

Chapter 24: Industry Come of Age (1865—1900)

The Iron Colt Becomes an Iron Horse

- a lot more railroad construction by the 1900s, more than all of Europe combined
 - Congress started giving out loans to populate areas alongside railroads
 - contributed 49 million acres
- land grants allowed railroads to be made
- villages with railroads passing through became cities
 - places without railroads became ghost towns

Spanning the Continent with Rails

- wanted to connect California through railroads
 - Union Pacific Railroad commissioned by Congress to move westward from Nebraska
 - Credit Mobilier pocketed up to \$73 million from construction and bribed Congress to look the other way
- a lot of Irish who were in the Civil War worked on the railroads
 - would fight Indians when they attacked and tried to slow down progress of railroads
- rail-laying in California was undertaken by the Central Pacific Railroad and was pushed eastward by the Big Four, who were financially backing the project
 - worked through two construction companies and earned tens of millions in profits
 - had a lot of Chinese laborers
- completion of a transcontinental line cemented the West Coast more towards the Union and established trade with China

Binding the Country with Railroad Ties

- four other transcontinental lines were also complete
- pioneers were often too optimistic and pushed into areas that lacked the population to support a railroad
 - ended in bankruptcies, merges, or reorganization

Railroad Consolidation and Mechanization

- western lines were expansions among eastern lines like the New York Central
- Cornelius Vanderbilt previously made millions in steamboating, but turned to railroading and made over \$100 million
- inventions like the steel rail and air brake made things easier
 - steel is stronger than iron and could bear a heavier load

- Pullman Palace Cars were supposed to be luxurious but they were wooden with kerosene lamps and easily burned down

Revolution by Railways

- railroads became America's biggest business and created a lot of economic growth
 - stimulated mining and agriculture in the West
 - carried food and supplies around to people
- land was ruined through railroading
 - plowed through prairies in the Midwest and drove away the buffalo and also cut down forests in Wisconsin, Michigan, and Minnesota
- time changed because of railroads because it was too hard for every city to have its own timezone
 - the continent was divided into four timezones
- allowed hundreds of people to become millionaires

Wrongdoing in Railroading

- railroad stock promoters used "stock watering" and inflated their claims about a line's assets and profitability far beyond what it actually was
 - railroad managers were forced to charge extortion rates to pay off the financial obligations
- people with money thought they were above the law and didn't care for what the general public had to say
 - bribed judges and legislatures and lobbyists so they could win elections with their own candidates
 - gave free passes to journalists and politicians
- railroad monarchs had more power over the average citizen than the president did
- rail barons granted rebates or kickbacks to shippers in return for steady traffic
 - charged more for a short haul than a long one, which screwed over small farmers

Government Bridles the Iron Horse

- Americans were slow to address the economic injustice because they wanted free enterprise and the principle that competition is the soul of trade

