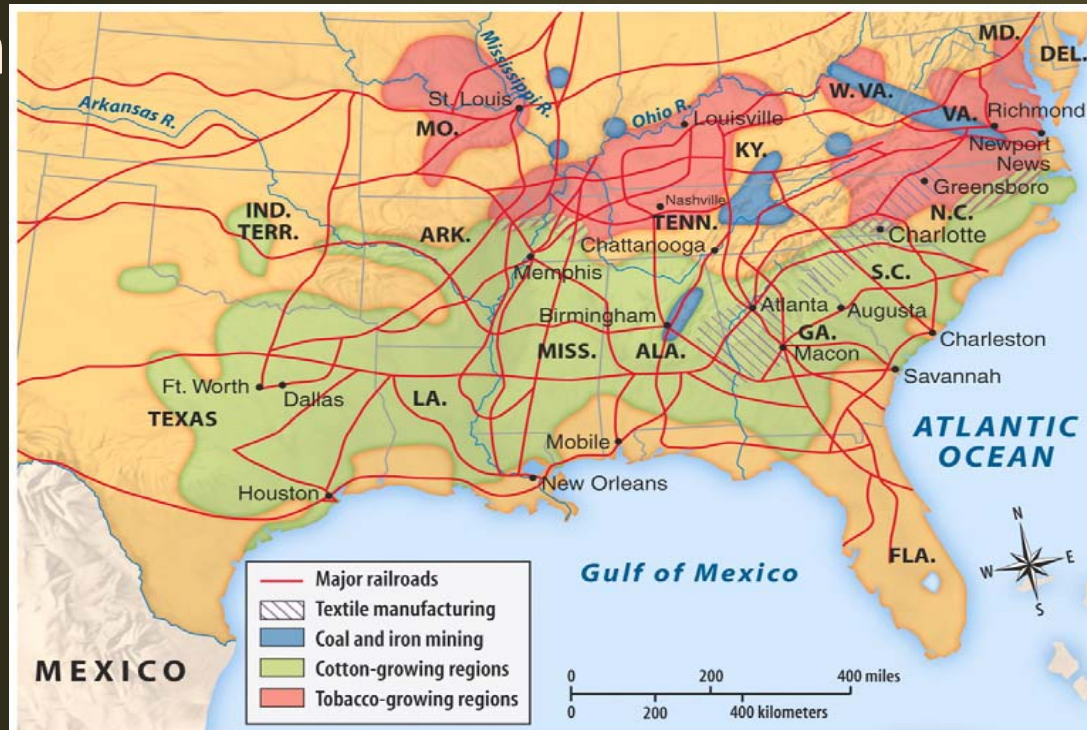
Government Tackles the Trust Evil

- Interstate Commerce Act of 1887
- Sherman Anti-Trust Act of 1890
 - Loopholes & weakness actually protect businesses & lead to rise in trusts
 - Hurt labor unions



South in the Age of Industry

- Lower railroad rates for goods going South
- Cigarettes = Growth of tobacco industry
- New cotton mills in South = cheap labor and stunting of growth
 - Paid 1/2



● Impact of New Industrial Revolution on America

- Industry sets pace of life
- Women enter workforce in large numbers
- Heightened class division
- Farmers become wage earners
- U.S. dominates foreign markets

In Unions There is Strength

- Methods for controlling workers
 - Lockout
 - Hire strikebreakers and thugs
 - Contracts
 - Black list
 - Debt
- Unions are initially weak
- Unions accused of spreading socialism and anarchy

Labor Limps Along & Unhorsing the Knights of Labor

- National Labor Union & Knights of Labor attempt to unite all under one union
 - Successful early strikes draw strength
 - Failed May Day strikes prove opposite
 - Haymarket Square Bombs destroy reputation



LABOR STRIKES, 1870–1890

AF of L to the Fore

- American Federation of Labor
- Proposed closed shops
- More successful

