

## Corruption and Graft

Corruption and Graft Following Reconstruction in the war torn South, and the Sioux Wars in the West, America was enjoying an industrialization period unlike any other. Nearly gone was the frontier, industries coming in, with men gaining unheard of wealth, and having leverage in many affairs. With the Robber Barons in control over the nation's economy, and men like Oakes Ames, Leland Stanford, and William "Boss" Tweed, what occurred is that corruption and graft greatly influenced American industry and business between 1860 to 1900. However, labor organizations such as the Knights of Labor and AFL made steps in labor reforms and other government laws attempted to limit monopolies. Undoubtedly, the Robber Barons were the most influential in the corruption of industries during the 1860's to 1900's. The Robber Barons or Captains of Industry consisted of J.P. Morgan, Cornelius Vanderbilt, Jay Gould, Andrew Carnegie, and John Rockefeller. With the aid of graft and bribery, Vanderbilt made his fortune in railroads. Gould was Vanderbilt's fiercest competitor, and with an unwitting President Grant, Jay Gould was able to manipulate the gold market, driving prices down and causing "Black Friday" (1869) that produced a depression that lasted for years. By the 1890's, many of the railroad lines were near bankruptcy stemming from terrible economic conditions and tough competition. J.P. Morgan, the banker's banker, went in and by 1900, owned half of America's track mileage. Since his friends owned the rest, they were able to set railroad rates in the country, thereby cheating the customer. In another landmark that year, U.S. Steel was born, the first billion-dollar company by anti-union Andrew Carnegie and Morgan. John D. Rockefeller made his cash in the booming oil business. With a group of partners, he started the South Improvement Company. The company was extremely corrupt and soon saw its end. Rockefeller then formed Standard Oil of Cleveland in 1870. The company used sabotage and bribery to get ahead. Rockefeller went on to build a monopoly by issuing "trusts" and without worrying about breaking anti-monopoly laws. Attempts at reform were and in 1890, Congress passed the Sherman Anti-Trust Act for the purpose of protecting trade against "unlawful restraints" but the act later proved to lose effectiveness. Moreover, the United States government was embarrassed by scandals in their government. Following the building of the first Transcontinental railroad, Americans were not proud to know that their government was cheated out of millions of dollars by congressman, Oakes Ames, and both the Union Pacific and Central Pacific. After the Credit Mobilier Scandal of 1872, the Whiskey Ring Scandal reached the White House and as did the corruption in the Bureau of Indian Affairs. Under Grant's administration graft and corruption was widespread. Consequently, after experiencing poor working conditions, pay cuts, and other problems, many workers decided to organize and strike to improve their livelihood. While Robber Baron Andrew Carnegie was in Scotland, one of his managers, Henry Frick, induced a strike at Homestead, Pennsylvania. Pinkerton guards were bought in to protect the strikebreakers, after a battle with the guards, twenty people were left dead. This was a vigorous union defeat. In 1886, The Knights of Labor were involved in a strike in Chicago. After strikebreakers were attacked by strikers, police fired at the crowds killing six and wounding more. The following day, several thousand people gathered at Haymarket Square to protest the police activity. A bomb was later thrown killing seven officers and finally slowly bringing the demise of the Noble Order of The Knights of Labor. However, the American Federation of Labor was later introduced and successfully operated by Samuel Gompers. Accordingly, William Mercy Tweed or

"Boss" came to rule New York City during the 1860's and 1870's. From his outpost at Tammany Hall, a Democratic political machine, he gained control by getting votes repaid from befriended immigrants.

In all, Tweed stole about 100 million from New York's treasury. The club's political and economic impact was felt right into the twentieth century.

Finally, Robber Barons made ridiculous amounts of cash at the expense of the average worker. Labor organizations were formed and saw some success. After a scandalous Grant administration, other Presidents came and tried to fix the monopoly problem facing the Robber Baron's competitors. Closing the century, Americans look to labor unions as everyday life.

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