

The Iron Colt Becomes an Iron Horse

- Railroad expansion
- Government subsidies



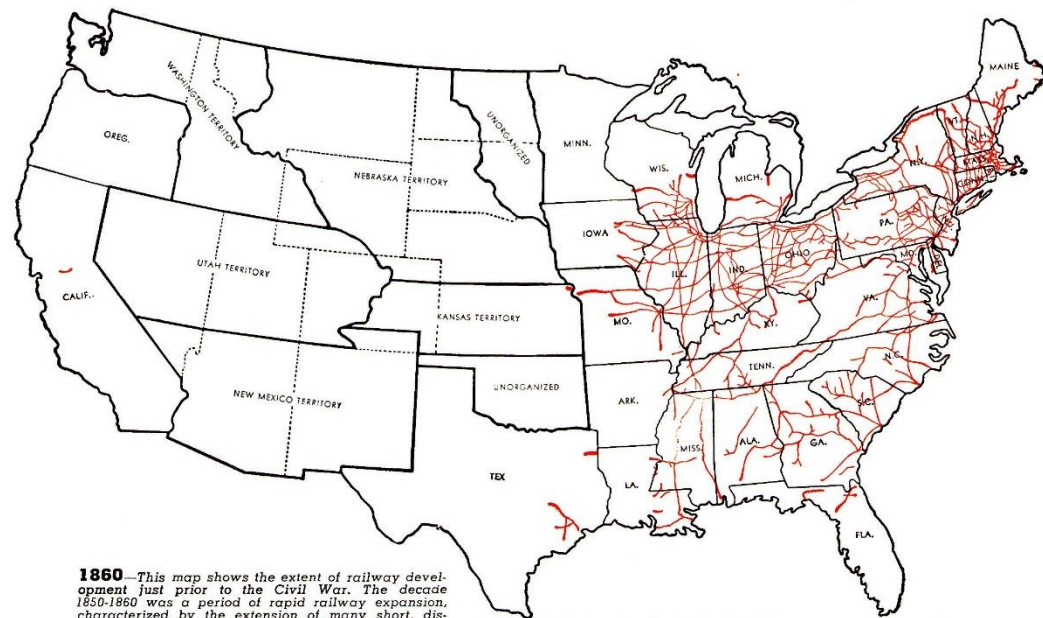
American Railroads

• C • 1860

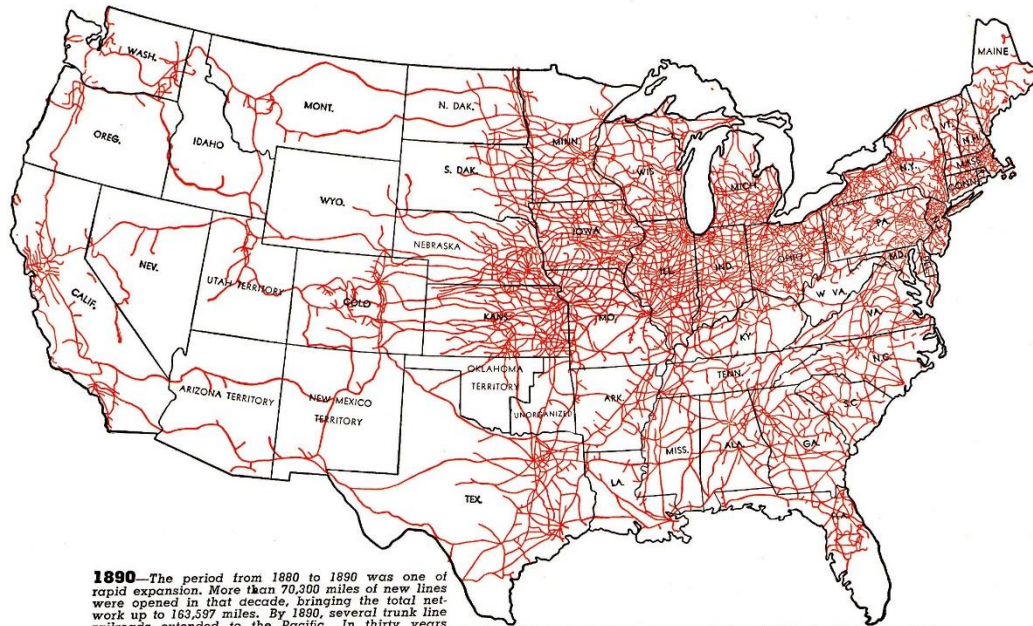
• A

• P

• P • 1890



1860—This map shows the extent of railway development just prior to the Civil War. The decade 1850-1860 was a period of rapid railway expansion, characterized by the extension of many short, disjointed lines into important rail routes. This decade marked the beginning of railway development in the region west of the Mississippi River. By 1860, the "Iron Horse" had penetrated westward to the Missouri River and was beginning to make itself felt in Iowa, Arkansas, Texas, and California.



1890—The period from 1880 to 1890 was one of rapid expansion. More than 70,000 miles of new lines were opened in that decade, bringing the total network up to 163,597 miles. By 1890, several trunk line railroads extended to the Pacific. In thirty years from 1860 to 1890, the total mileage of the region west of the Mississippi River increased from 2,175 to 72,389, and the population of that area increased fourfold.

Spanning the Continent with Rails

- **Union Pacific Railroad** starts in Omaha, Nebraska.
- The **Central Pacific Railroad** began in California.
- Transcontinental railroad completed in **1869**. Increased trade with Asia - opened up the West for expansion.



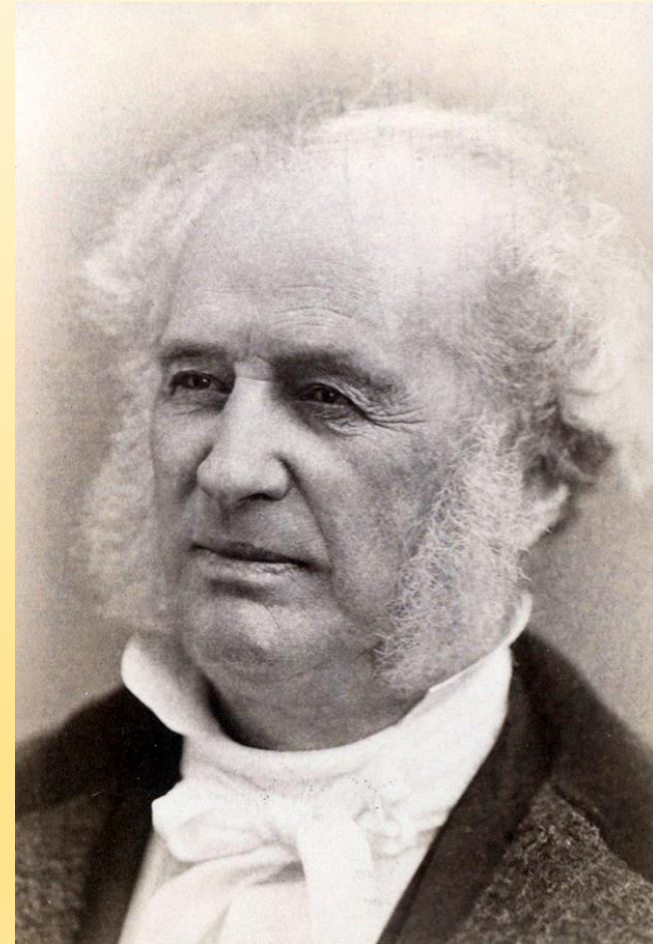
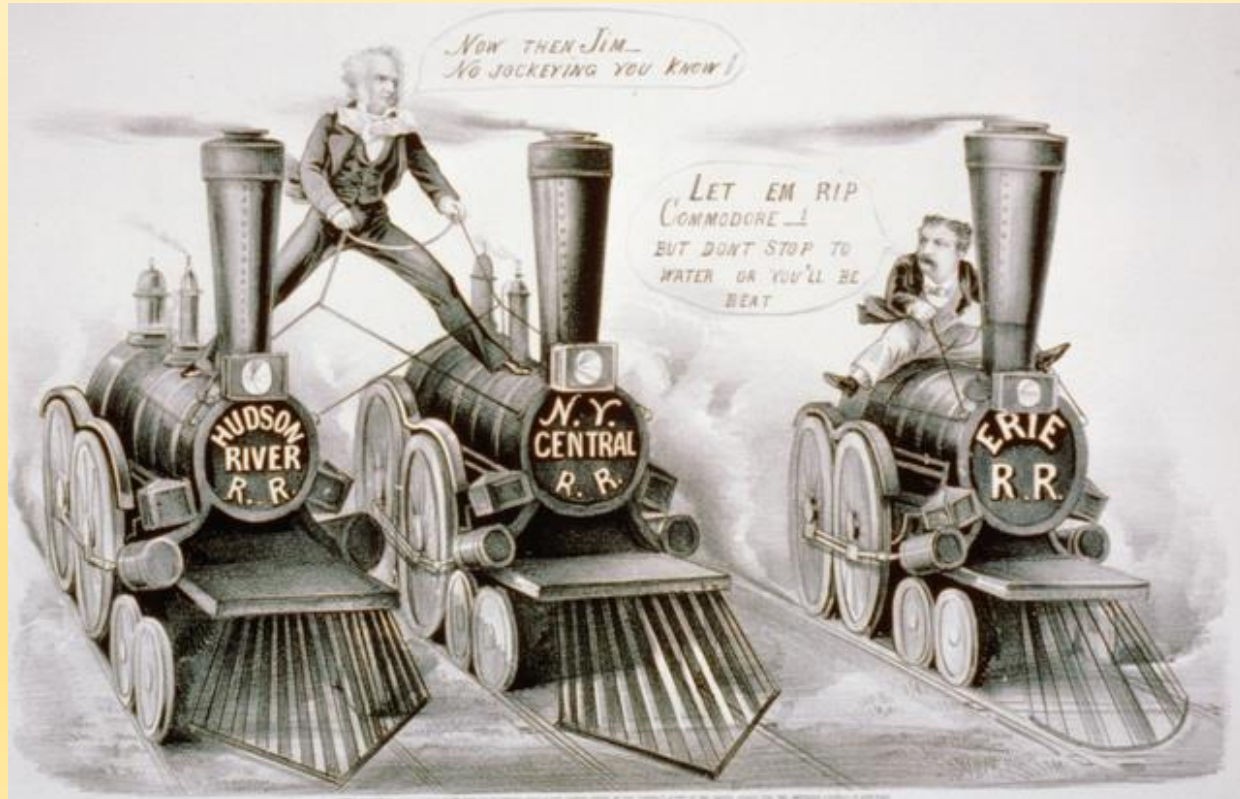
Binding the Continent with Railroad Ties

- There were 5 more transcontinental railroads built throughout the late 1800s.



Railroad Consolidation and Mechanization

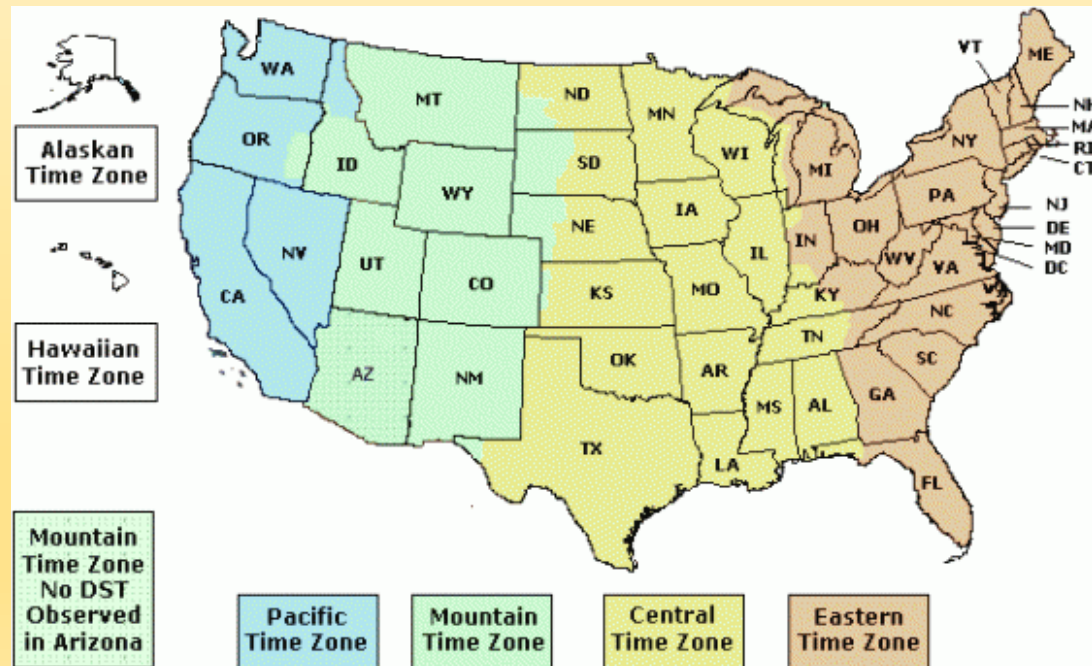
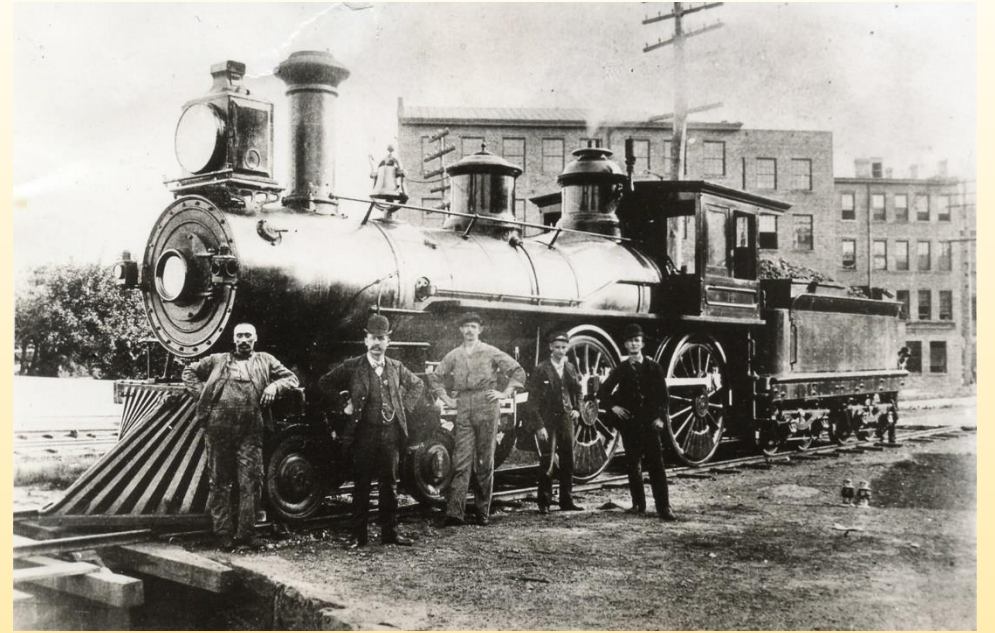
- Cornelius Vanderbilt made lot of money improving the Eastern railroads.



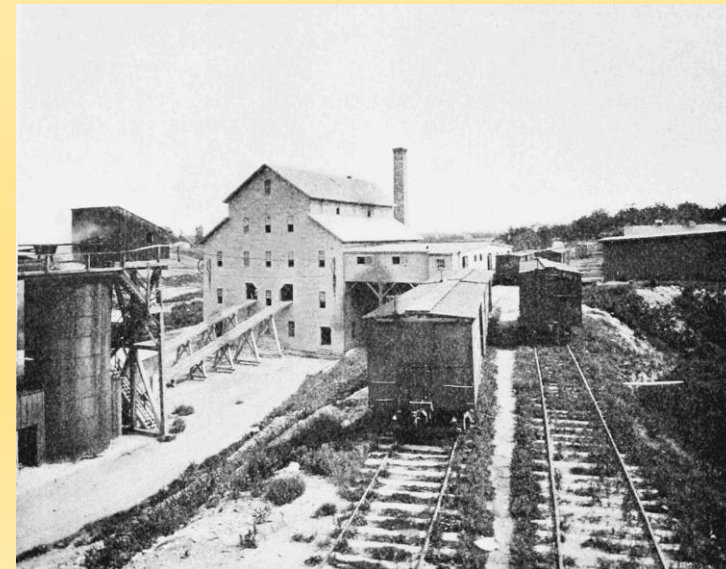
Vanderbilt

Revolution by Railways

- The railroad stimulated industrialization
- Timezones (1883)

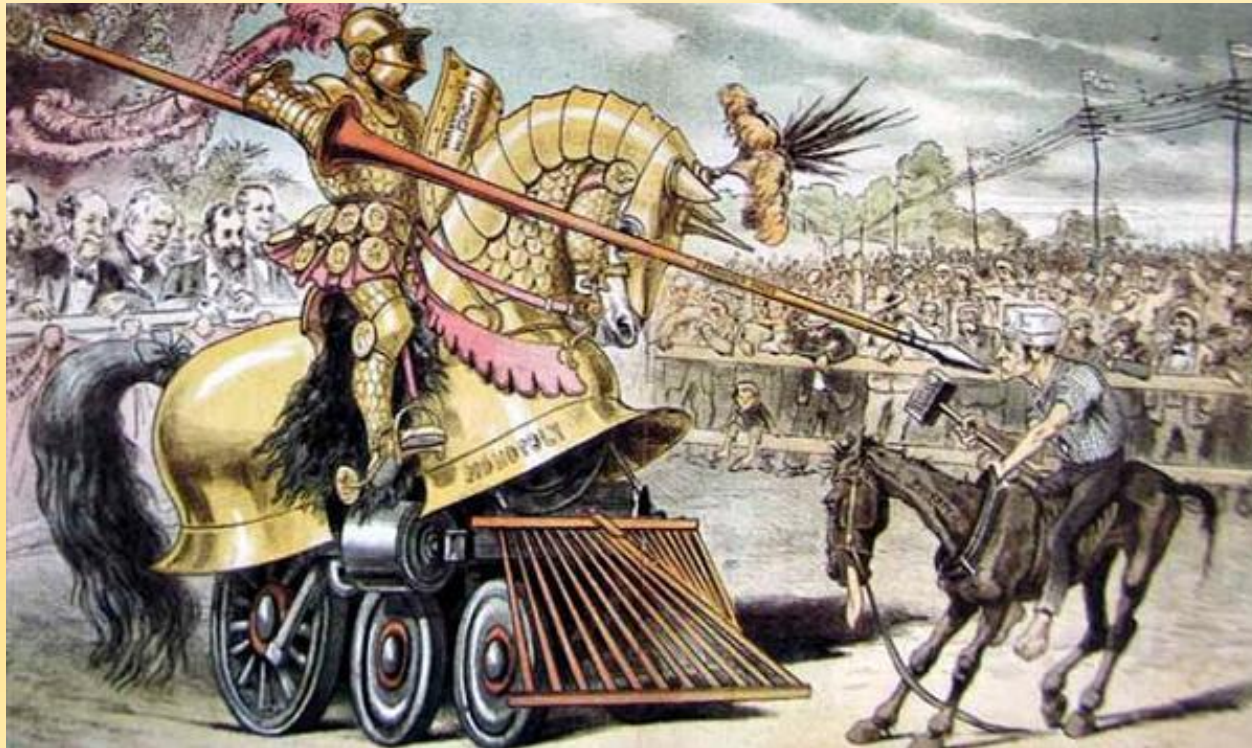


Arizona is in the Mountain Time Zone and does not observe daylight saving time except in the Navajo Indian Nation. To view the current time in Arizona select from the state menu below.



Wrongdoing in Railroading

- Stock Watering – Selling stocks higher than their actual worth
- Many railroad titans become corrupt (bribery).
- Collusion. "**Pools**" were agreements to divide the business in a given area and share the profits.



Government Bridles the Iron Horse

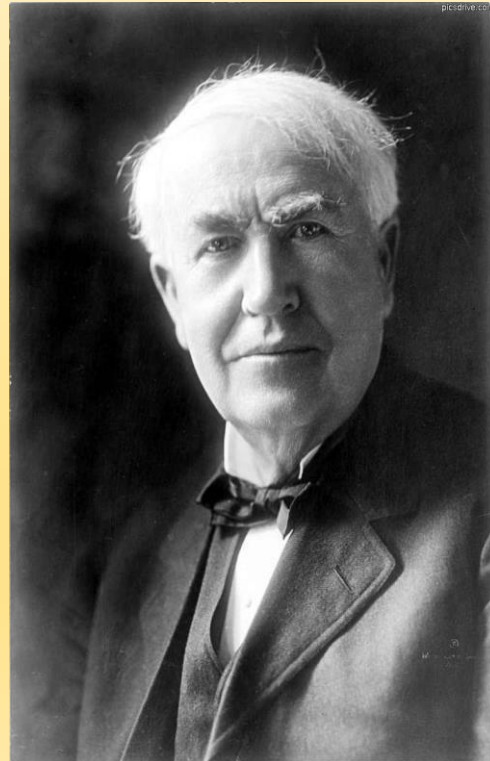
- Farmers blame railroad companies for bankruptcy (1870)
 - Rise of Populists
- ***Wabash, St. Louis & Pacific Railroad Company vs. Illinois*** - individual states could not regulate interstate commerce.
- In **1887**, Congress passed the **Interstate Commerce Act**.

The American Frankenstein:
"Agriculture, Commerce and
Manufacture Are All in My
Power. My Interest is the
Higher Law of American
Politics." →

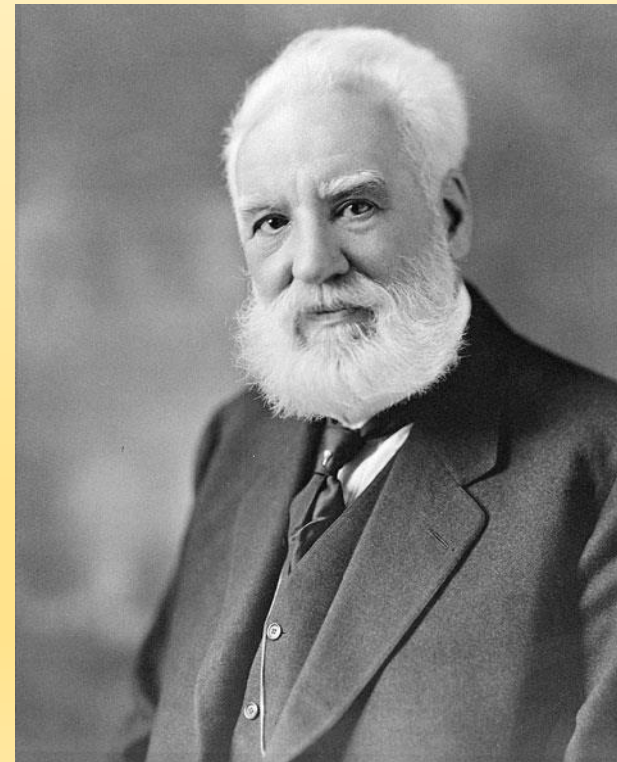


Miracles of Mechanization

- Alexander Graham Bell - Telephone
- Thomas Alva Edison – Lightbulb (among other things)



Thomas



Alexander Graham Bell



How a Lightbulb Works



The Trust Titan Emerges

- Tycoons like Andrew Carnegie (steel king), John D. Rockefeller (oil baron), and J. P. Morgan (bankers' banker), circumvented their competition.
- Carnegie used the tactic of "**vertical integration**"
- "**Horizontal integration**" (Trusts) Used by Rockefeller.
- Morgan used the tactic of **interlocking directorates**



Vertical and Horizontal Integration

Vertical Integration

Purchase of Companies
at All Levels of Production



Horizontal Integration

Purchase of Competing
Companies in Same Industry



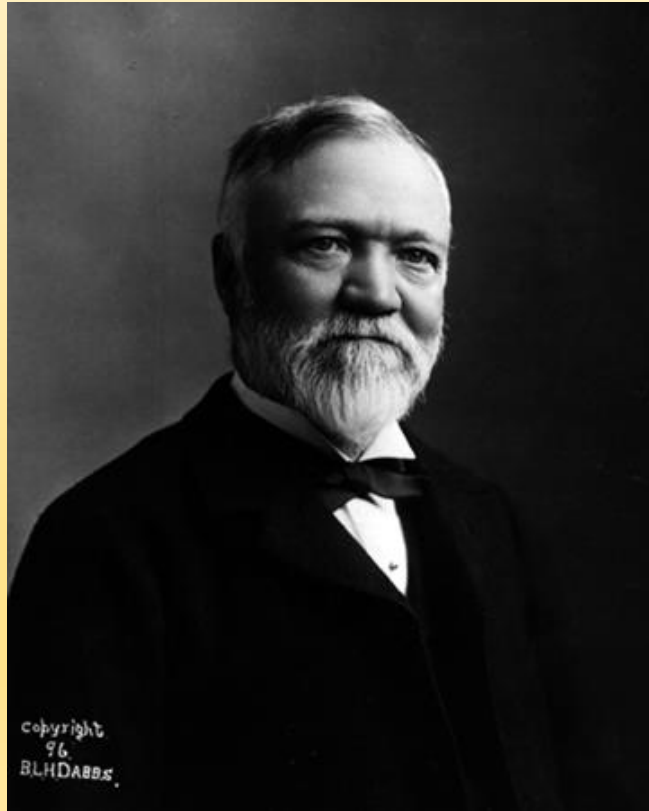
The Supremacy of Steel

- **Steel** - "king" during industrialization
- **The Bessemer process** simplified steel production process and reduced the price.

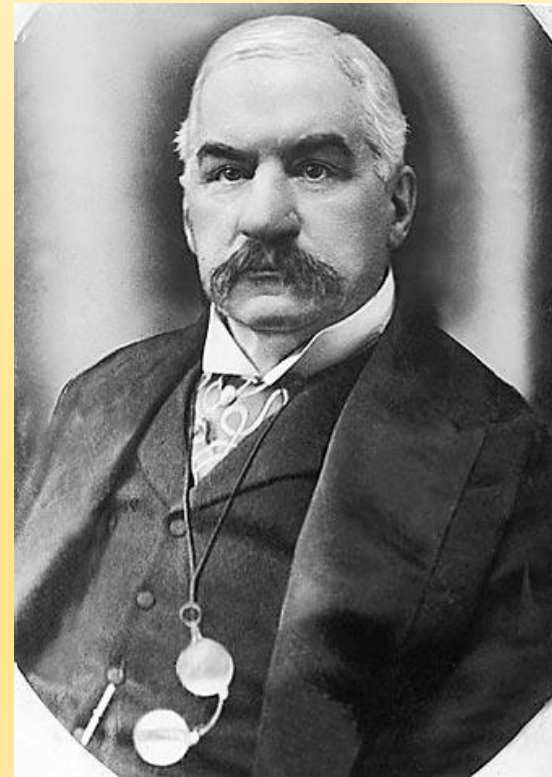


Carnegie and Other Sultans of Steel

- Andrew Carnegie was not a monopolist and disliked monopolistic trusts.
- J. P. Morgan financed the reorganization of railroads, insurance companies, and banks.



Carnegie



J. P. Morgan

Men Who Built America - Carnegie



Carnegie and Other Sultans of Steel

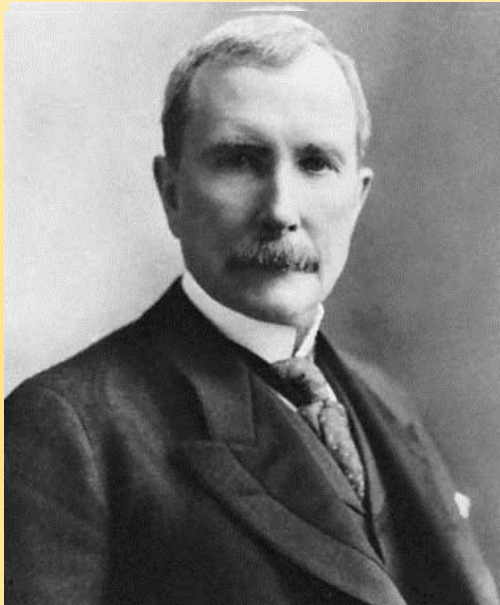
- In 1900, Morgan bought out Carnegie for **\$400 million**.
- Morgan created the **United States Steel Corporation** in **1901**. America's first billion-dollar corporation.
- Carnegie donating a lot of his money to charities.



Carnegie Hall

Rockefeller Grows an American Beauty Rose

- **Kerosene** - first major product of the oil industry. The electric light bulb made kerosene obsolete.
- By 1900, the gasoline-burning **internal combustion engine** - primary means of automobile propulsion.
- John D. Rockefeller created the **Standard Oil Company of Ohio** in **1870**. Eliminated competitors.



Rockefeller

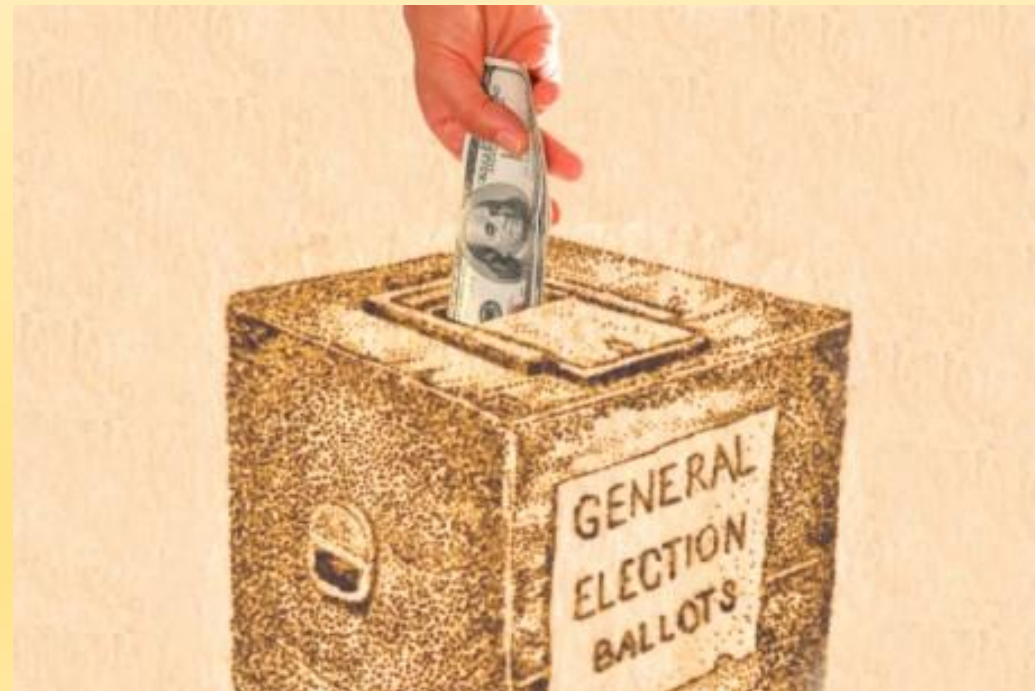










Men Who Built America - Rockefeller



The Gospel of Wealth

- “Survival of the Fittest”
- **Plutocracy**: when a government is controlled by the wealthy.



FREE TAX HAVEN 	COLLECT FEDERAL BAIL OUT \$  IF YOU ARE A CORPORATION	CHANCE 	LOBBY POLLUTION LAWS 	INHERIT RAIL ROAD 	INCOME TAX  UNLESS YOU ARE A CORPORATION	CHANCE 	INHERIT ELECTRIC COMPANY 	INCOME TAX  UNLESS YOU ARE RICH	COLLECT FEDERAL BAIL OUT \$  IF YOU ARE RICH	GO TO JAIL  UNLESS YOU'RE RICH
---	--	---	--	--	---	---	---	--	---	---

- PENNSYLVANIA AVE
- N.C. AVENUE
- PACIFIC AVENUE
- MARVIN GARDENS
- VENTNOR AVENUE
- ATLANTIC AVENUE
- CHANCE**

- ILLINOIS AVENUE
- INDIANA AVENUE
- KENTUCKY AVENUE
- CHANCE**

- NEW YORK AVENUE
- TENNESSEE AVENUE
- ST. JAMES PLACE
- VIRGINIA AVENUE
- STATES AVENUE
- ST. CHARLES PLACE
- CHANCE**

- CONNECTICUT AVE
- VERMONT AVENUE
- BALTIC AVENUE
- MEDITERRANEAN AVE

Supervisors could avoid corporations are people and money is special

BUY A POLITICIAN
thebanks.org

COMMUNITY CHEST
For the 1%

PLUTOCRACY

CHANCE
For the 1%

CEO bonus! RUN FOR THE GAYMANS
thebanks.org

PARK PLACE

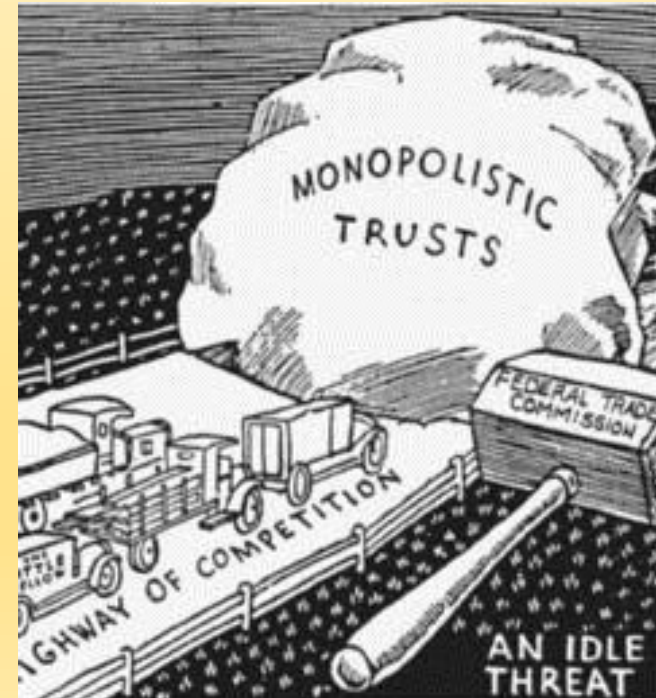
BOARDWALK

GO
COLLECT CORPORATE WEALTH AS YOU PASS

NO JAIL
IF YOU ARE POOR

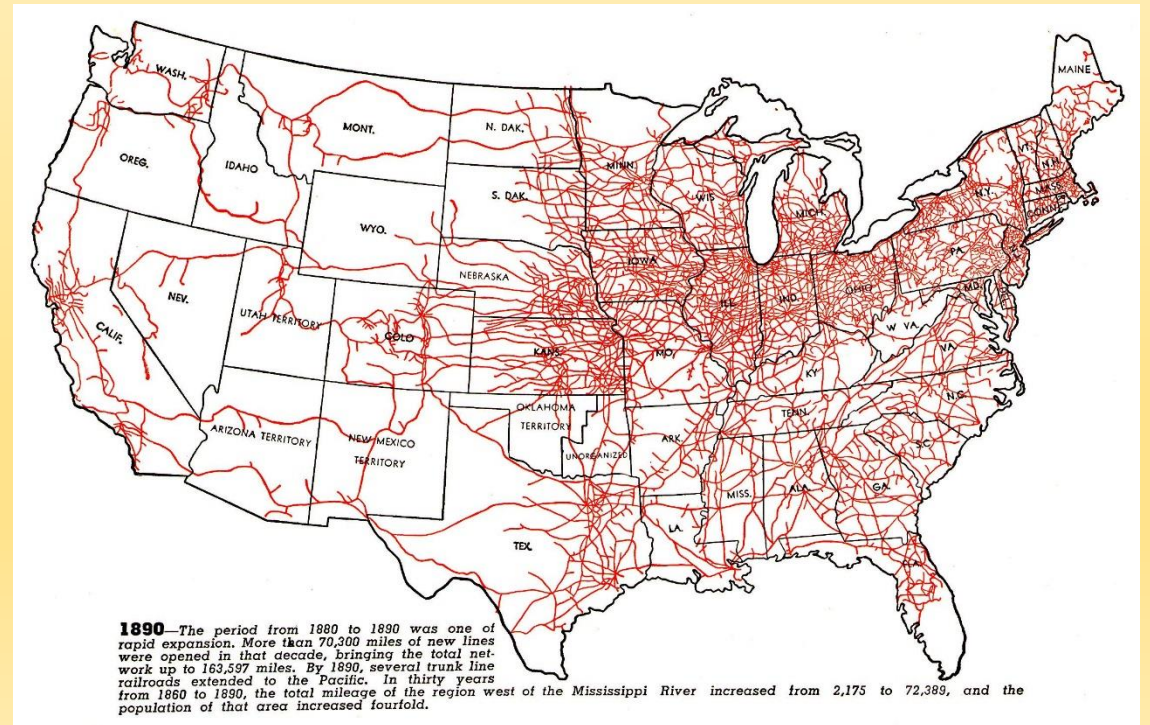
Government Tackles the Evil Trust

- Congress passed the **Sherman Anti-Trust Act of 1890**, forbade business activities that the government deemed as anti-competitive.



The South in the Age of Industry

- Boost for the south - increased tobacco consumption.
- Northern railroad companies charged higher prices to ship raw materials north.
- The "**Pittsburgh plus**" pricing system - economic discrimination against the South in the steel industry.



The Impact of the New Industrial Revolution on America

- Increased standard of living.
- **Women** - most affected by the new industrial age. Women found jobs as inventions arose.
- The nation of farmers and independent producers → nation of wage earners.



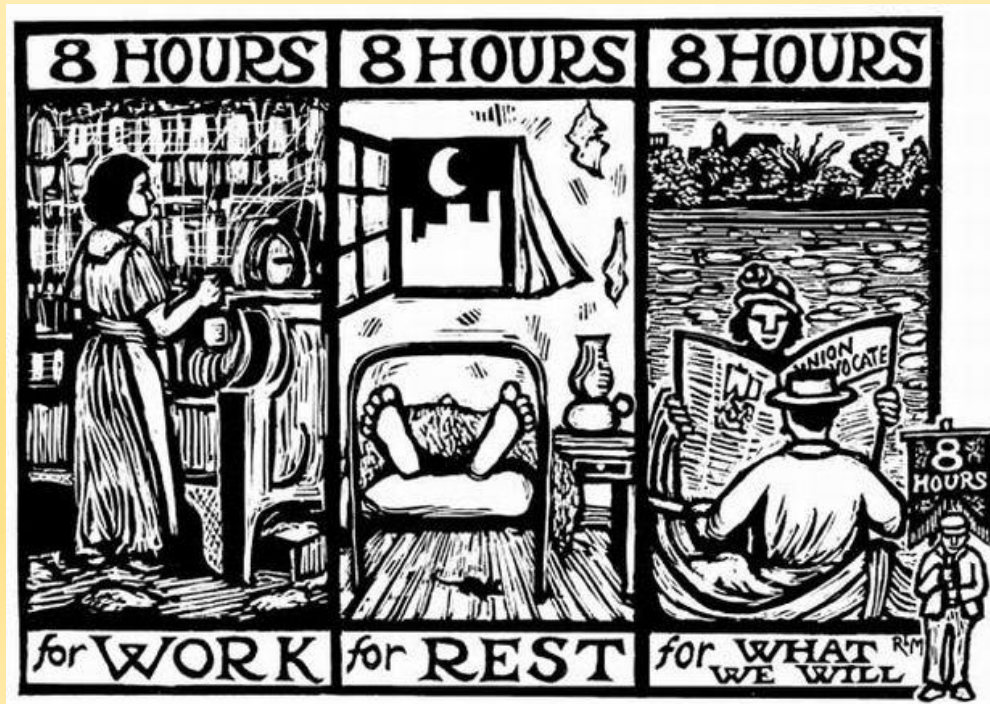
In Unions There Is Strength

- Machines replace workers, but demand increases need for workers.
- Low wages conditions caused some factory workers to go on strike.
 - “Yellow Dog Contracts”
- Some companies owned the "company town.”



Labor Limps Along

- The Civil War gave a boost to labor unions.
- The **National Labor Union**, organized in **1866**, lasted 6 years and attracted 600,000 members.
- After the National Labor Union died out in 1877, the **Knights of Labor** began. Looked to include all workers.

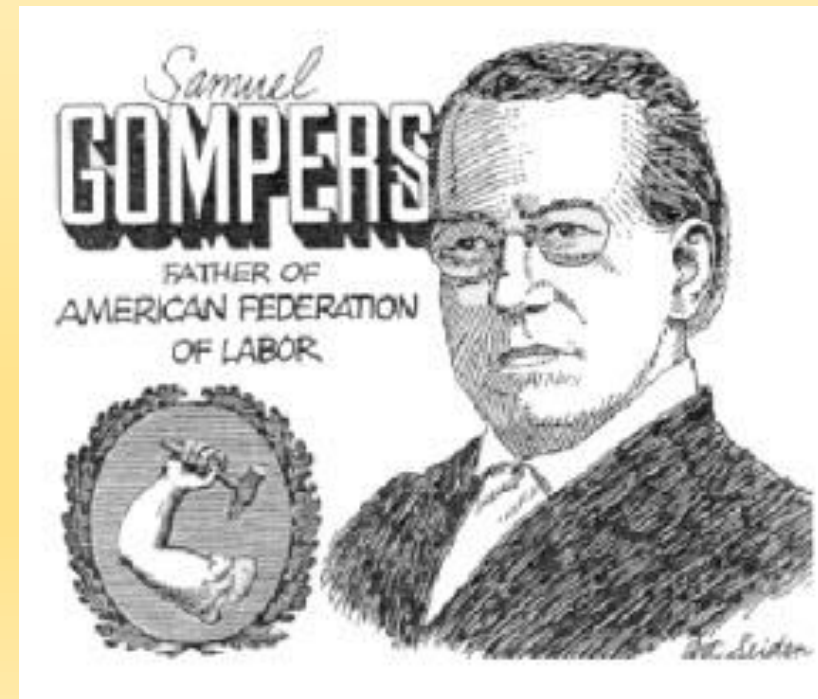


Unhorsing the Knights of Labor

- Haymarket bombing (1886) – Police bombed by anarchists
 - The Knights of Labor blamed.
- The **American Federation of Labor's** inclusion of only skilled workers - drained the K.O.L.

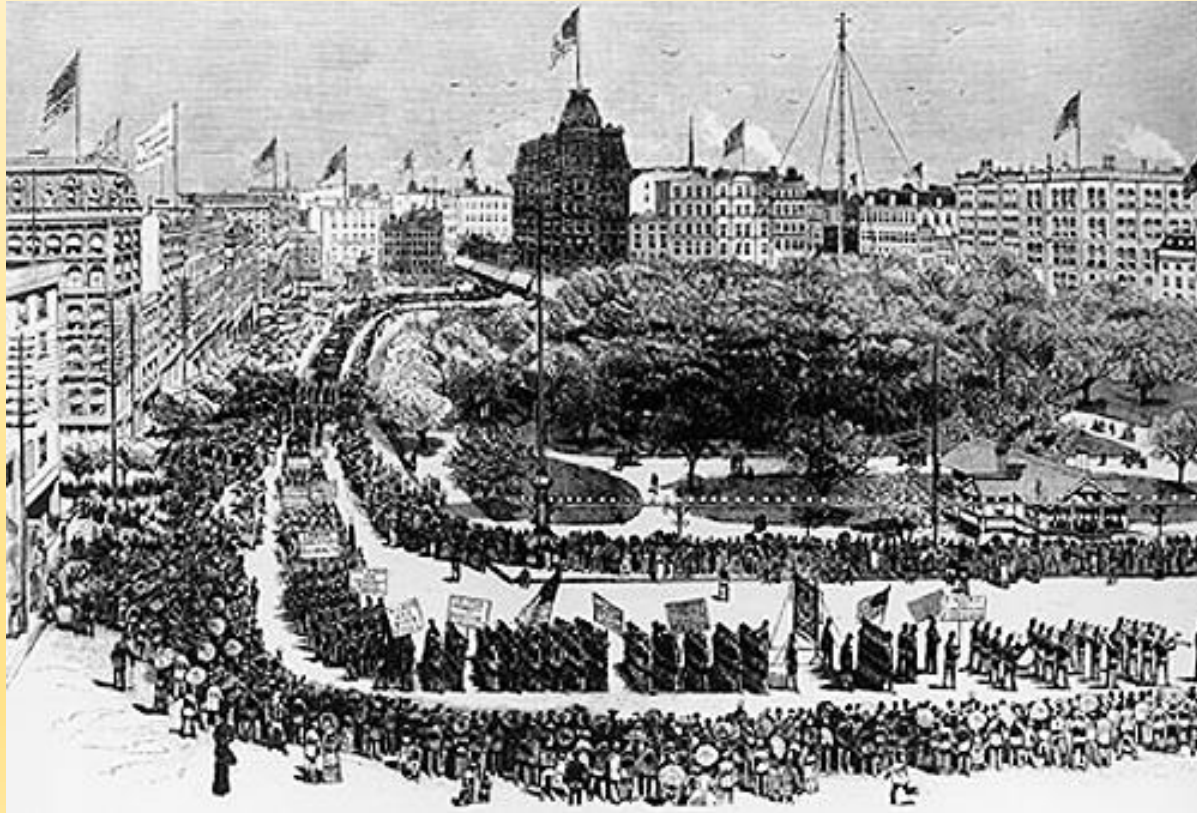


The Haymarket Bombing (1886)

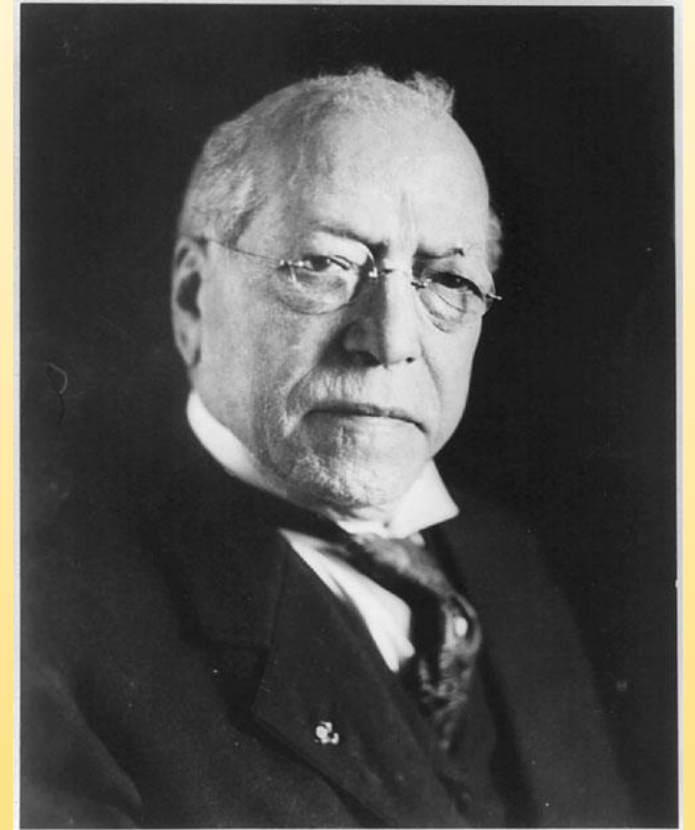


The AF of L to the Fore

- The **American Federation of Labor (1886)** led by Samuel Gompers. Wanted a “closed shop.”
- **Labor Day** created by Congress in **1894**.



Parade during the first Labor Day



Samuel Gompers