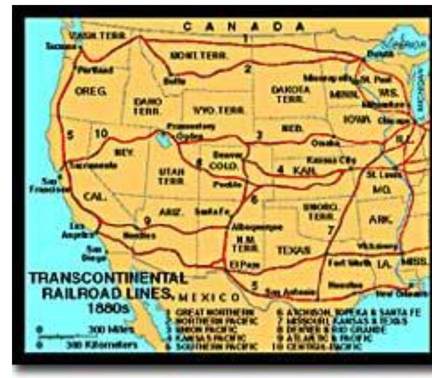
Railroads

Perhaps the greatest physical feat of 19th century America was the creation of the **transcontinental railroad**. Two railroads, the Central Pacific starting in San Francisco and a new railroad, the Union Pacific, starting in Omaha, Nebraska, would build the rail-line. Huge forces of immigrants, mainly Irish for the Union Pacific and Chinese for the Central Pacific, crossed mountains, dug tunnels and laid track. The two railroads met at Promontory, Utah, on May 10, 1869, and drove a last, golden spike into the completed railway. However, the economic incentives to railroads were enormous. The government offered generous loans to companies who were willing to assume the risk. The greatest reward was land. For each mile of track laid by the Central and Union Pacific Railroads, the companies received 640 acres of public land.



Railroad Time

Standard time in time zones (4 of them) was instituted in the U.S. and Canada by the railroads on November 18, 1883. Prior to that, time of day was a local matter, and most cities and towns used some form of local solar time, maintained by a well-known clock (on a church steeple, for example, or in a jeweler's window). The new standard time system was not immediately embraced by all, however. Although the large railway systems in U.S. and Canada adopted standard time at noon on November 18, 1883, it was many years before such time was actually used by the people themselves.

Pullman Cars

The Pullman Sleeping Car was invented by industrialist George Pullman in 1857. Pullman's railroad coach or sleeper was designed for overnight passenger travel. Sleeping cars were being used on American railroads since the 1830s, however, they were not that comfortable and the Pullman Sleeper was very comfortable.

As the railroad industry developed, George Pullman established the Pullman Palace Car Company to manufacture railroad cars. Funded by George Pullman at a total cost of $8 million, the town of Pullman, Illinois was built on 3,000 acres west of Lake Calumet in 1880 to provide housing for his company workers. He established a complete town around the company where employees of all income levels could live, shop, and play.

Interstate Commerce Act

In 1887, Congress passed the Interstate Commerce Act, making the railroads the first industry subject to federal regulation. Legislators designed the law, which established a five-member enforcement board known as the Interstate Commerce Commission, largely in response to public demand that the railroads' conduct should be constrained.

In the years following the Civil War, railroads were privately owned and entirely unregulated. Though each company held a natural monopoly as long as it serviced its own destinations, the railroads became fiercely competitive once they started expanding into each other's markets. They were regarded with distrust by much of the public, who charged them with anything from forming monopolies and wielding corrupt political influence to stock manipulations and rate discriminations. None of the accusations were unfounded.

The Interstate Commerce Act sought to address the problem by setting guidelines for how the railroads could do business. However, the task of establishing specific measures was complex, and regulators lacked a clear mission. The law sought to prevent monopoly by promoting competition, and also to outlaw discriminatory rate-setting. Its most successful provisions were a requirement that railroads submit annual reports to the ICC, and a ban on special rates the railroads would arrange among themselves.

Big Business

Sherman Antitrust Act

Corporations such as the Standard Oil Company, established by John D. Rockefeller, joined with competing companies in **trust agreements**. Participants in a trust turned their stock over to a group of trustees—people who ran the separate companies as one large corporation. In return, the companies were entitled to dividends on profits earned by the trust. Trusts were not legal mergers, however. Rockefeller used a trust to gain total control of the oil industry in America.

Sherman Antitrust Act, 1890, first measure passed by the U.S. Congress to prohibit trusts. Prior to its enactment, various states had passed similar laws, but they were limited to intrastate businesses. Finally opposition to the concentration of economic power in large corporations and in combinations of business concerns led Congress to pass the Sherman Act. The act, based on the constitutional power of Congress to regulate interstate commerce, declared illegal every contract, combination (in the form of trust or otherwise), or conspiracy in restraint of interstate and foreign trade.

The Antitrust Case Against Microsoft

In November 1999, a federal judge declared that Microsoft, a computer company, had violated the Sherman Antitrust Act by gaining a monopoly hold over the computer industry and using its power to unfairly crush competition. The judge sanctioned the U.S. government’s proposal to break Microsoft in two—one company that would sell its Windows operating system and the one that would sell everything else. Microsoft, which has claimed from the beginning that it had acted competitively but not unfairly, voted to fight on in the courts. In 2001, another federal judge rejected the breakup of Microsoft, stating that the original judge who decided the antitrust case had showed partiality by holding secret interviews with members of the media. The case remains unsettled.

Labor

Most Americans living in this time period worked 10 hour shifts, 6 days a week, for wages barely enough to survive. Children as young as eight years old worked hours that kept them out of school. Men and women worked until their bodies could stand no more, only to be released from employment without retirement benefits. Medical coverage did not exist. Women who became pregnant were often fired. Compensation for being hurt while on the job was zero. In 1899, women earned an average of $267 a year, nearly half of men's average pay of $498. The very next year Andrew Carnegie made $23 million—with no income tax.

Unions

Divide and conquer. That simple strategy gave the owners the advantage over labor until the dawn of the 20th century. Laborers did not all have the same goals. By favoring one group over another, the bosses could create internal dissent in any union. Unions were spread from town to town. Unity among them might make a more effective boycott or strike, but bringing diverse groups together across a large area was extremely difficult.

Keep it simple. That was the mantra of labor leader Samuel Gompers. Gompers quickly learned that the issues that workers cared about most deeply were personal. They wanted higher wages and better working conditions. These "bread and butter" issues would always unite the labor class. Gompers had no visions of uniting the entire working class. Tradespeople were in greater demand and already earned higher wages than their unskilled counterparts. Gompers knew that the American Federation of Labor would have more political and economic power if unskilled workers were excluded.

Gompers was not afraid to call for a strike or a boycott. The larger AFL could be used to support these actions, as well as provide relief for members engaged in a work stoppage. By refusing to pursue a radical program for political change, Gompers maintained the support of the American government and public. By 1900, the ranks of the AFL swelled to over 500,000 tradespeople. Gompers was seen as the unofficial leader of the labor world in America.

Simplicity worked. Although the bosses still had the upper hand with the government, unions were growing in size and status. There were over 20,000 strikes in America in the last two decades of the 19th century. Workers lost about half, but in many cases their demands were completely or partially met. The AFL served as the preeminent national labor organization until the Great Depression when unskilled workers finally came together. Smart leadership, patience, and realistic goals made life better for the hundreds of thousands of working Americans it served.

Great Strike of 1877

In July 1877, workers for the Baltimore and Ohio Railroad (B&O) struck to protest their second wage cut in two months. The work stoppage spread to other lines. Most freight and even some passenger traffic, covering over 50,000 miles, was stopped for more than a week. After several state governors asked President Rutherford B. Hayes to intervene, saying that the strikers were impeding interstate commerce, federal troops ended the strike.

Other unions went on strike as well. Some of the major strikes were: the Haymarket Affair, the Homestead Strike (at Carnegie's steel mill), and the Pullman Company Strike of 1893.

Triangle Shirtwaist Factory Fire

A fire broke out at the Triangle Shirtwaist Factory in New York City on March 25, 1911. The fire spread swiftly through the oil-soaked machines and piles of cloth, engulfing the eighth, ninth, and tenth floors. As workers attempted to flee, they discovered that the company had locked all but one of the exit doors to prevent theft. The unlocked door was blocked by the fire. The factory had no sprinkler system, and the singe fire escape collapsed almost immediately. In all, 146 women died; some were found huddled with their faces raised to a small window. Public outrage flared after a jury acquitted the factory owners of manslaughter. In response, the state of New York set up a task force to study factory-working conditions.