

Ch 14 Section 2 The Age of the Railroads

Railroads Span Time and Space

Railroads Encourage Growth

- Rails make local transit reliable, westward expansion possible
- Government makes land grants, loans to railroads
 - to help settle West
 - to develop country

A National Network

- 1859, railroads extend west of Missouri River
- 1869, first **transcontinental railroad** completed, spans the nation

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

Railroad Time

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

Opportunities and Opportunists

New Towns and Markets

- Railroads require great 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 develops
- Towns specialize, sell large quantities of their product nationally
- New towns grow along railroad lines

Pullman

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

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

The Grange and the Railroads

Railroad Abuses

- Farmers angry over perceived railroad corruption
 - railroads sell government lands to businesses, not settlers
 - fix prices, keep farmers in debt
 - charge different customers different rates

Granger Laws

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

Interstate Commerce Act

- 1886, Supreme Court: states cannot set rates on interstate commerce
- Public outrage leads to **Interstate Commerce Act** of 1887, to lower excessive railroad rates
 - federal government can supervise railroads
 - establishes Interstate Commerce Commission (ICC)
- Legal battle with railroads; difficult for ICC to take action

Panic and Consolidation

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