

Chapter 9-Day 2

- Central Pacific started in Sacramento, Calif. moving east, hired 10,000 workers from China
- Finished 1869 at Promontory Point, Utah
- Railroads consolidated and grew
- 1883 American Railway Assoc. to make train travel safer and more reliable divided country into 4 time zones. Gov't ratified this in 1918
- Americans viewed big business entrepreneurs in two ways “robber barons” making fortunes by cheating investors and taxpayers and bribing gov't officials (Cornelius Vanderbilt—railroads and shipping, Jay Gould—banking, J.D. Rockefeller—oil) or “captains of industry” who played fair and by the rules (Andrew Carnegie—steel)

Section 3—Big Business

- Before the Civil War most manufacturing businesses were small and owned by partners
- By 1900 everything changed. Big business dominated, they would not have been possible without corporations
- Most small businesses forced out
- To control costs big business developed two ways to consolidate (1) vertical integration—own all the different businesses needed Andrew Carnegie (2) horizontal consolidation—controlling one aspect necessary for production like refining in oil industry John D. Rockefeller
- Monopoly—companies control an entire market
- Americans began to fear big business and monopolies. Many states made it illegal to own stock in like companies
- 1882 J.D. Rockefeller came up with trust—similar companies turn control over to a trust in return for a share of the profit
- Holding company—doesn't produce anything but owns stock in companies controlling an industry
- Eventually these are outlawed or controlled by the Sherman Anti-trust Act
- New sales methods—department stores, chain stores, mail-order catalogs. Advertising start to appeal to people's emotions

Section 4—Unions

- Life for industrial workers was difficult, monotonous, unhealthy, and dangerous. On average 22 cents an hr, 59 hours a week. Many workers believed only way to improve was to organize.
- Craft unions for skilled workers only