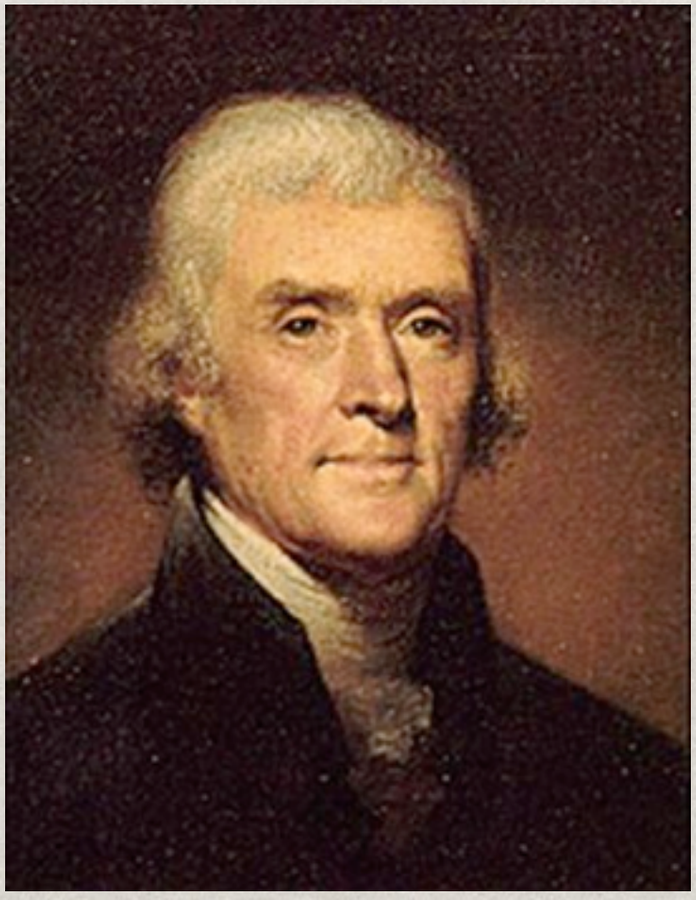
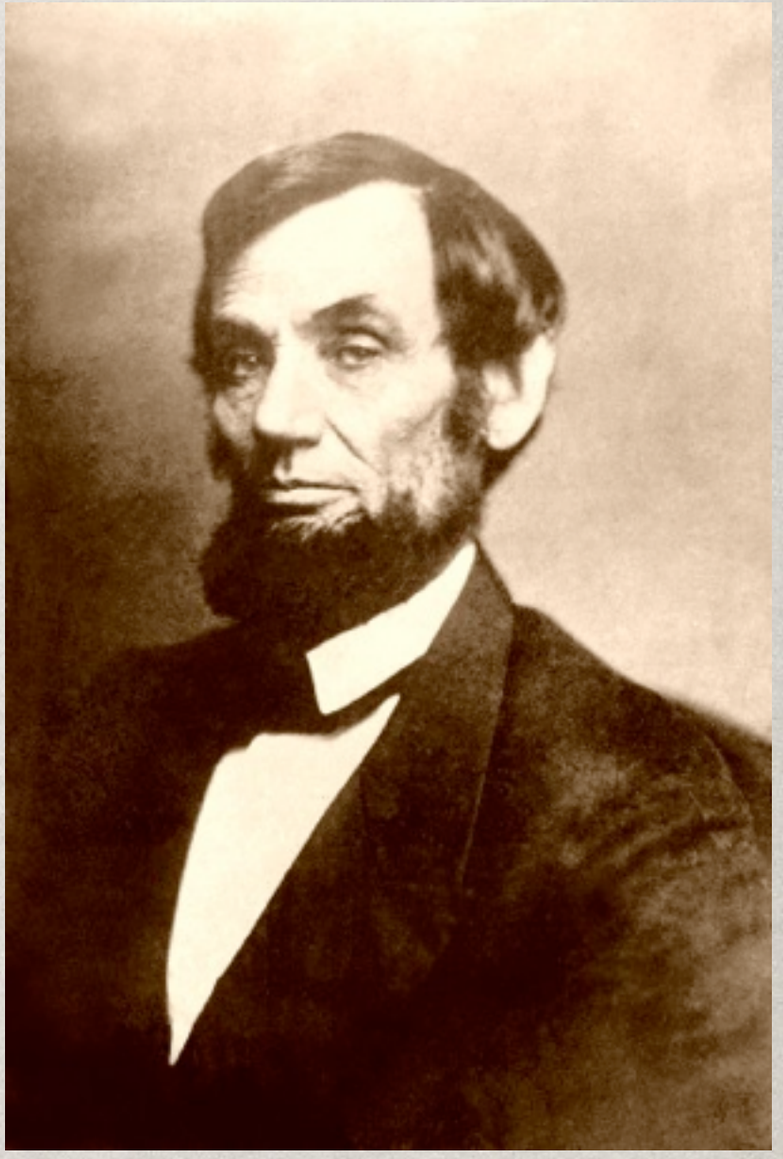
Government During the Industrial Era

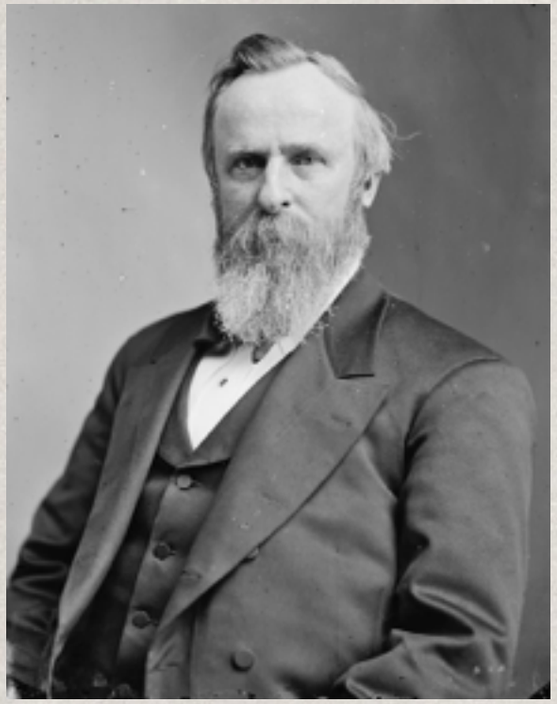
1870-1900

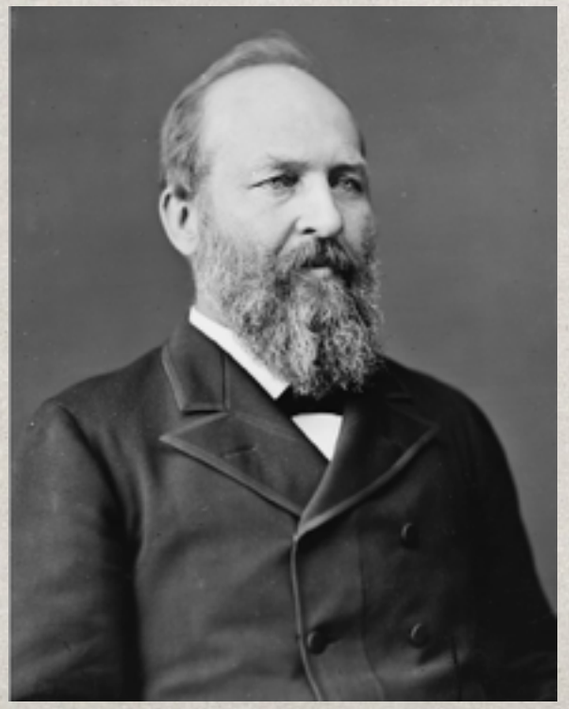
Name These Presidents



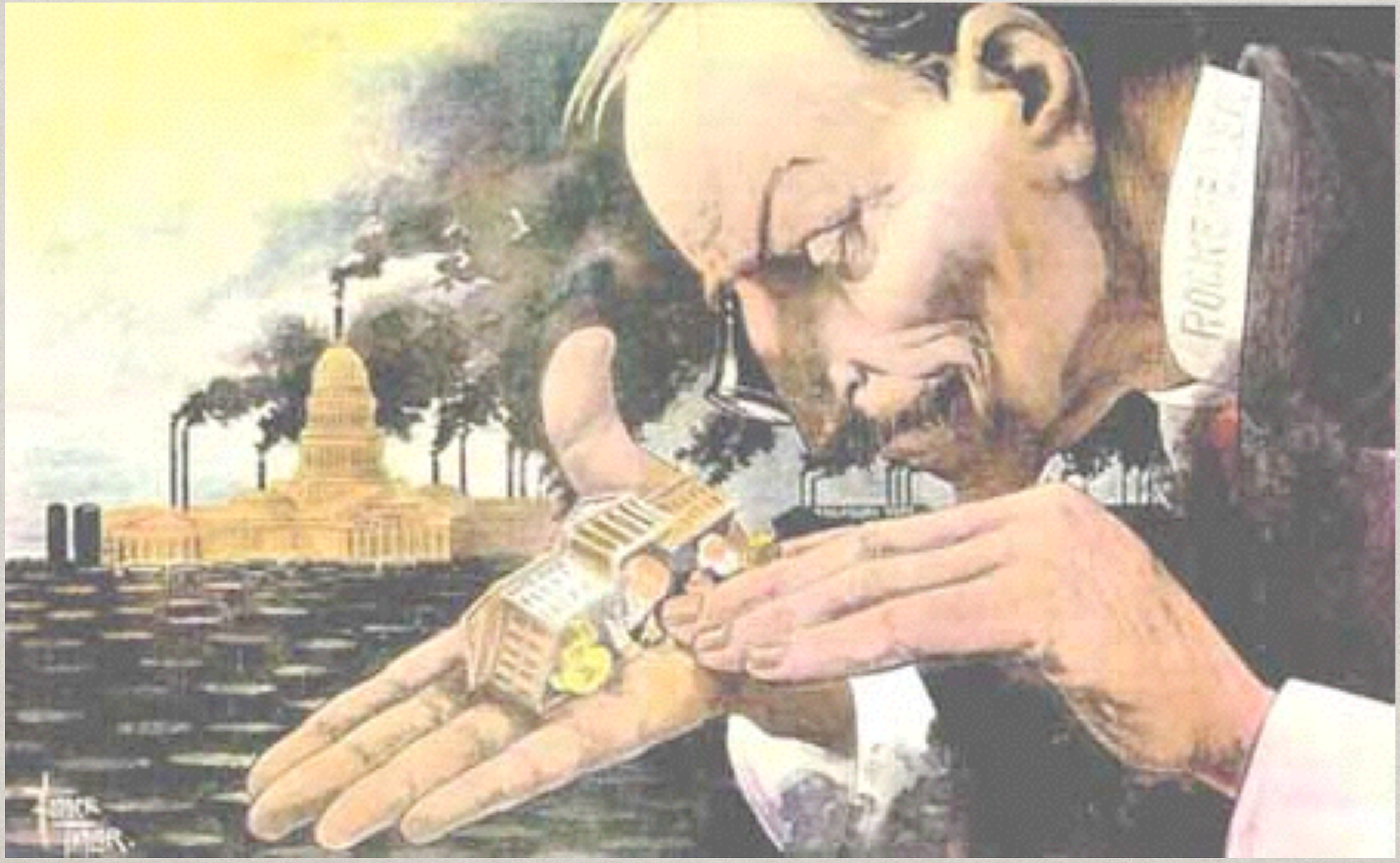


Presidents During the "Gilded Age"





President?



Congress?

THE BOSSES OF THE SENATE.

U.S. Supreme Court
Lochner v. New York (1905)

- **Background** Joseph Lochner was convicted and fined for violating the Bakeshop Act, a New York state law requiring sanitary conditions in bakeries and a 10 hour per day work limit for workers. He sued the state of New York for a violation of the 14th Amendment due process clause.

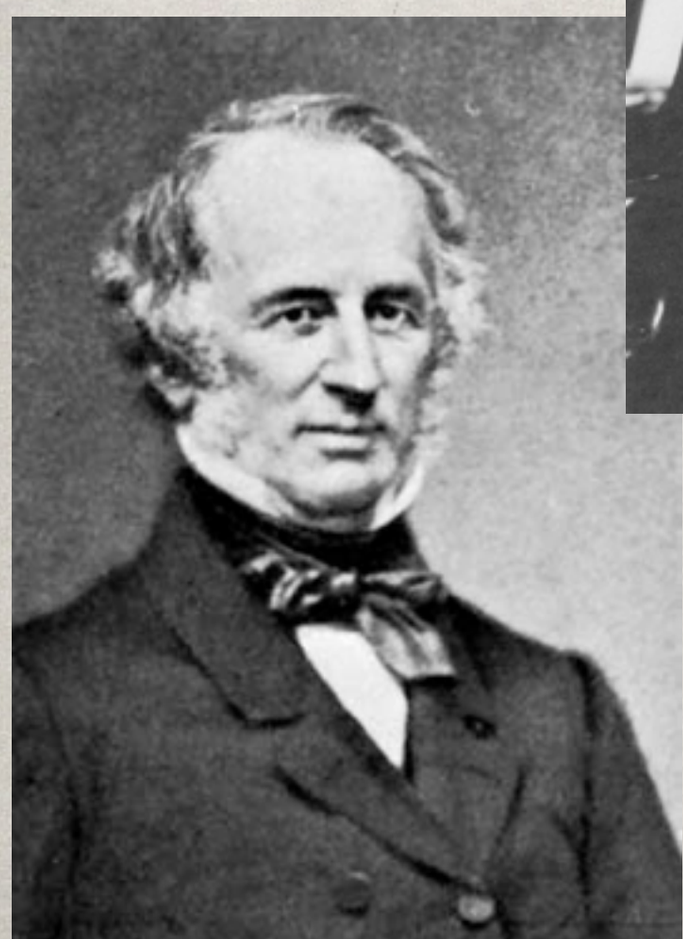
- **Decision** The U.S. Supreme Court ruled in favor of Lochner, stating that Lochner's "general right to make a contract in relation to his business" had been violated.

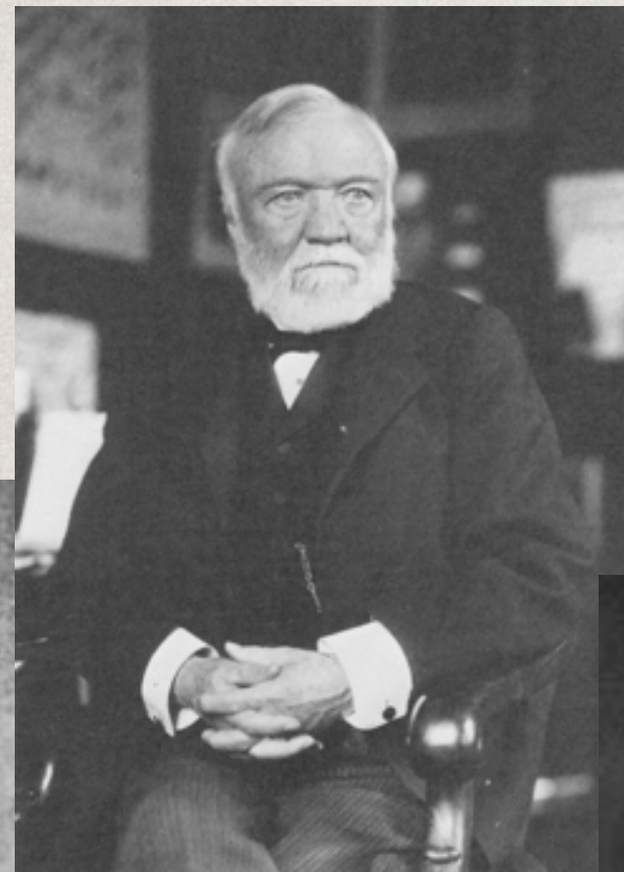
- **Ramifications** Both states and the federal government found it difficult to pass any meaningful legislation to protect workers.

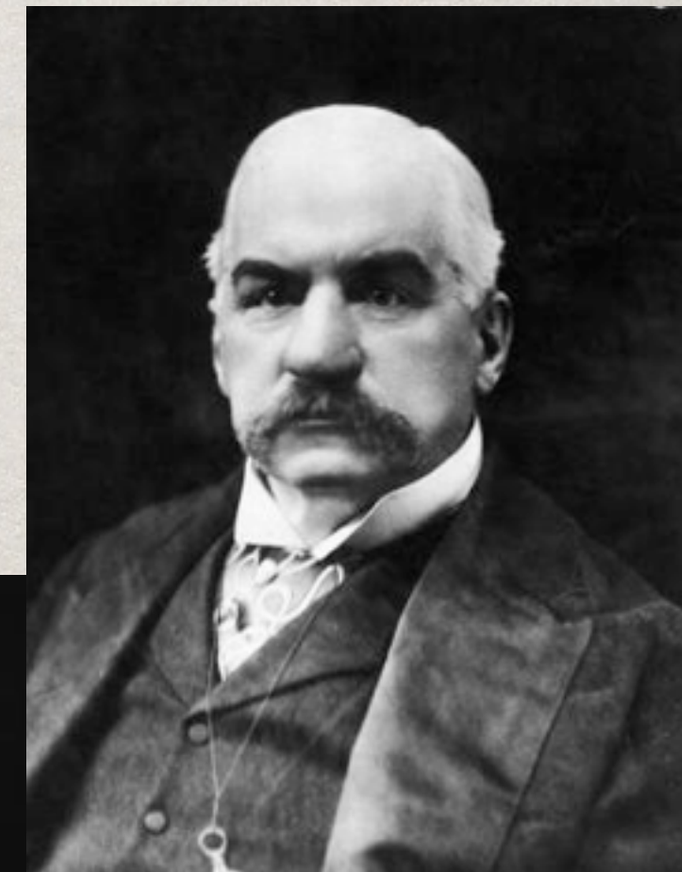
Who was running the Country?

43071-004-92B475BB.jpg

323x450 pixels

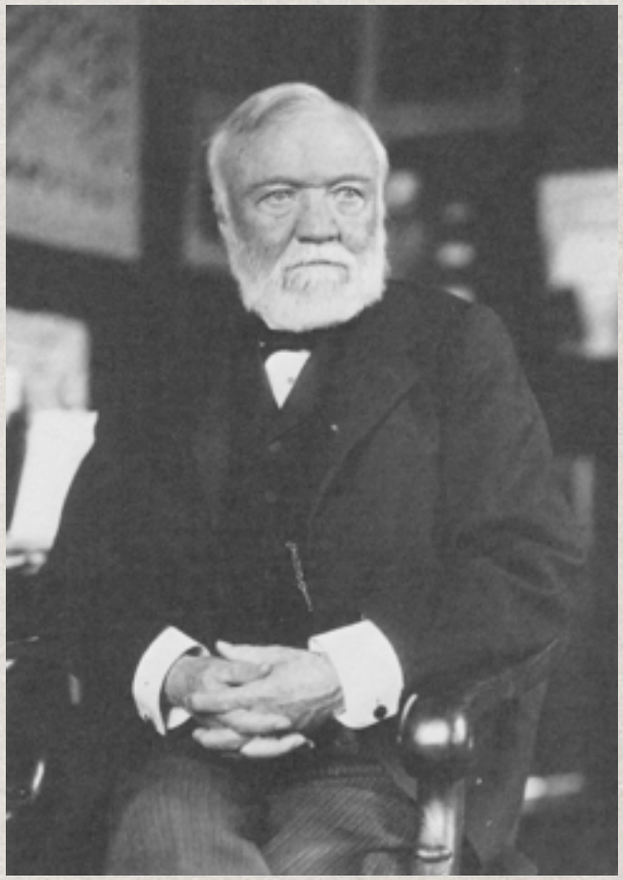






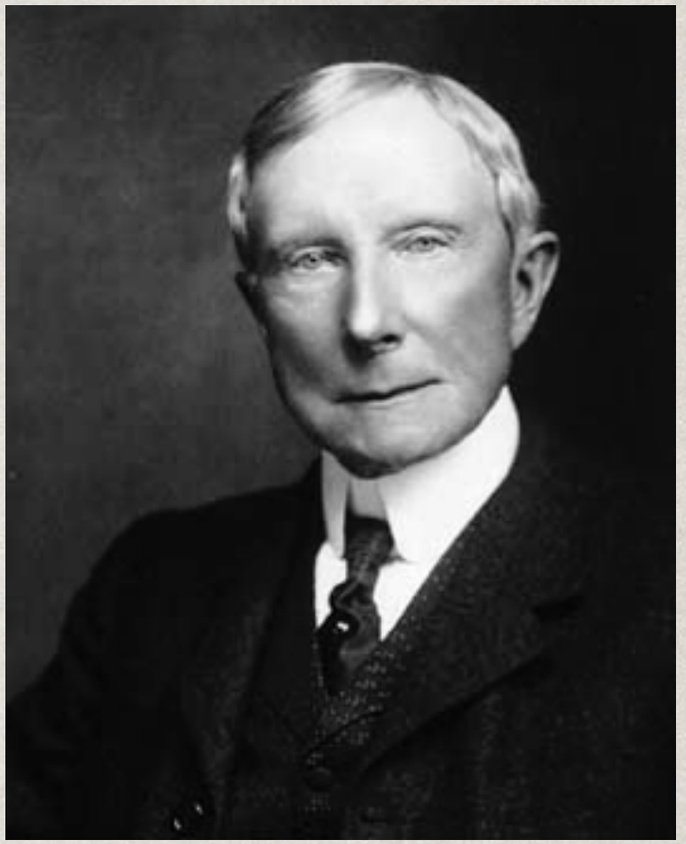
How were they running the Country?43071-004-92B475BB.jpg 323x450 pixels

Andrew Carnegie and Steel



- Techniques used to create monopoly = **"Vertical Integration"**
  - Control specific aspects of your industry
  - Lower costs
  - Put others out of business
  - Buy them out

John D. Rockefeller and Oil refining

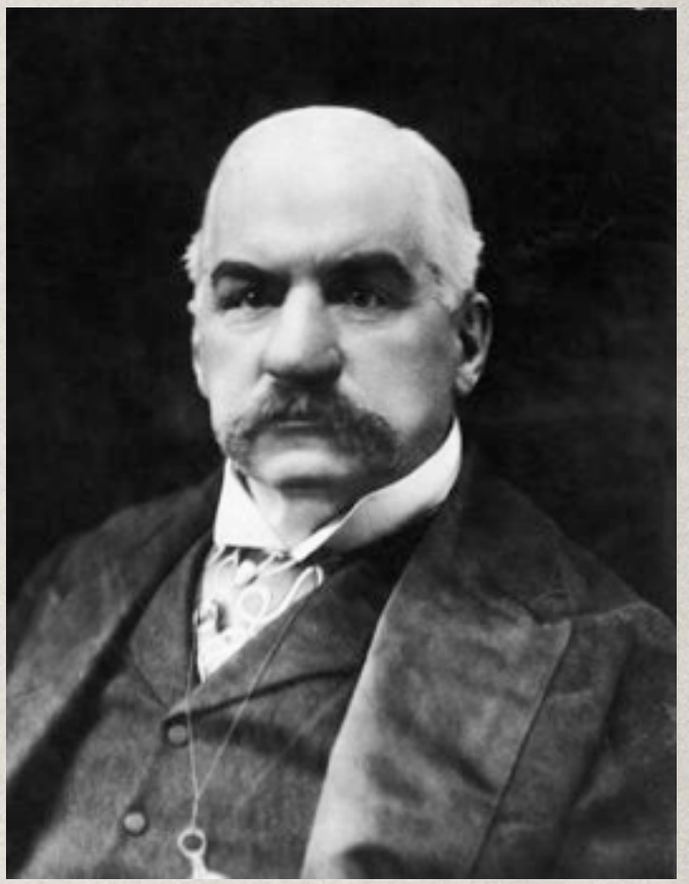


- Techniques used to create monopoly = **"Horizontal Integration"**
  - Control one aspect of industry
  - Force competition to go through you
  - Price competition out of business
  - Buy them out

Cornelius Vanderbilt and Railroads

- Techniques used to create monopoly = **"Consolidation"**
  - Undercut competition with lower prices (rebate and pooling)
  - Buy competition out
  - Consolidate rail lines

J.P. Morgan and Venture (Finance) Capitalism



- Techniques used to create monopoly = **"Morganization"**
  - Identify companies with potential that need capital (money / resources)
  - Provide capital (money / resources)
  - Place "your men" on Boards of Directors of each company to ensure control
  - Expand company with capital, making company dependent on free flow of money

Unfortunately...

Triangle Shirtwaist Fire 1892 - 146 died

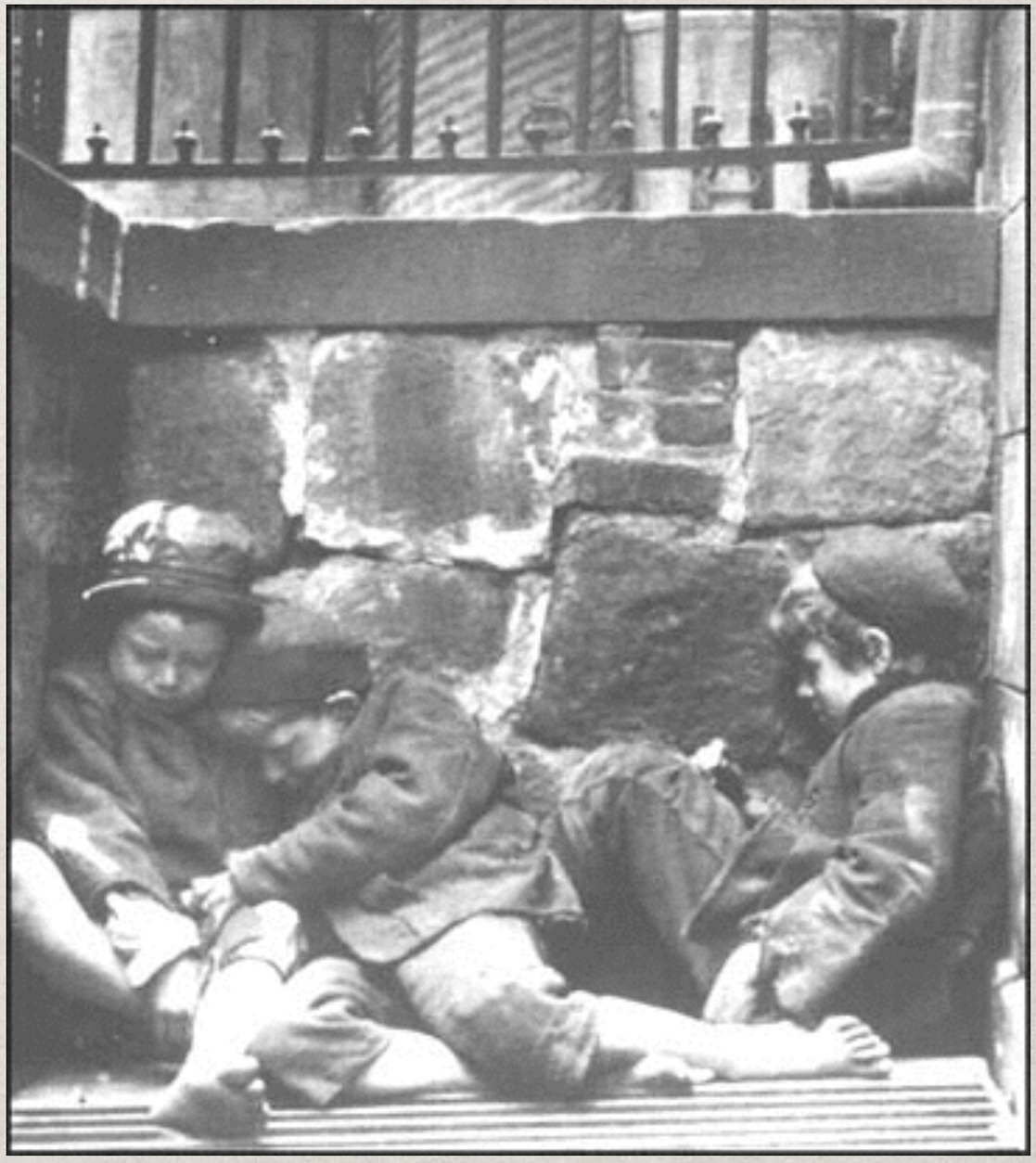
Unfortunately...

Unfortunately…

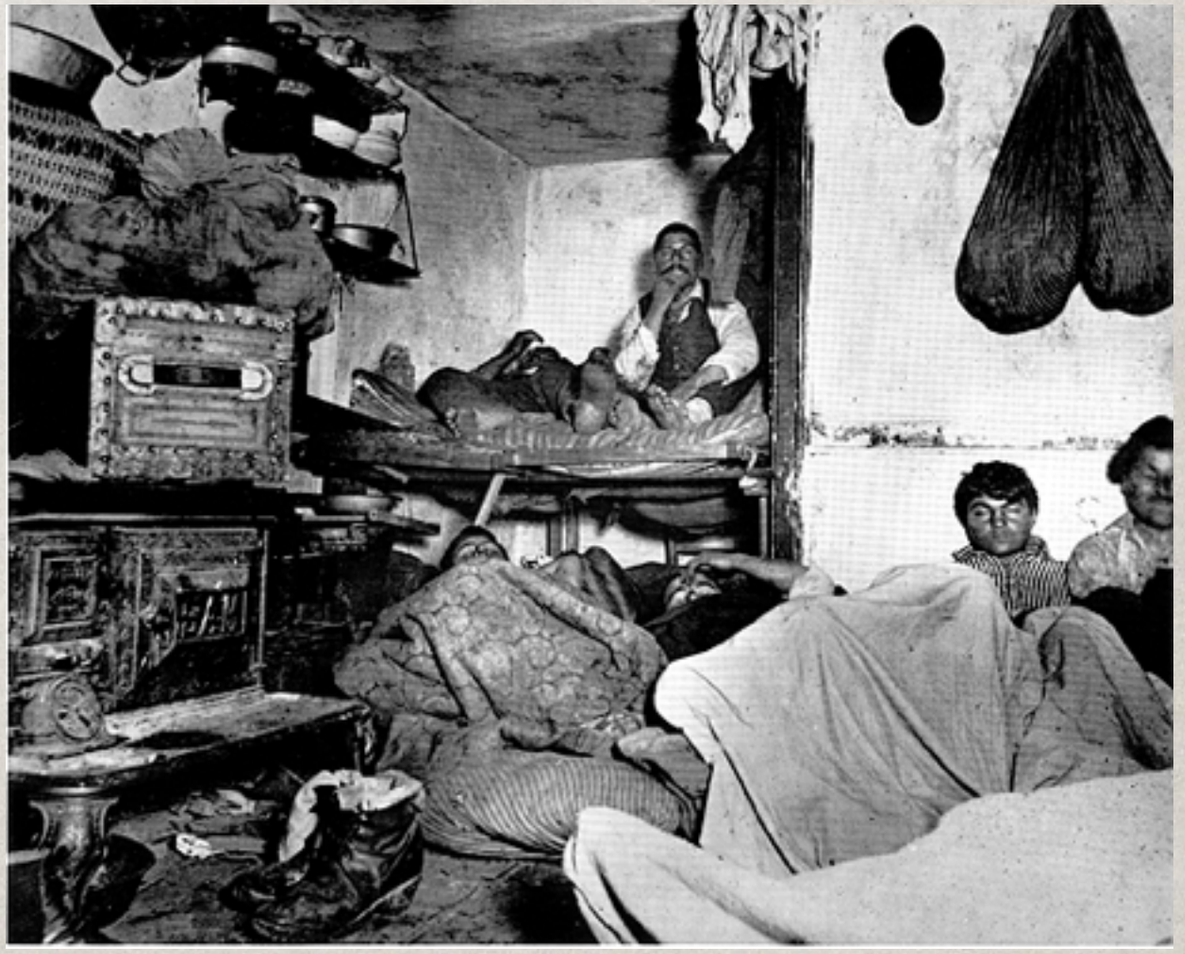
Homestead Strike 1892

Pullman Strike 1894

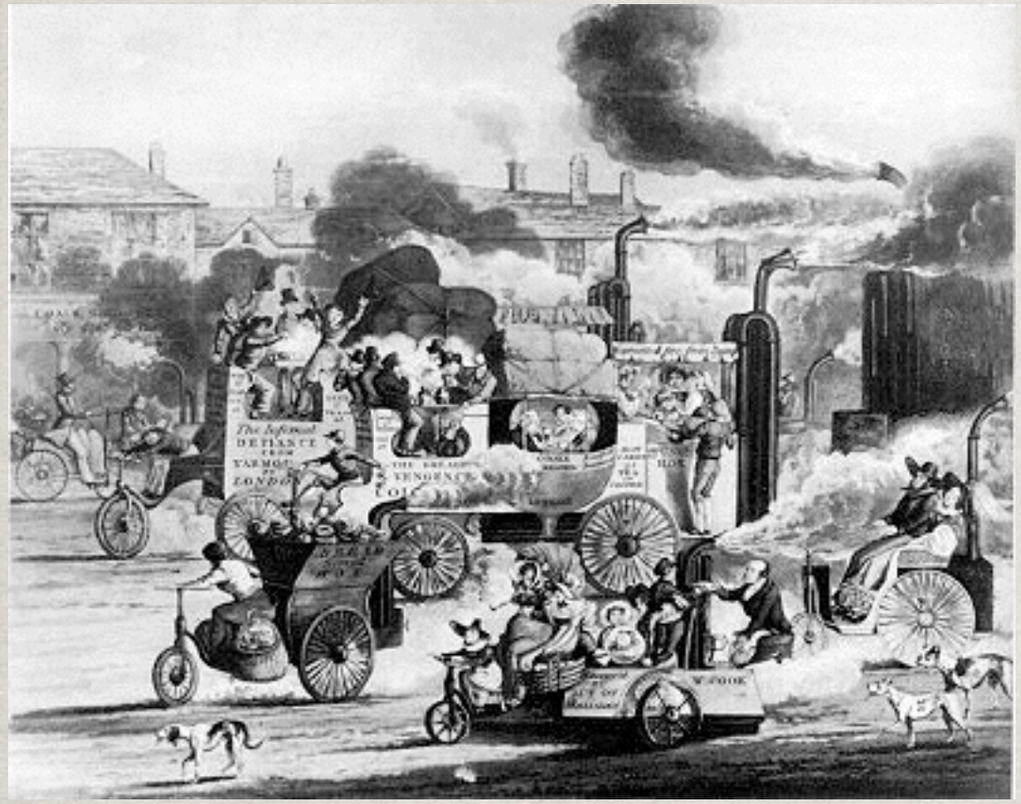
Unfortunately...

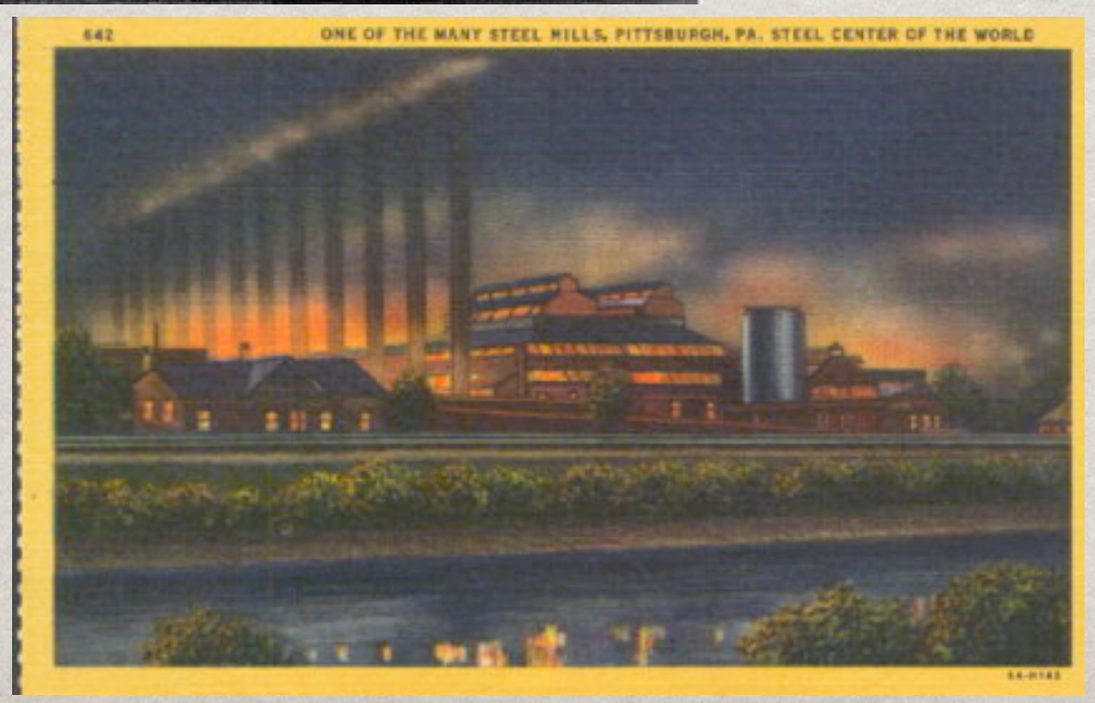


Unfortunately...

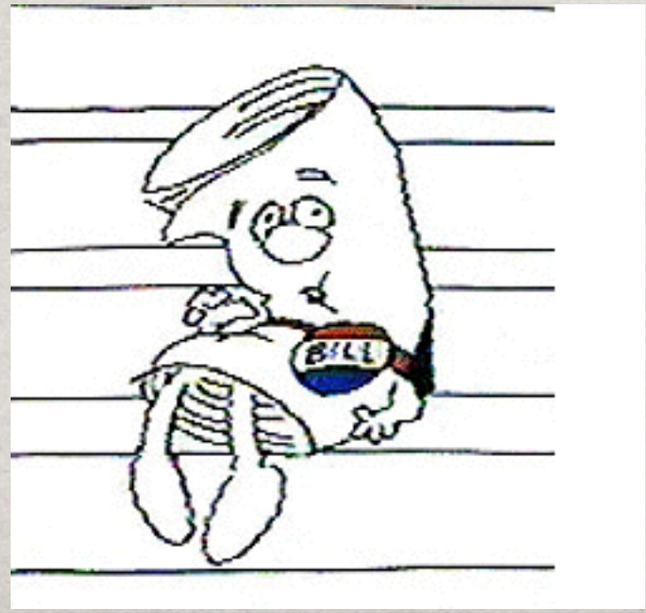


Unfortunately...

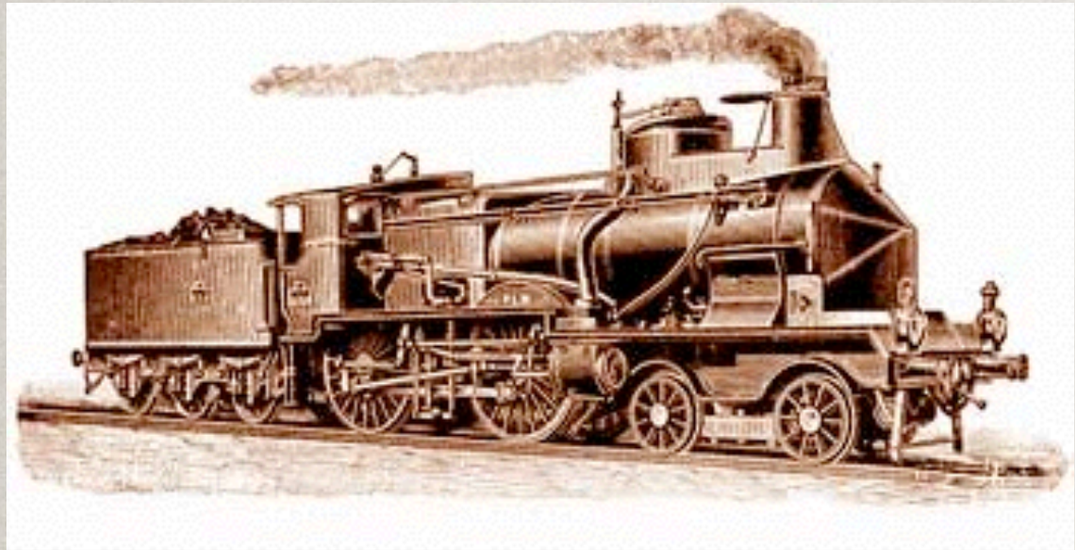


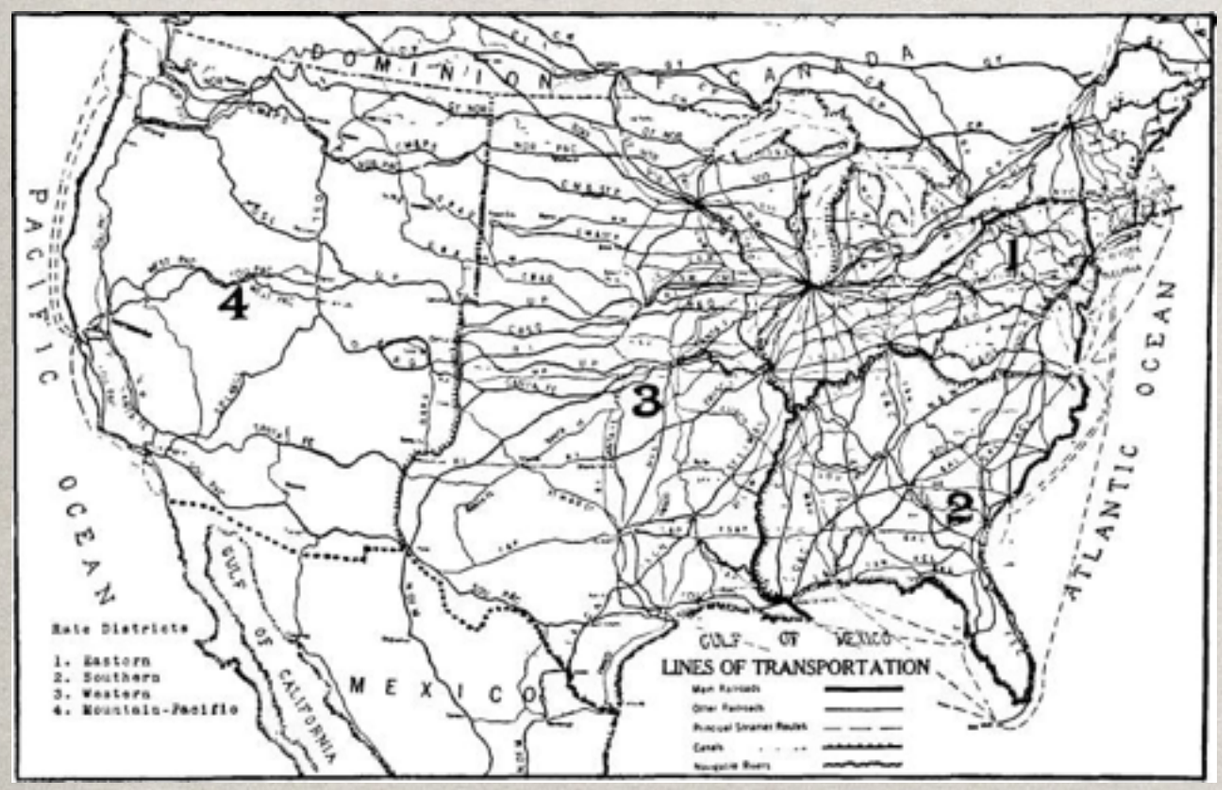


What can government do to regain control?



Interstate Commerce Act (1887)





- Federal law designed to regulate the monopolistic railroad industry.
- Required that railroads publicize shipping rates and charge no more for short hauling than for long hauling (made rebate and pooling illegal).
- Also prevented larger railroads from practicing price discrimination against smaller markets.
- Created a federal regulatory agency, the Interstate Commerce Commission, charged with monitoring railroads to ensure that they complied with the new standards.

Sherman Antitrust Act (1890)

- Requires the Federal Government to investigate and pursue trusts, companies and organizations suspected of violating the Act.

- "Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal."

- First Federal statute to limit monopolies, and today still forms the basis for most antitrust litigation by the United States federal government.

- However, for the most part, officials were unwilling to use the law until Theodore Roosevelt's Presidency.

Early Organized Labor

- Union structure changes.
- Management begins to work with labor.
- Samuel Gompers forms the AFL - confederation of trade unions made up of skilled workers that concentrated on working with management to create higher wages, shorter work days and better working conditions.