

CHAPTER 6, SECTION 2: THE AGE OF THE RAILROADS

THE GROWTH AND CONSOLIDATION OF RAILROADS
BENEFITED THE NATION BUT ALSO LED TO CORRUPTION
AND GOVERNMENT REGULATION.

Opening Activity:

In a paragraph discuss what name our present era should have. Consider the technology that exerts the most influence on all aspects of life. Do you think the railroads played a similar role in American life in the late 1800s? Why or why not?

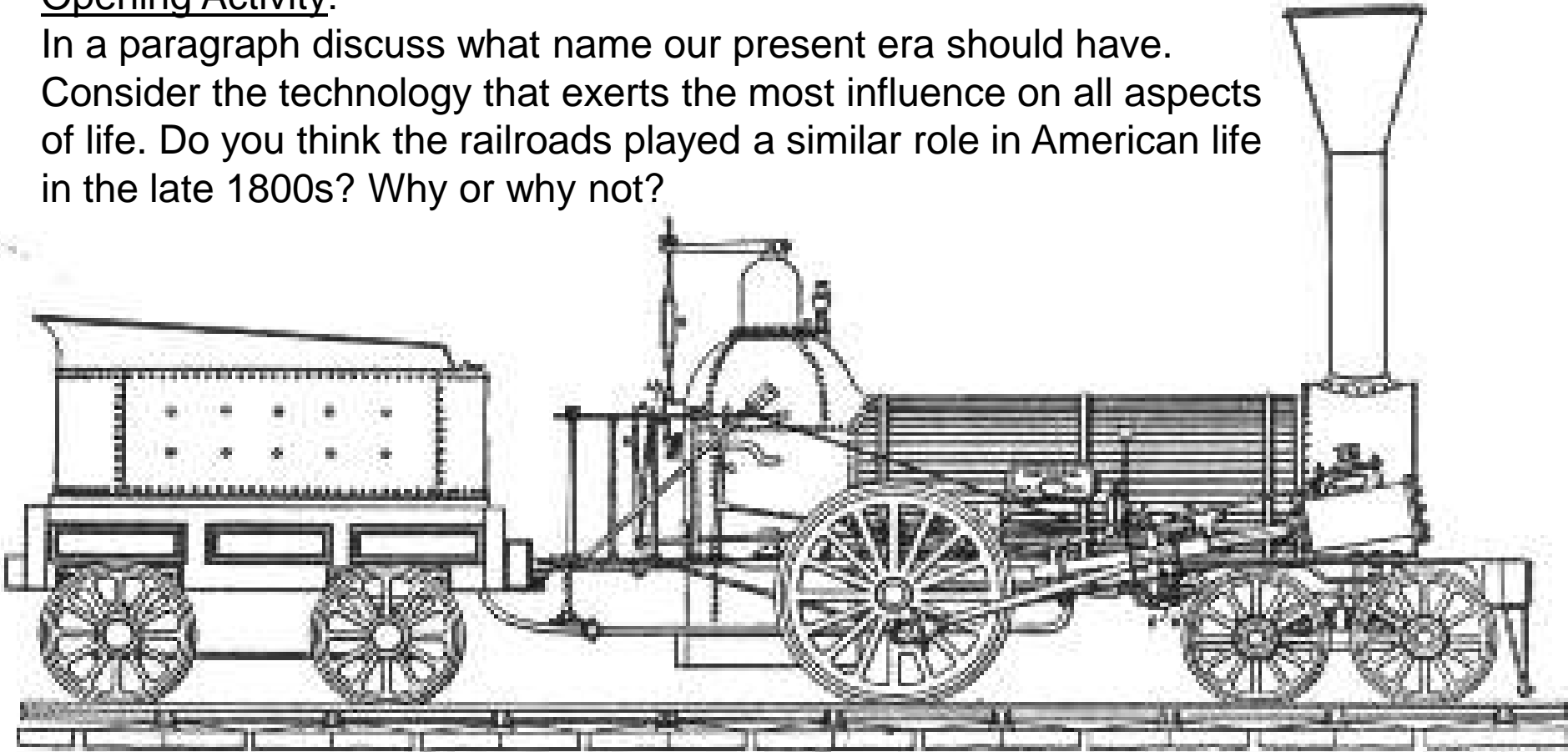


Illustration from J.P.

TAKING NOTES

Directions:

Fill-in the effects of the rapid growth of railroads.



Define the following terms:

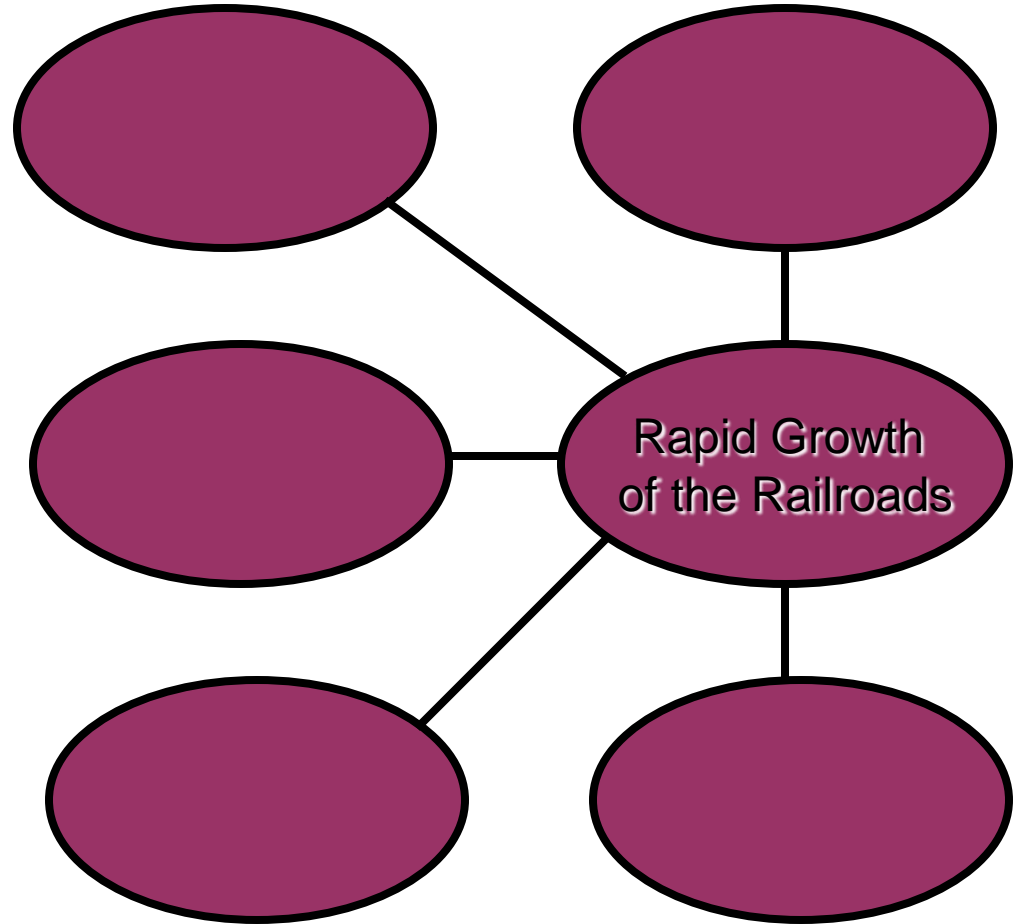
transcontinental railroad

George M. Pullman

Crédit Mobilier

Munn v. Illinois

Interstate Commerce Act



I. Railroads Span Time and Space

A. Railroads Encourage Growth

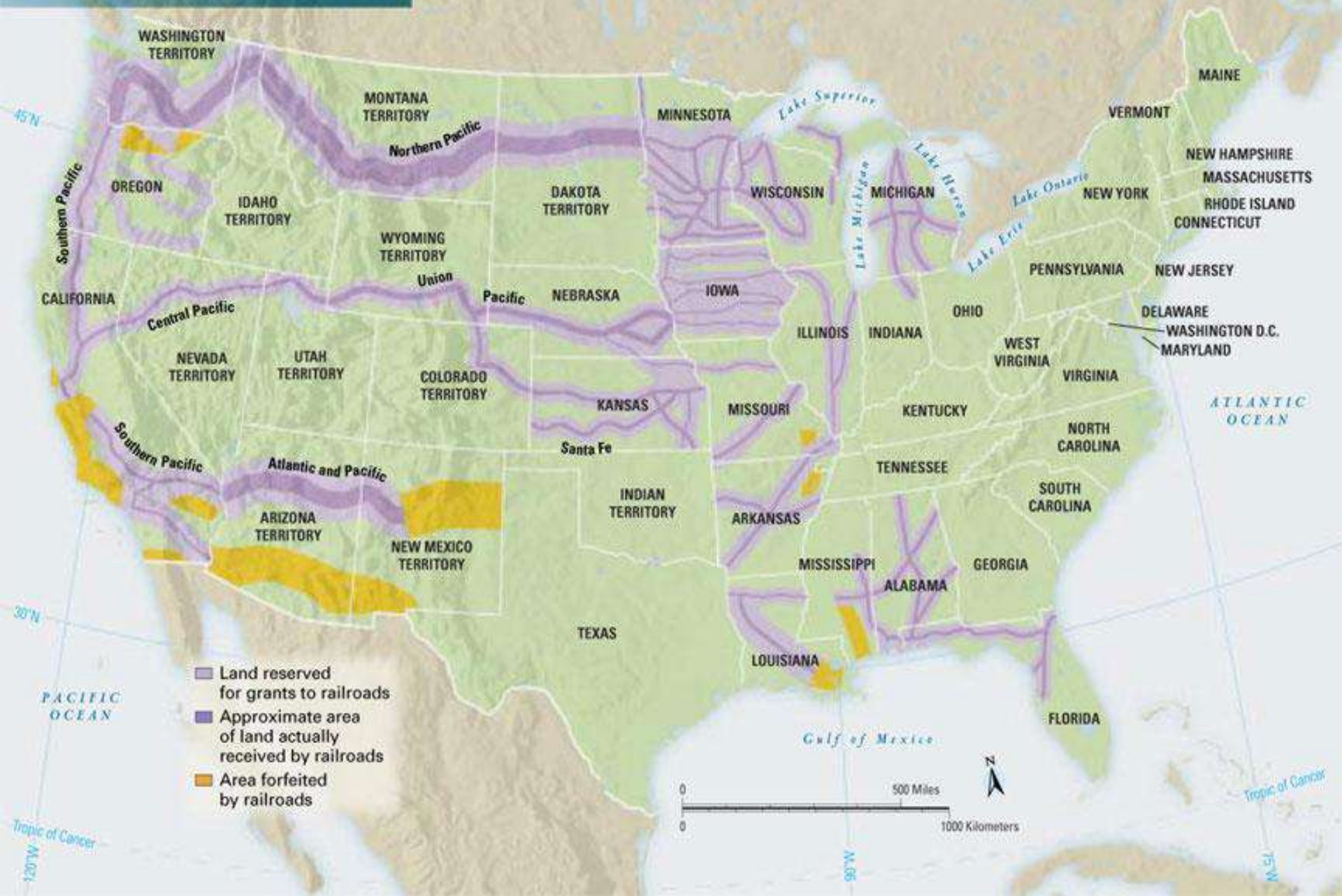
- Rails make local transit reliable, westward expansion possible.
- Government makes land grants, loans to railroads:

- *To help settle the West.
- *To develop the country.



RAILROADS, 1850 AND 1860

Railroad Land Grants, 1871



B. A National Network

-1859, railroads extend west of Missouri River.

-First **transcontinental railroad** completed, Central Pacific and the Union Pacific Railroads met at Promontory, Utah, on May, 10, 1869, spans the nation.



The Last Rail is Laid

Transcontinental Railroad

Promontory Point

Omaha

Sacramento





CAUSES

- The government actively promotes settling the west
- The government subsidizes construction of the railroads through land grants



Transcontinental Railroad

EFFECTS

- Railroads enable settlers to move west
- Increased settler population leads the government to change its policy toward Native Americans
- Railroads transport goods from the Great Plains to cities in the East
- Railroads make secret agreements that allow them to control prices
- Farmers fight the power of the railroads

C. Romance and Reality

- Railroads offer land, adventure, fresh start to many.
- People of diverse backgrounds build railroad under harsh conditions:
 - *Central Pacific hires Chinese immigrants.
 - *Union Pacific, Irish immigrants Civil War vets.
- Accidents, disease disable and kill thousands every year.

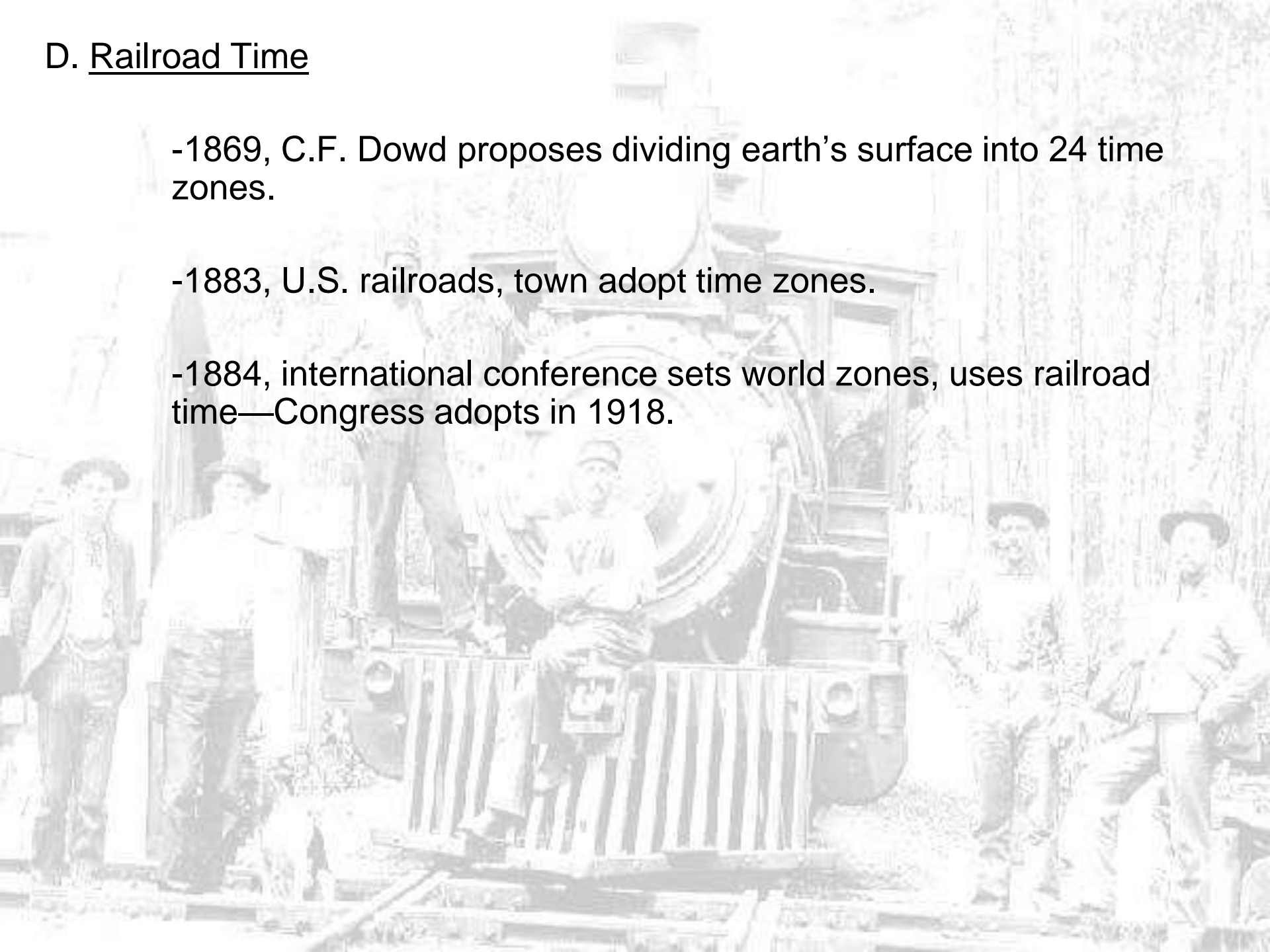






D. Railroad Time

- 1869, C.F. Dowd proposes dividing earth's surface into 24 time zones.
- 1883, U.S. railroads, town adopt time zones.
- 1884, international conference sets world zones, uses railroad time—Congress adopts in 1918.



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 EAST 10:10 EAST	 MIDLAND 11:15 MIDLAND	 BALLODAY 12:20 BALLODAY	 WEST 1:25 WEST
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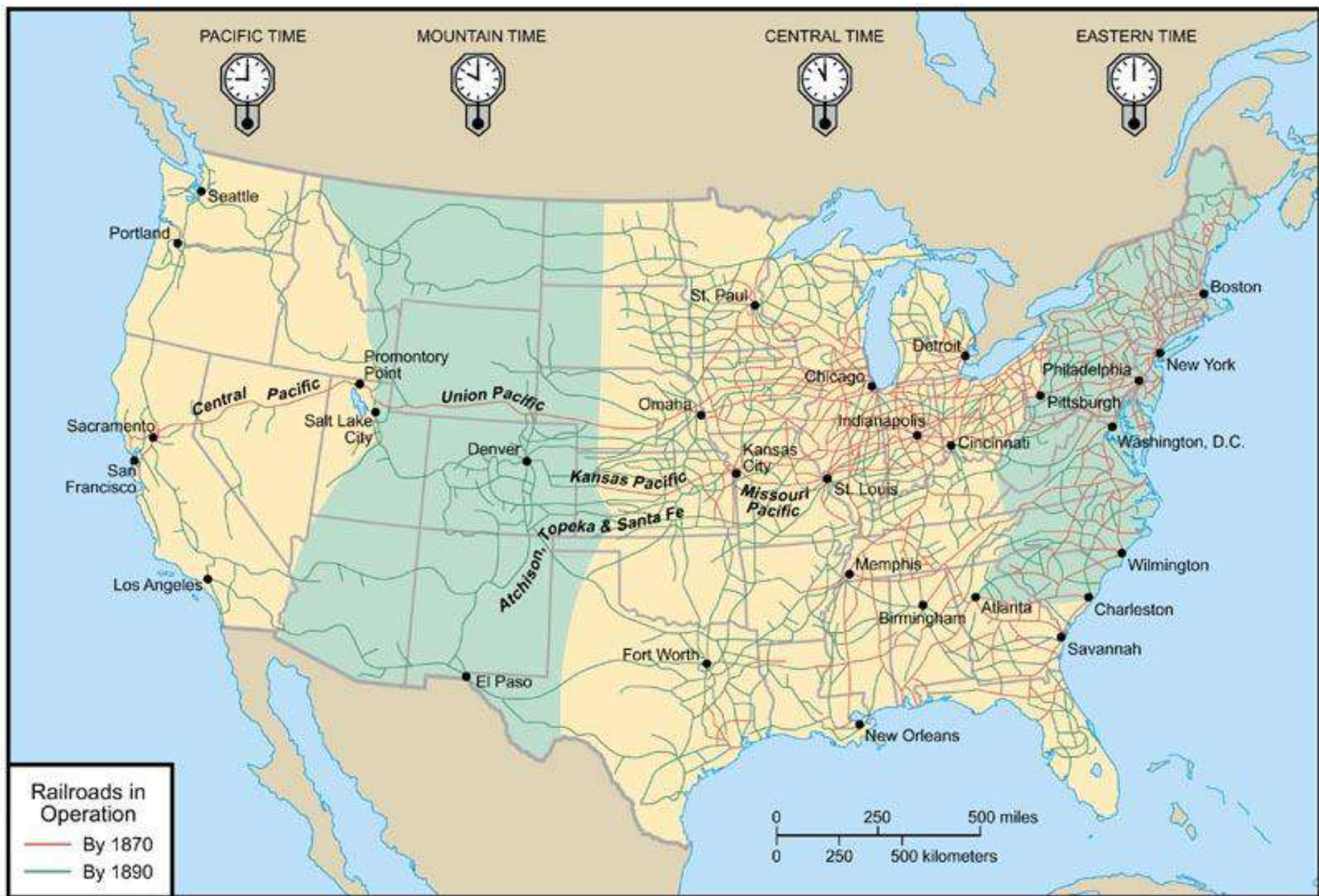
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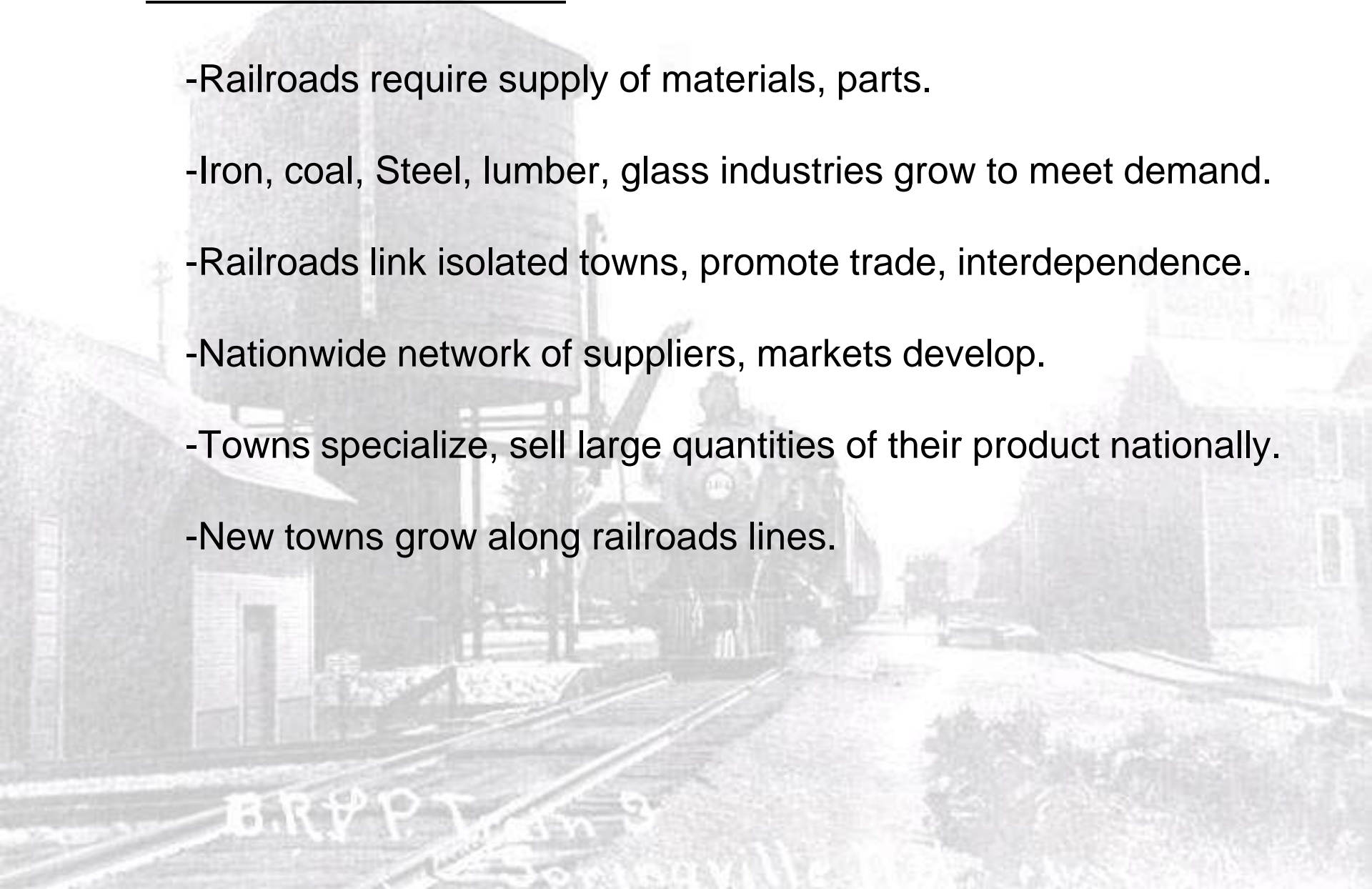


RAILROADS, 1870 AND 1890

II. Opportunities and Opportunists

A. New Towns and Markets

- Railroads require supply of materials, parts.
- Iron, coal, Steel, lumber, glass industries grow to meet demand.
- Railroads link isolated towns, promote trade, interdependence.
- Nationwide network of suppliers, markets develop.
- Towns specialize, sell large quantities of their product nationally.
- New towns grow along railroads lines.



B. Pullman

- 1880, **George M. Pullman** builds railcar factory on Illinois prairie.
- Pullman provides for workers: housing, doctors, shops, sports field.
- Company tightly controls residents to ensure stable work force.









C. Crédit Mobilier

- Wish for control, profit leads some railroad magnates to corruption.
- Union Pacific stockholders form construction company, **Crédit Mobilier**—overpay for laying track, pocket profits.
- Republican politicians implicated; reputation of party tarnished.



III. The Grange and the Railroads

A. Railroad Abuses

-Farmers angry over perceived railroad corruption:

*Railroads sell government lands to businesses, not settlers.

*Fix prices, keep farmers in dept.

*Charge different customers different rates.



B. Grange Laws

- Grangers sponsor state, local political candidates.
- Press for laws to protect farmer's interests.
- Munn v. Illinois***—Supreme Court upholds states' right to regulate railroad.
- Sets principle that federal government can regulate private industry.



"THE WORLD'S PICTORIAL LINE."

C. Interstate Commerce Act

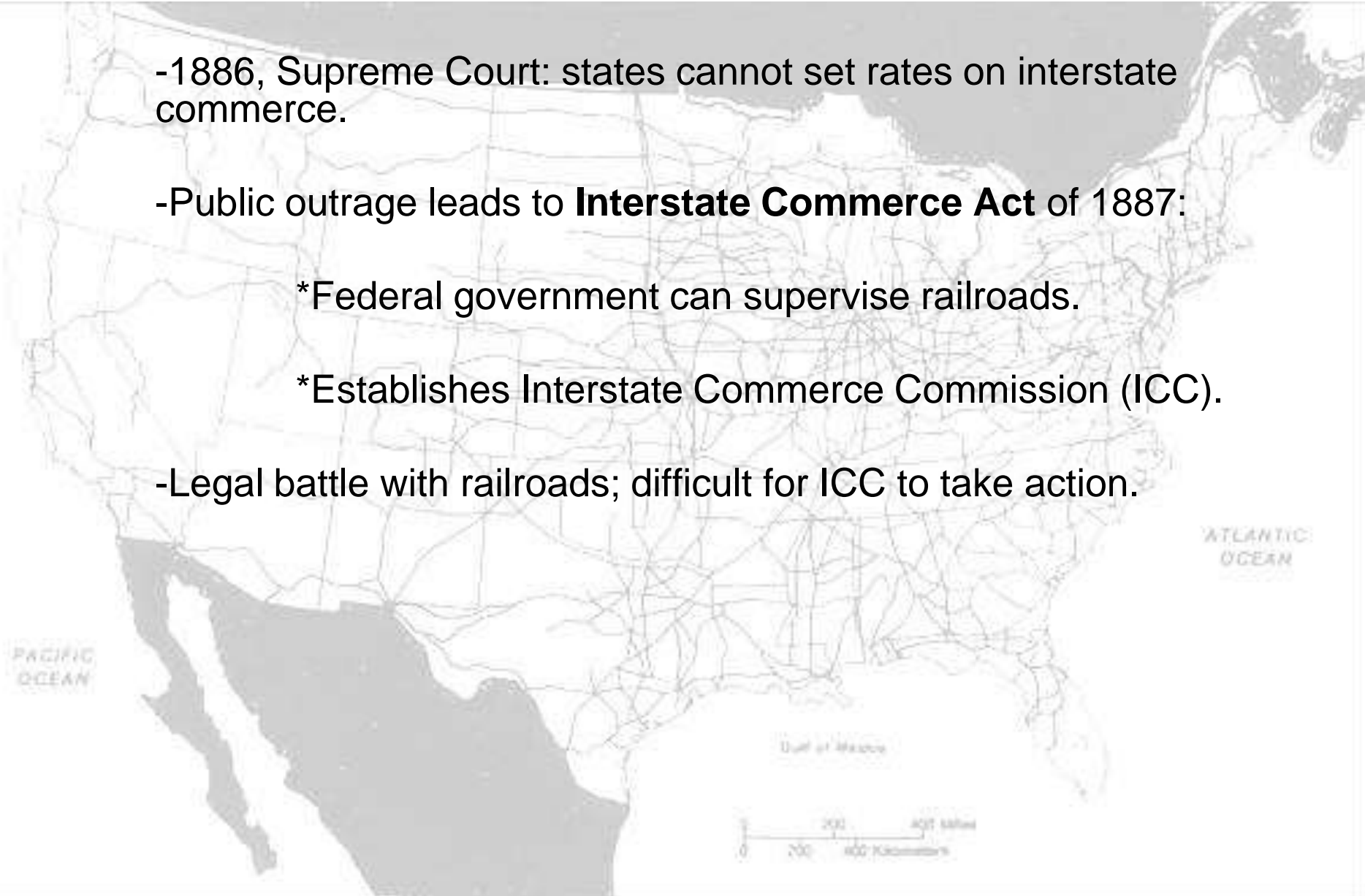
-1886, Supreme Court: states cannot set rates on interstate commerce.

-Public outrage leads to **Interstate Commerce Act** of 1887:

- *Federal government can supervise railroads.

- *Establishes Interstate Commerce Commission (ICC).

-Legal battle with railroads; difficult for ICC to take action.



D. Panic and Consolidation

- Abuses, mismanagement, competition almost bankrupt many railroads.
- Railroads problems contribute to panic of 1893, depression.
- By mid-1894, 25% of railroads taken over by financial companies.



THAT GREAT WAVE OF PROSPERITY!

REVIEW QUESTIONS

1. The government gave _____ to railroads is an example of U.S. government support for business.
2. The Central Pacific and the Union Pacific Railroads met at Promontory, Utah, on May, 10, 1869 marking the first _____ railroad.
3. _____ time standardized time in the United States and created the time zones we use today.
4. George _____ manufacturing of railroad cars created a factory town where everyone in town works for the company and all the services, and housing are owned by the company.
5. The _____ is an example of self-serving corruption within the railroad industry.
6. The _____ Act (1887), reestablished the federal government's right to supervise interstate commerce and railroad activities.

Words:

Interstate Commerce
transcontinental

Crédit Mobilier
Railroad

Pullman
land grants