Chapter 24 - Industry Comes Of Age (1865-1900)

1. The Iron Colt Becomes The Iron Horse

. When Lincoln was shot in 1865 there was only 35,000 miles of stream   
railways in the United States. By 1900 there were 192,556 miles.  
·Transcontinental railroad building was very costly and risky; the   
government gave railroad companies loans  
2. Frontier settlements touched with railroads became flourishing cities,   
cities that were bypassed withered to ghost towns  
· Towns fought for host privileges

1. Spanning The Continent With Rails  
   1. When the South seceded the union wanted to bind the pacific coast  
   · The Union Pacific Railroad was commissioned by congress.  
   2. The construction companies made fabulous profits; they used construction   
   gangs containing many Irish "paddies"  
   3. When Indians would attack to defend their lands; the paddies would grab   
   their rifles  
   4. On the California end the Central Pacific Railroad was in charge of   
   working Eastward  
   · They used Chinese laborers and had a hard time chipping through Sierra   
   Nevada  
   5. A wedding of the rails was consummated near Ogden, Utah. The Union   
   Pacific built 1,086 miles; the Central Pacific 689 miles  
   6. Completion of the transcontinental line was one of America's most   
   impressive peacetime undertakings. It facilitated trade, penetrated through   
   deserts and linked the nation.
2. Binding The Country With Railroad Ties  
   1. Four other railroads were completed by the century's end:  
   · North Pacific (1883) - from lake Superior to Puget Sound  
   · The Atchison, Topeka, and Santa Fe (1884) - Through deserts to   
   California  
   · The Southern Pacific (1884) - New Orleans to San Francisco  
   · The Great Northern - from Duluth to Seattle  
   2. Some railroad companies bankrupt in post-Civil War decades
3. Railroad Consolidation And Mechanization  
   1. "Commodore" Cornelius Vanderbilt offered superior, cheaper railway   
   services and became rich.  
   2. The steel rail was a new improvement, tougher than the iron rails, safer   
   and more economical because it could carry heavier load  
   · Standard track gauge came into use, eliminated inconveniences;   
   Westinghouse air brake contributed to efficiency and safety.
4. Revolution By Railways  
   1. For the first time the nation became untied with ribs of iron and steel,   
   railroads emerged as the nation's biggest business. The railroad had an amazing   
   economic growth, trains hauled raw materials to factories and then back as   
   finished goods  
   2. Railroads simulated immigration by offering land  
   3. Railroads helped regulate time, until the 1880's every town had its own   
   local time, dictated by the sun. It was a nightmare for figuring out schedules   
   thus on November 18, 1883 railroad lines decided that the continent would be   
   divided into 4 "time zones".
5. Wrongdoing In Railroading  
   1. Corruption lurked nearby the fortune made by the railroads; one of the   
   favorite devices of corruption was "stock watering" - where stock promoters   
   inflated claims about a line's assets and sold more stocks than the railroad's   
   actual value.  
   2. The railroaders abused the public and bribed judges and legislatures   
   when breaking the law. The railroad kings were virtual industry monarchs.   
   Eventually the companies allied together in dependence of their profits.
6. Government Bridles The Iron Horse  
   1. Farmers wondered if America has escaped slavery only to fall into   
   economic injustice. The depression of 1870 led people to protest the railroad   
   monopoly.  
   2. The Supreme Court decreed that individual states had no power to   
   regulate interstate commerce. If the mechanical monsters were to be stopped, it   
   was up to the federal government  
   3. Congress passed the Commerce Commission - forbade unfair behaviors and   
   promoted orderly forums  
   · 1st large scale attempt by Washington to regulate hustlers in the   
   interest of society at large.
7. Miracles Of Mechanization  
   1. Post-war industrial expansion grew and America ranked 1st in   
   mechanization by 1894.  
   2. The term millionaire coined for the first time in 1840's. The civil war,   
   though profiteering created fortunes. Investors loaned more money than the U.S.  
   3. Innovations in transportation fueled growth too, by bringing the   
   nation's natural resources to the factory door.  
   4. Anyone who could make an appealing new product available for good price   
   in large quantities and could market it, thrived. Machines made it possible to   
   replace skilled workers with masses of immigrants working 12 hour shifts, 7 days   
   a week.  
   5. Thomas Edison, a great inventor, best known for the light bulb.
8. The Trust Titan Emerges  
   1. Competition was the driving force of most business leaders. Carnegie -   
   The Steel King - pioneered the tactic of vertical integration: combining into   
   one organization, all phases of manufacturing. Helped control quality.   
   Horizontal integration: allying with competitors to monopolize a given market.  
   2. Interlocking directorates - placing his own officers on other's boards   
   of directors.
9. The Supremacy Of Steel  
   1. Steel was a scarce commodity in the America of Lincoln and was   
   expensive; was used for cutlery. Within 20 years America started pouring out   
   more steel.  
   2. What caused the transformation? A new method of making cheaper steel -   
   the Bessemer Process.
10. Carnegie And The Sultans Of Steel  
    1. Andrew Carnegie worked hard from a young age, he surrounded himself with   
    influential people and then became rich and involved with steel.  
    2. J. Pierpont Morgan, another financial giant, also was involved in steel   
    business.   
      
    3. Carnegie sold his industry to Morgan for 400 million. He gave away about   
    350 million to giants or libraries. Morgan's new company was America's 1st   
    billion dollar corporation.
11. Rockefeller Grows An American Beauty Rose  
    1. The oil industry grew almost overnight.  
    · Kerosene - 1st major product, made fire burn brighter than whale oil.  
    · Whaling became a sick industry while oil rose  
    2. Eventually the light bulb diminished the market for kerosene but with   
    the invention of the automobile, oil for gas shot up  
    3. John D. Rockefeller came to dominate the oil industry. He became a   
    successful businessman at 19. He was aggressive and extinguished other   
    companies.  
    4. New trusts for every industry were sprouting up and the "new rich" were   
    elbowing aside the aristocracy.
12. The Gospel Of Wealth  
    1. "Godliness is in league with riches" preached a bishop of Massachusetts.   
    They thought that millionaires are a product of natural selection. Poor people   
    were only poor because they didn't try hard enough.  
    2. Trusts sought refuge behind the 14th amendment. Courts interpreted   
    corporations to be a legal "person" and couldn't be deprived of rights.
13. Government Tackles The Trust Evil  
    1. Sherman Anti-Trust Act of 1890 forbade combination in restraint of trade   
    without distinguishing "good" trusts from "bad." Not very effective and had lots   
    of loop holes until 1914.
14. The South In The Age Of Industry  
    1. The North's increase in industry after the civil war was not shared by   
    the south.  
    2. The South received a welcome boost when machine made cigarettes shot up   
    tobacco consumption. James Buchanan Duke absorbed his main competitors into the   
    American Tobacco Company.  
    3. Industrialists tried coaxing the South into the factories but they had   
    obstacles that kept them from it. The South did have cotton and textile mills   
    which was a mixed blessing. The southern workers were paid half what the   
    northerners were but it provided the first steady jobs and wages.
15. The Impact Of The Industrial Revolution On America  
    1. The standard of living rose sharply and Americans enjoyed more physical   
    comforts than their counterparts in another industrial nation.  
    2. Older way of life changed. Rural immigrants used to living by nature had   
    to adapt to factory whistles.  
    3. Women were profoundly affected by the new industrial age. They were   
    introduced to the age with the typewriters and telephone switchboard, a new   
    image of an independent and athletic girl came out.  
    4. The machine age also accentuated class driven. By 1900 1 of 10 people   
    owned 90% of the nation's wealth.  
    5. By the 1900's 2/3 workers depended on wages and the economy's swing or   
    worker's illness could mean disaster for the whole family. International trade   
    was becoming faster, cheaper, and easier.
16. In Unions There Is Strength  
    1. Individual originality and creativity were stiffed when it came to the   
    workers.  
    2. New machines displayed employees in the short run.  
    3. Railroads let bosses bring in laborers that would work cheaper from all   
    over the country.  
    4. The workers didn't have much power to battle against giant industry.   
    Middle class annoyed by constant strikes grew deaf to the outcries.
17. Labor Limps Along  
    1. Labor unions were given a strong boost by civil war because human lives   
    and labor was valued after the drain on human resources.  
    2. The National Labor Union, 1866, represented a great change. It claimed   
    to unify workers across locals and trades to challenge their bosses. It lasted 6   
    years with 600,000 members but it was the 1870's depression knocked the union   
    out.  
    3. Knights of Labor began inauspiciously in 1869 as a secret society with a   
    private ritual, passwords and special handshakes. It was sought to include all   
    workers in "one big union." They wanted reform and membership was 3/4 million   
    workers.
18. Unhorsing the Knights of Labor  
    1. The knights eventually fell because of a run-in with anarchists where a   
    bomb went off in Chicago – a.k.a. The Haymarket Square episode.  
    2. They lost their skilled members and they ended dwindling to 100,000   
    members.
19. The AF of L to the Fore  
    1. The elitist American Federation of Labor, 1886, only for skilled   
    laborers, mainly ran by Samuel Gompers. He didn't like socialism and demanded   
    fairer share of labor. He sought better wages and working conditions.  
    2. Public eventually gave in to workers rights and made a legal holiday.