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## The Age of the Railroad 2

<p><b>Opportunities and Opportunists</b> The growth of the railroads influenced the industries and businesses in which Americans worked. Iron, coal, steel, lumber, and glass industries grew rapidly as they tried to keep pace with the railroads' demand for materials and parts. The rapid spread of railroad lines also fostered the growth of towns, helped establish new markets, and offered rich opportunities for both visionaries and profiteers.</p>	
<p><b>NEW TOWNS AND MARKETS</b> By linking previously isolated cities, towns, and settlements, the railroads promoted trade and interdependence. As part of a nationwide network of suppliers and markets, individual towns began to specialize in particular products. Chicago soon became known for its stockyards and Minneapolis for its grain industries. These cities prospered by selling large quantities of their products to the entire country. New towns and communities also grew up along the railroad lines. Cities as diverse as Abilene, Kansas; Flagstaff, Arizona; Denver, Colorado; and Seattle, Washington, owed their prosperity, if not their very existence, to the railroads.</p>	
<p><b>PULLMAN</b> The railroads helped cities not only grow up but branch out. In 1880, for example, George M. Pullman built a factory for manufacturing sleepers and other railroad cars on the Illinois prairie. The nearby town that Pullman built for his employees followed in part the models of earlier industrial experiments in Europe. Whereas New England textile manufacturers had traditionally provided housing for their workers, the town of Pullman provided for almost all of workers' basic needs. Pullman residents</p>	

<p>lived in clean, well-constructed brick houses and apartment buildings with at least one window in every room—a luxury for city dwellers. In addition, the town offered services and facilities such as doctors’ offices, shops, and an athletic field.</p> <p>As Richard Ely observed, however, the town of Pullman remained firmly under company control. Residents were not allowed to loiter on their front steps or to drink alcohol. Pullman hoped that his tightly controlled environment would ensure a stable work force. However, Pullman’s refusal to lower rents after cutting his employees’ pay led to a violent strike in 1894.</p>	
<p>CRÉDIT MOBILIER Pullman created his company town out of the desire for control and profit. In some other railroad magnates, or powerful and influential industrialists, these desires turned into self-serving corruption. In one of the most infamous schemes, stockholders in the Union Pacific Railroad formed, in 1864, a construction company called Crédit Mobilier. The stockholders gave this company a contract to lay track at two to three times the actual cost—and pocketed the profits. They donated shares of stock to about 20 representatives in Congress in 1867.</p> <p>A congressional investigation of the company, spurred by reports in the New York Sun, eventually found that the officers of the Union Pacific had taken up to \$23 million in stocks, bonds, and cash. Testimony implicated such well-known and respected federal officials as Vice-President Schuyler Colfax and Congressman James Garfield, who later became president. Although these public figures kept their profits and received little more than a slap on the wrist, the reputation of the Republican Party was tarnished.</p>	