

The Incorporation of America



Essential Question

Industrialization
increased the standard
of living and the
opportunities of most
Americans,
but at what cost?

Causes of Rapid Industrialization

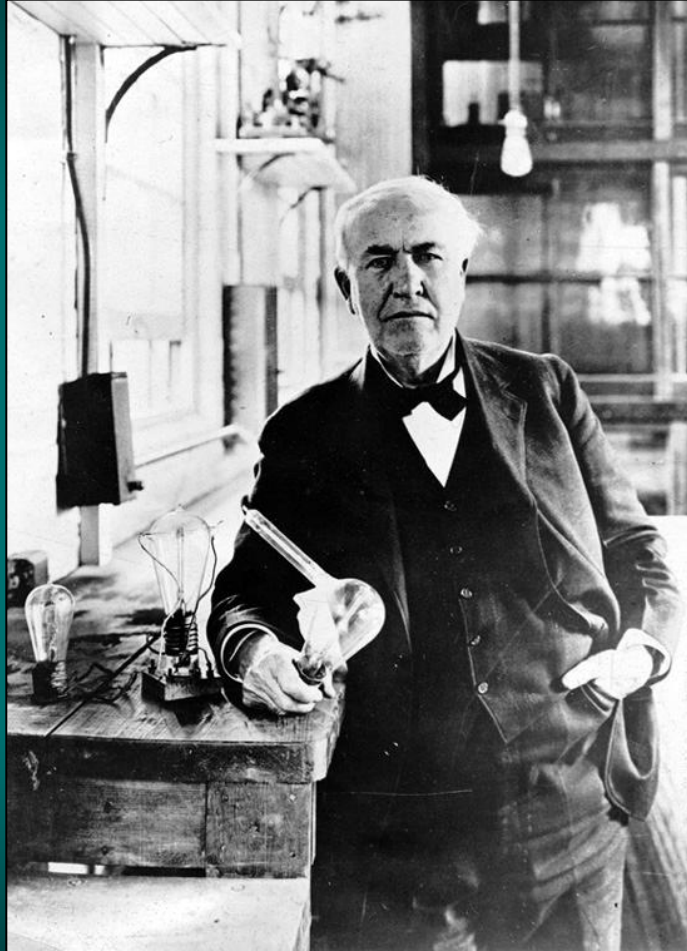
1. Steam Revolution of the 1830s-1850s.
2. The Railroad fueled the growing US economy:
 - First big business in the US.
 - A magnet for financial investment.
 - The key to opening the West.
 - Aided the development of other industries.

Causes of Rapid Industrialization

3. Technological innovations.

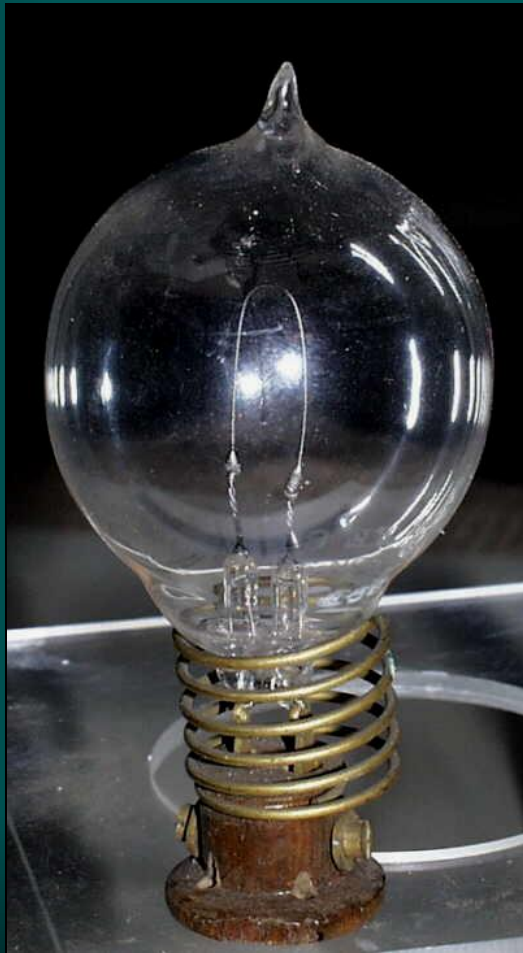
- Bessemer and open hearth process
- Refrigerated cars
- Edison
 - "Wizard of Menlo Park"
 - light bulb, phonograph, motion pictures.

Thomas Alva Edison

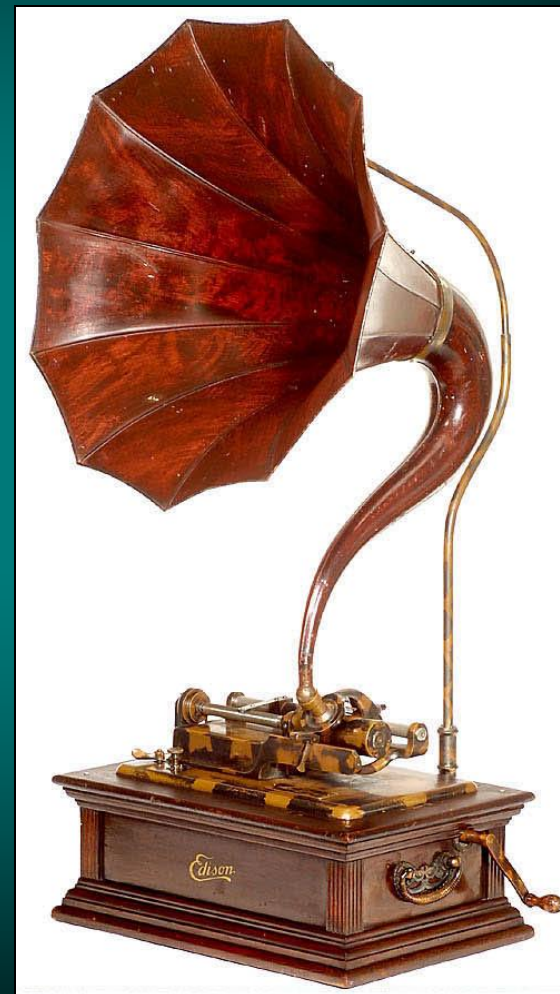


"Wizard of Menlo Park"

The Light Bulb



The Phonograph (1877)



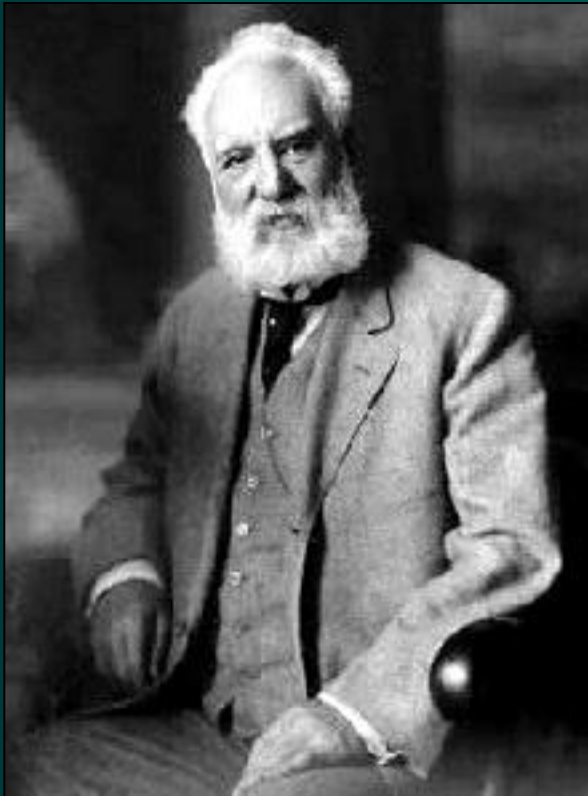
The Ediphone or Dictaphone



The Motion Picture Camera

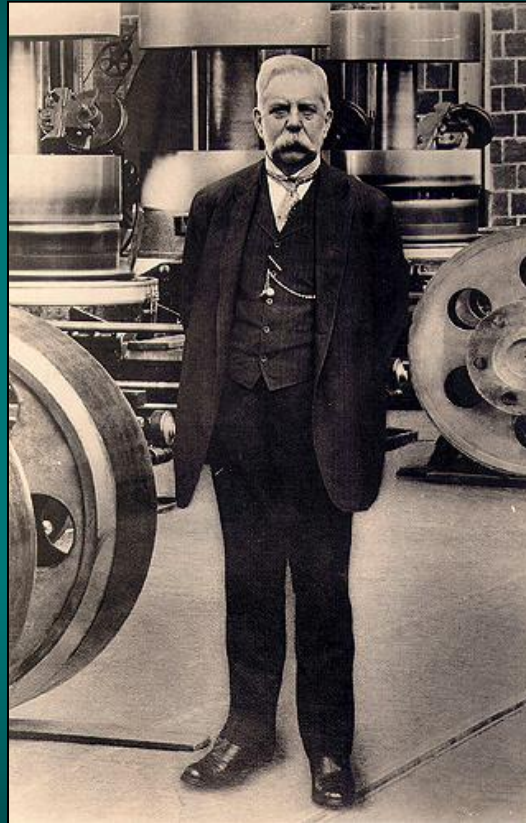


Alexander Graham Bell



Telephone (1876)

Alternate Current



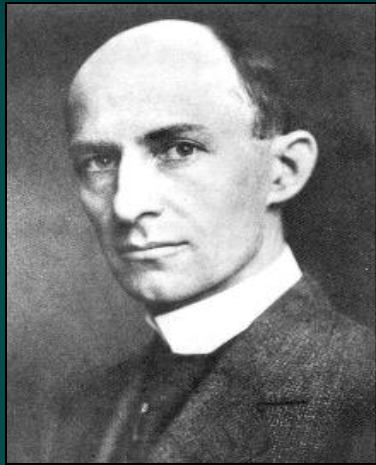
George Westinghouse

Alternate Current



Westinghouse Lamp ad

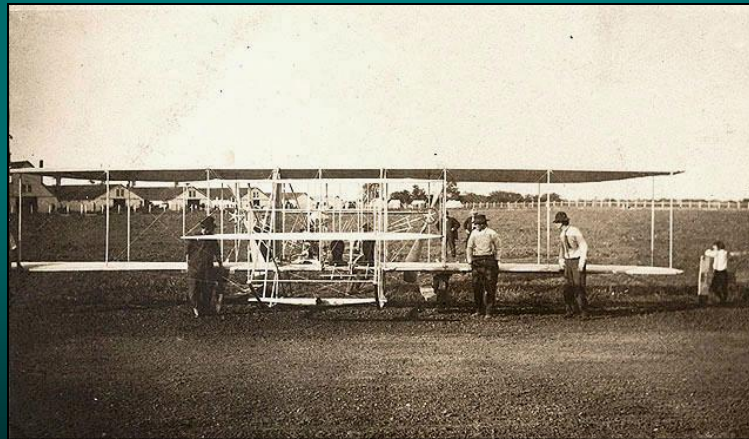
The Airplane



Wilbur Wright



Orville Wright



Kitty Hawk, NC - December 7, 1903

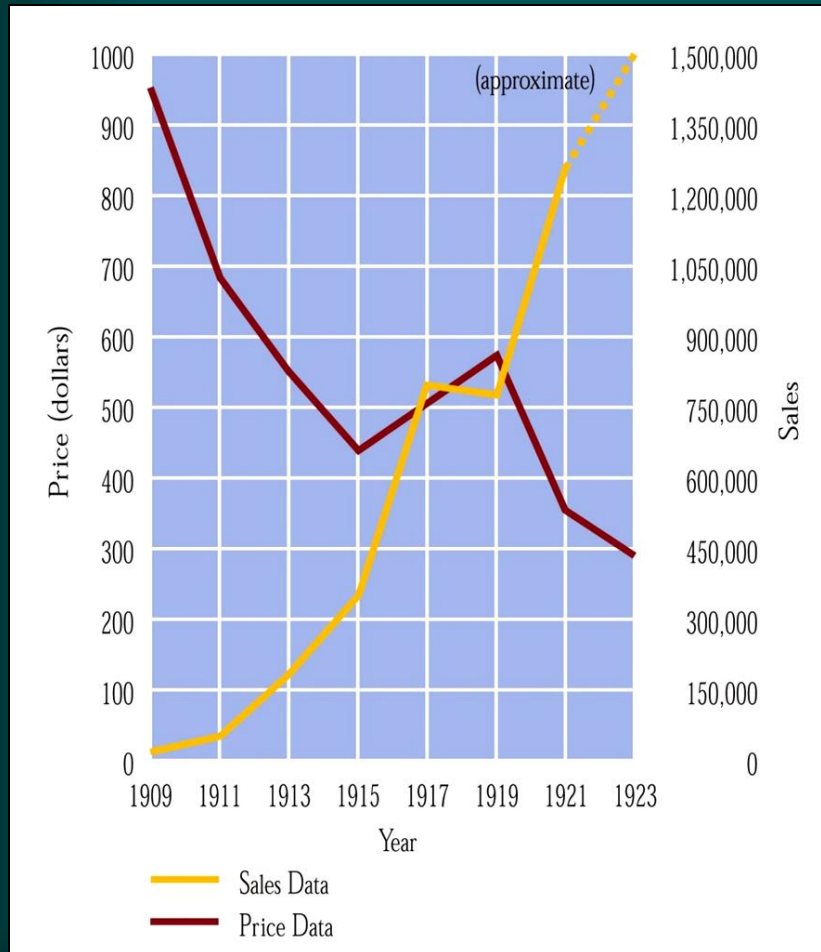
Model T Automobile



Henry Ford

I want to pay my workers so that they can afford my product!

"Model T" Prices & Sales



**The
Ten-Millionth**

Ford


The 10,000,000th Ford car left the Highland Park factories of the Ford Motor Company June 4. This is a production achievement unapproached in automotive history. Tremendous volume has been the outgrowth of dependable, convenient, economical service.

Ford Motor Company
Dearborn, Michigan

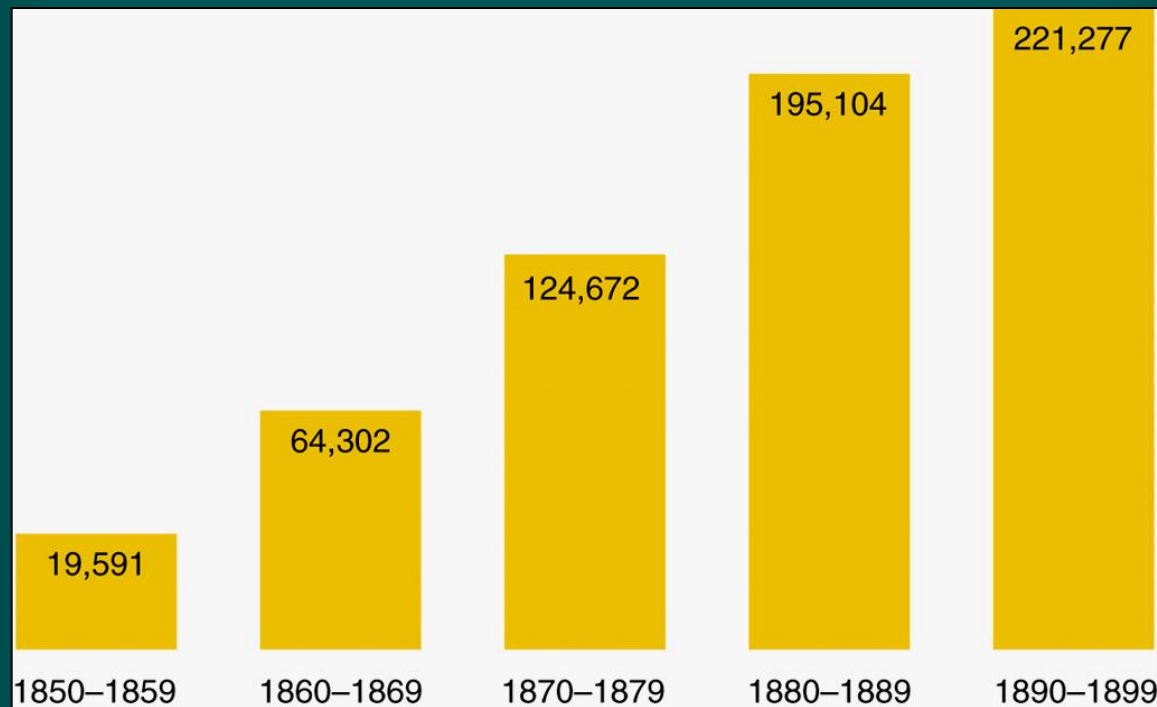
Standard 1924 4-cylinder \$1924 4-cylinder Deluxe \$2200 4-cylinder Touring \$2400
All prices include delivery and license.

**SEE THE NEAREST AUTHORIZED
FORD DEALER**

The Touring Car
\$295
List Price
Includes Delivery, License
and Sales Tax (where applicable)



U. S. Patents Granted



1790s → 276 patents issued.

1990s → 1,119,220 patents issued.

Causes of Rapid Industrialization

4. Unskilled & semi-skilled labor in abundance.
5. Abundant capital.
6. New, talented group of businessmen [**entrepreneurs**] and advisors.
7. Market growing as US population increased.
8. Government willing to help at all levels to stimulate economic growth.
9. Abundant natural resources.

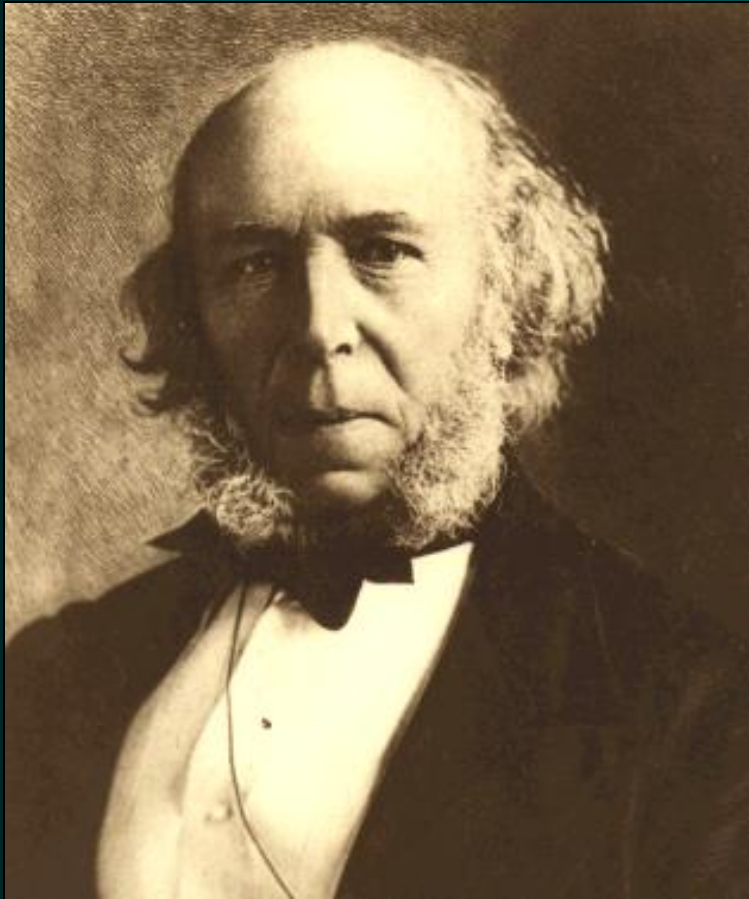


New Business Culture

1. **Laissez Faire** → the ideology of the Industrial Age.

- Individual as a moral and economic ideal.
- Individuals should compete freely in the marketplace.
- The market was not man-made or invented.
- No room for government in the market!

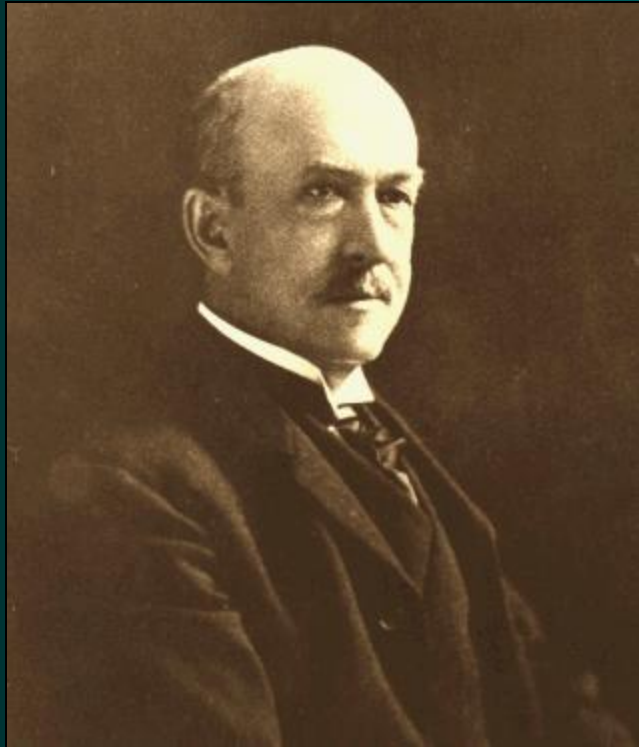
2. Social Darwinism



Herbert Spencer

- 🧑 British economist.
- 🧑 Advocate of *laissez-faire*.
- 🧑 Adapted Darwin's ideas from the "Origin of Species" to humans.
- 🧑 Notion of "Survival of the Fittest."

2. Social Darwinism in America

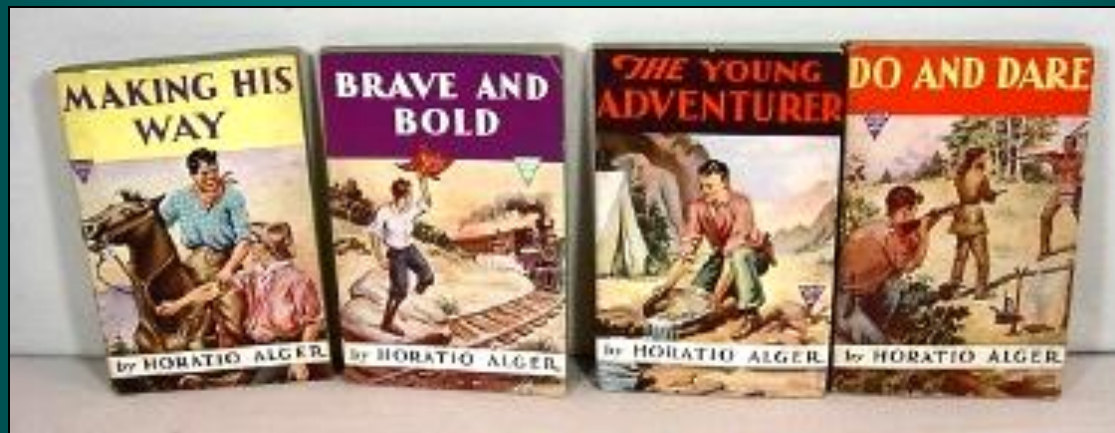


William Graham Sumner
Folkways (1906)

- \$ Individuals must have absolute freedom to struggle, succeed or fail.
- \$ Therefore, state intervention to reward society and the economy is futile!

New Business Culture: “The American Dream?”

3. Protestant (Puritan) “Work Ethic”
 - Horatio Alger [100+ novels]



Is the idea of the “self-made man” a MYTH??

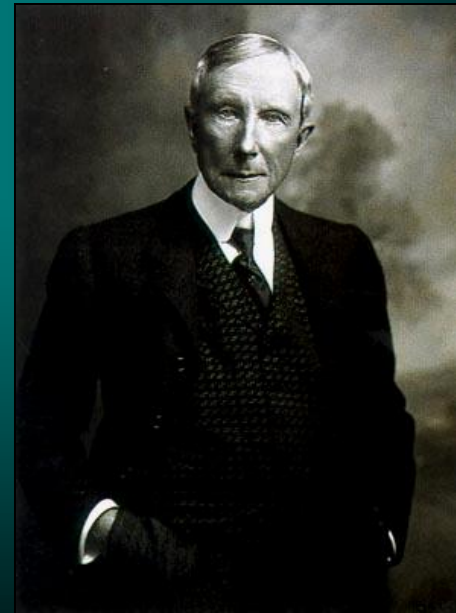
New Type of Business Entities

1. Pool

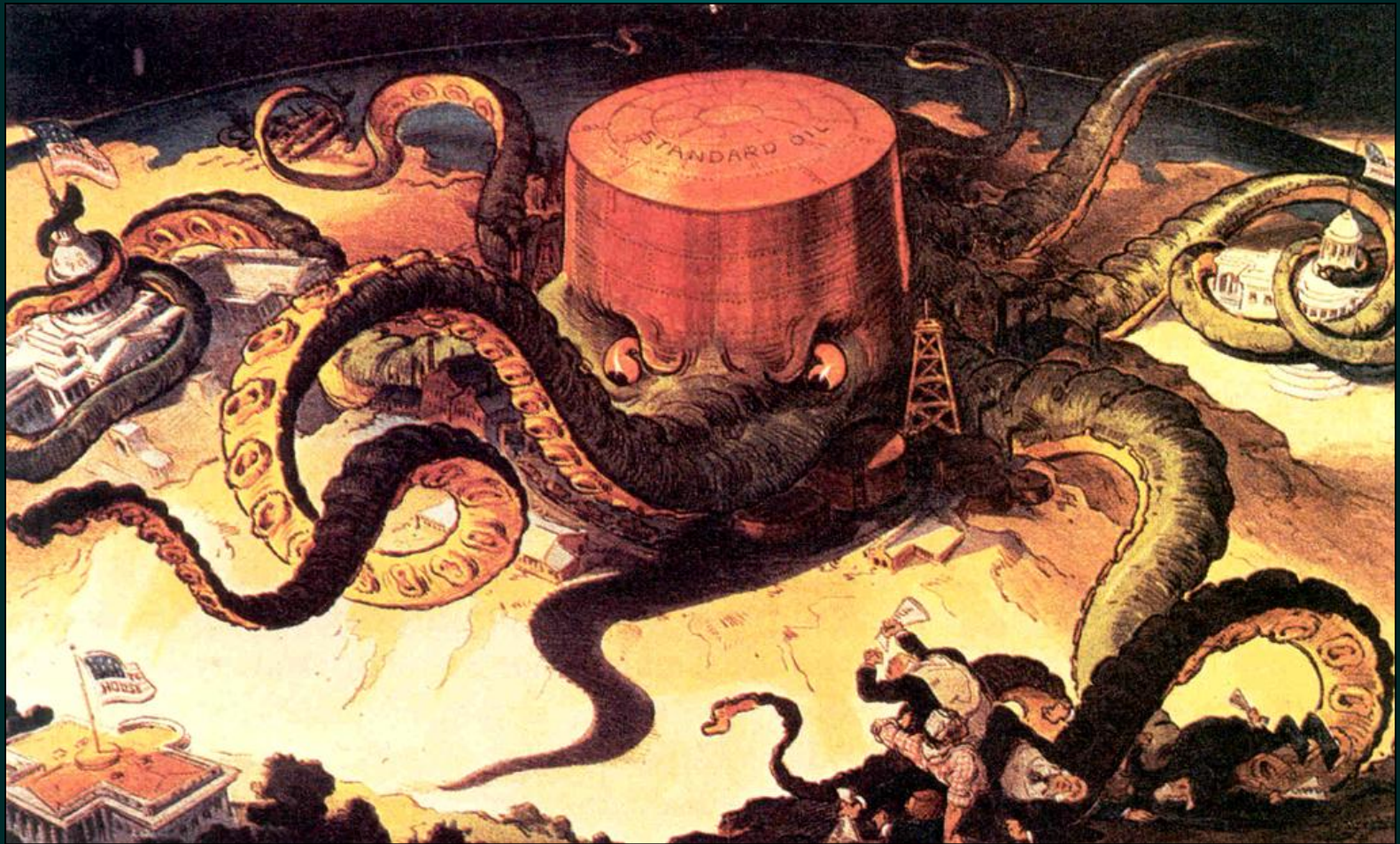
1887 → Interstate Commerce Act
→ Interstate Commerce
Commission created.

2. Trust → John D. Rockefeller

- Standard Oil Co.



Standard Oil Co.



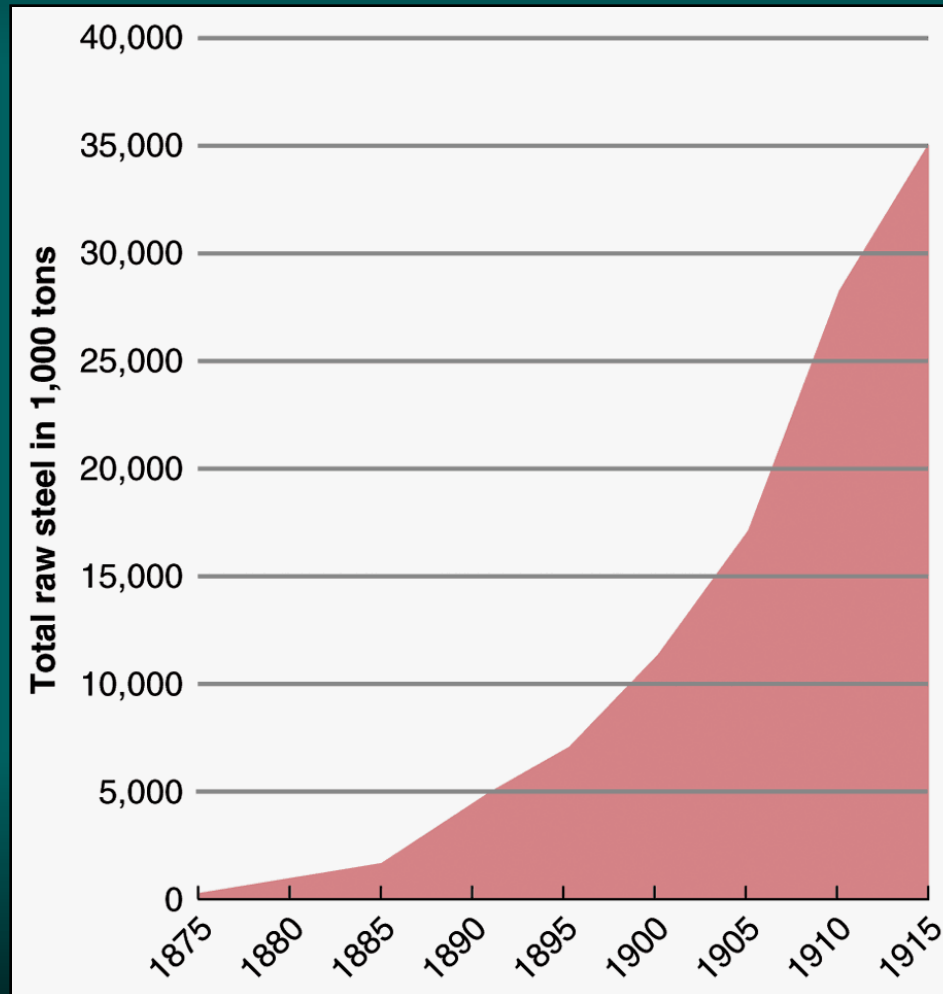
New Type of Business Entities

2. Trust:

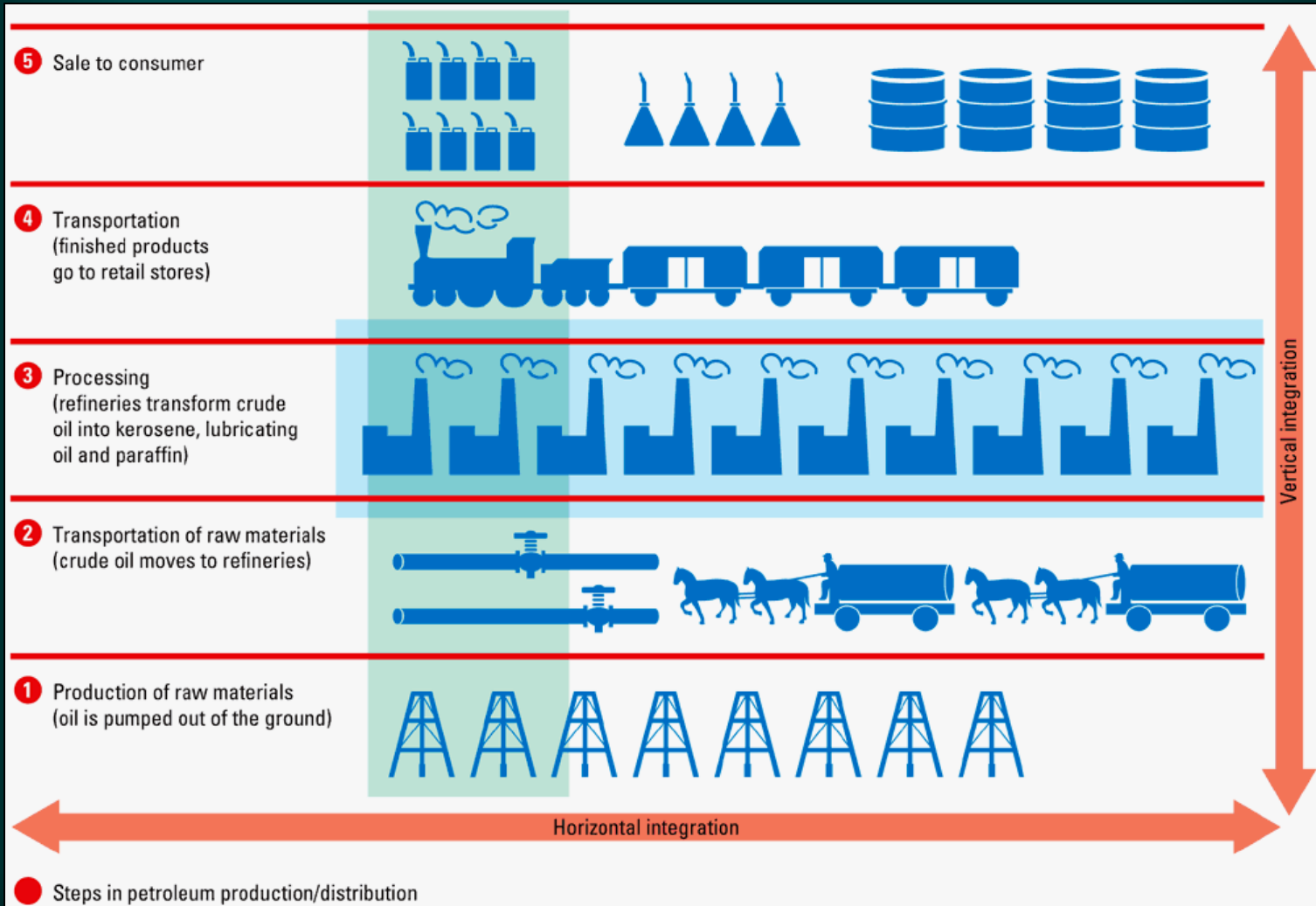
- **Horizontal Integration** → John D. Rockefeller
- **Vertical Integration:**
 - Gustavus Swift → Meat-packing
 - Andrew Carnegie → U. S. Steel



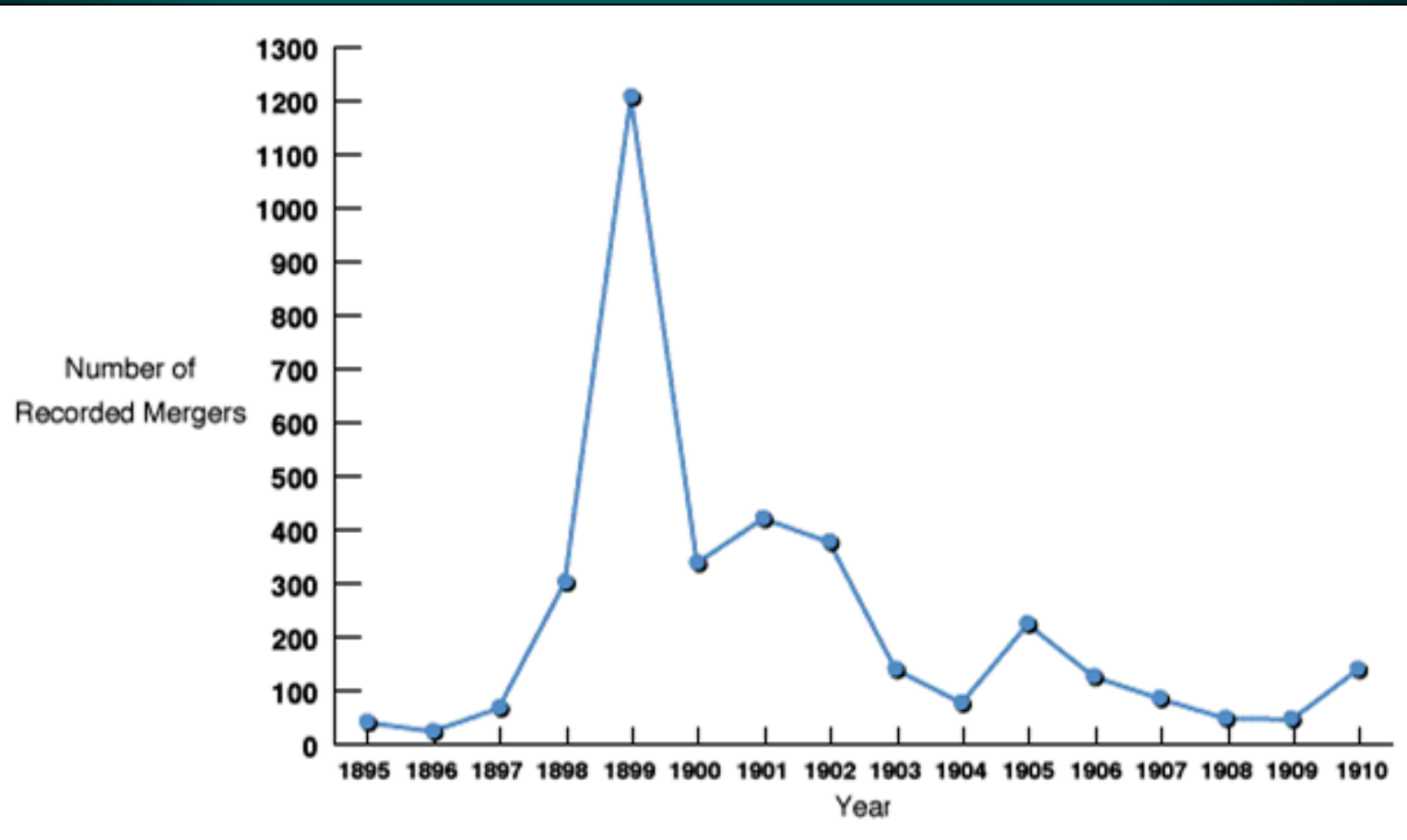
Iron & Steel Production



New Type of Business Entities



U. S. Corporate Mergers



New Financial Businessman

The Broker:

- J. Pierpont Morgan



Wall Street — 1867 & 1900



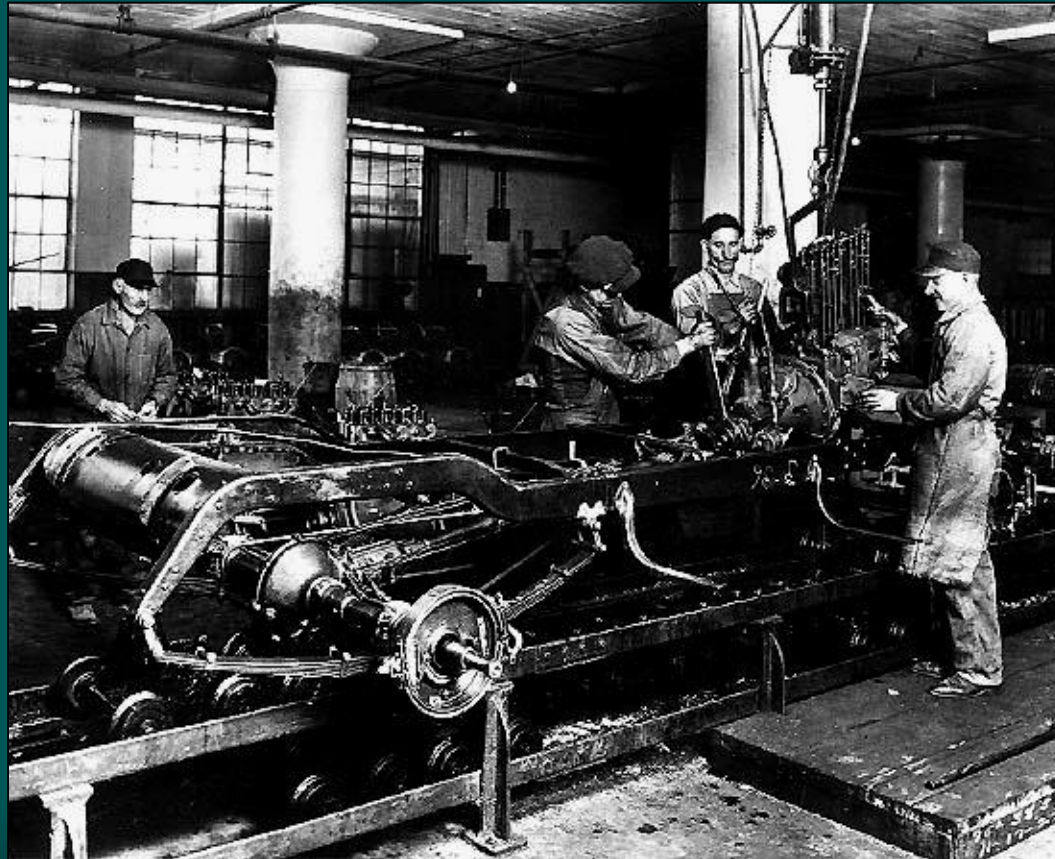
The Reorganization of Work



Frederick W. Taylor

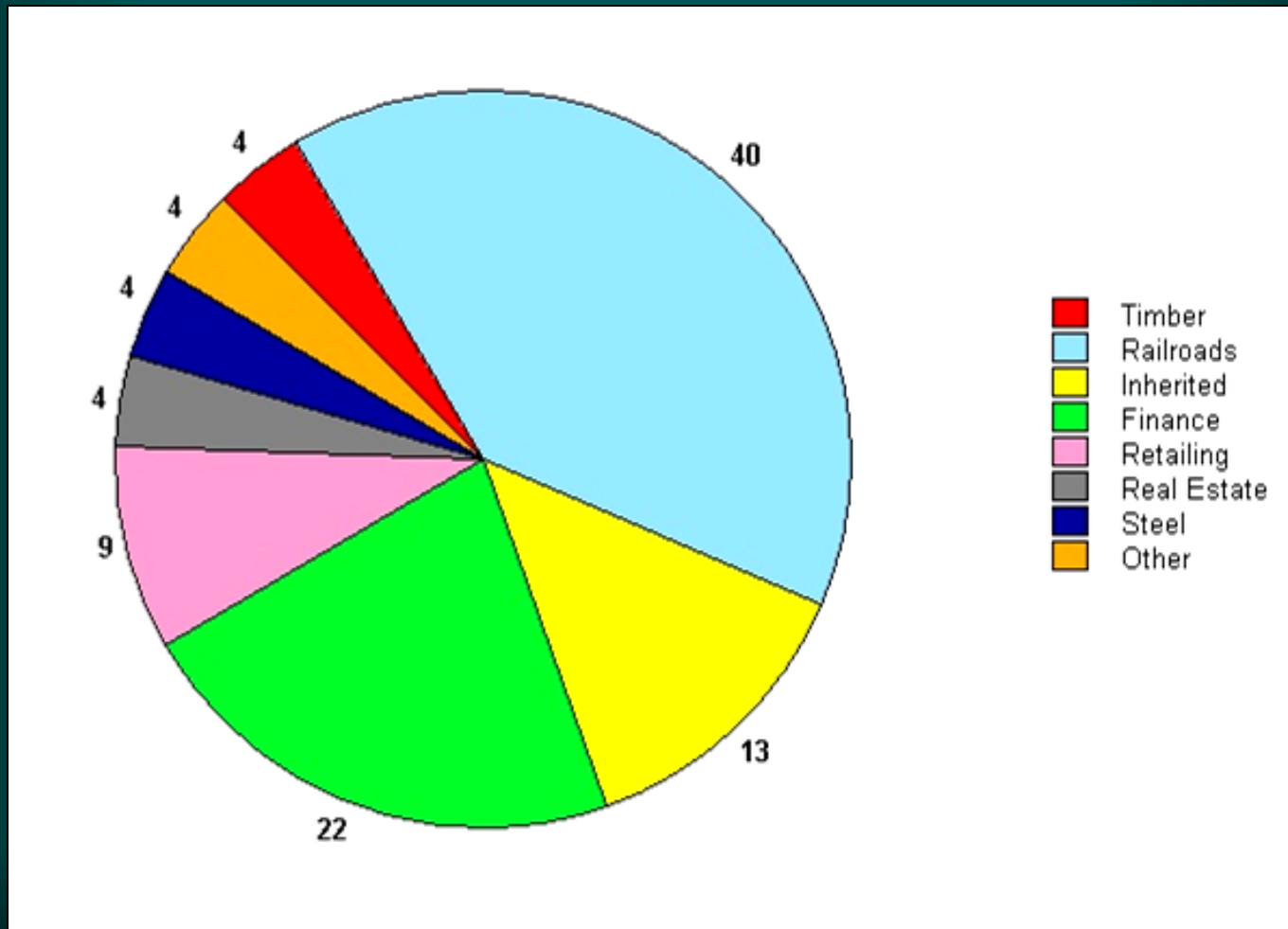
The Principles of Scientific Management (1911)

The Reorganization of Work

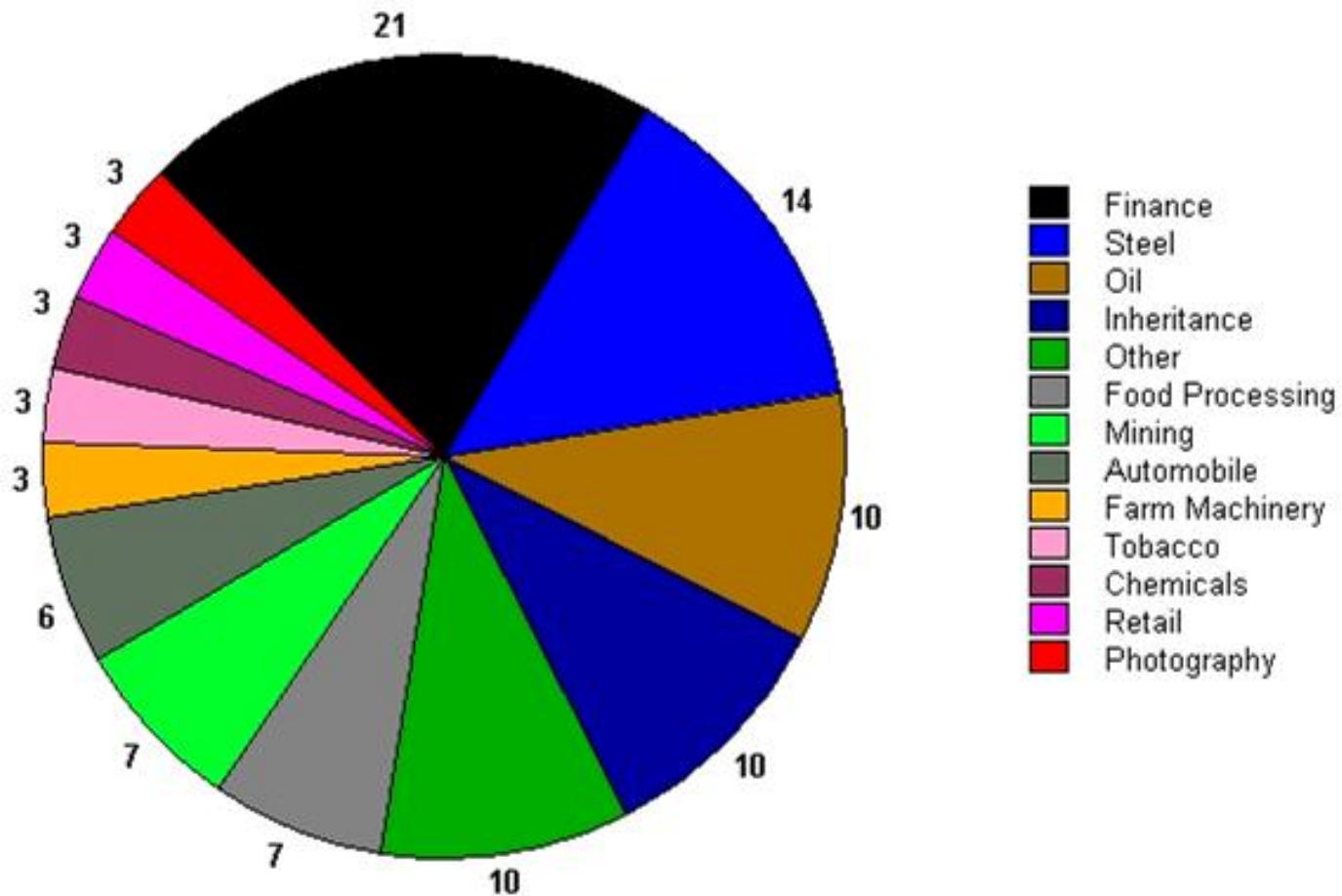


The Assembly Line

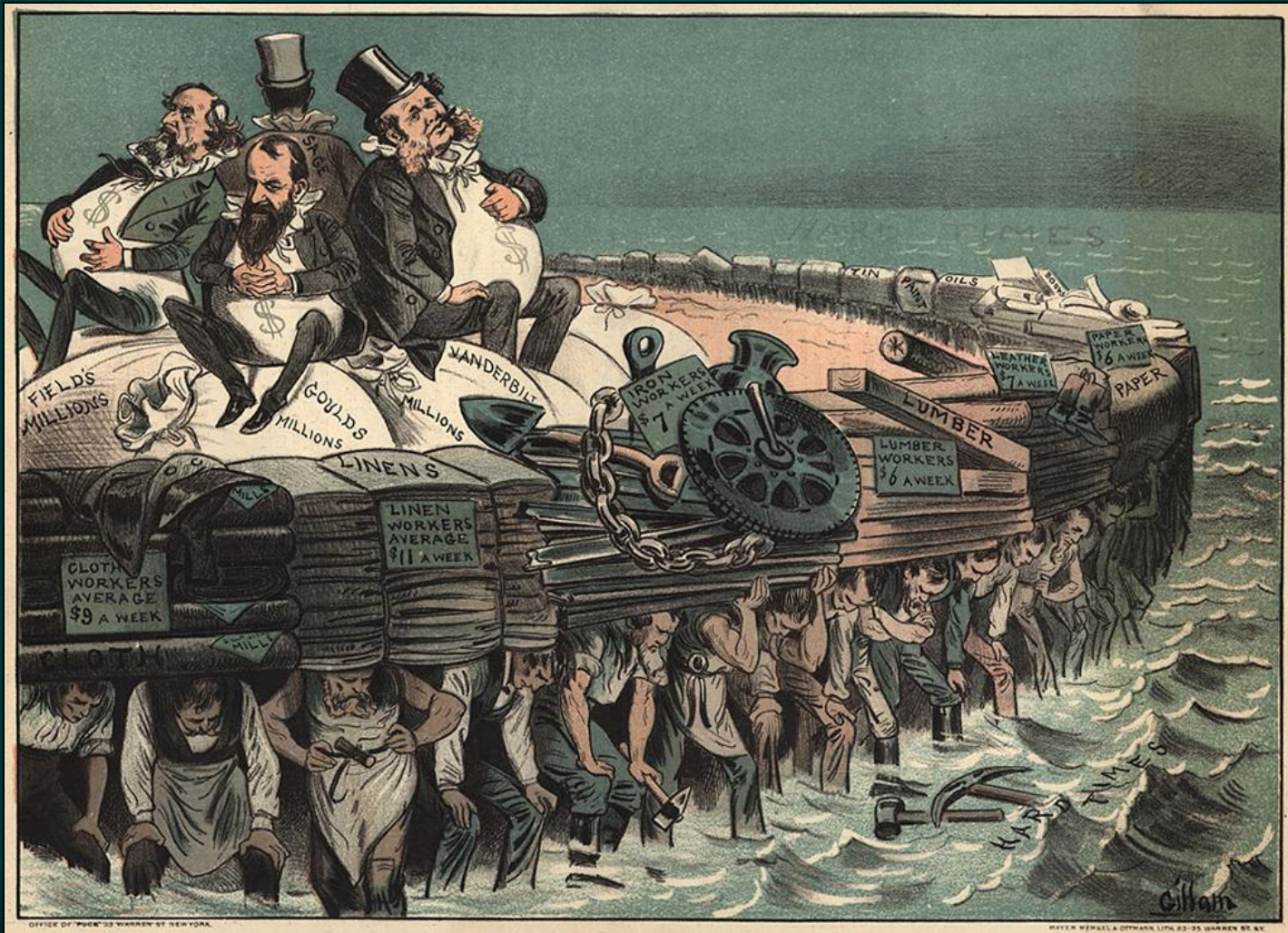
% of Billionaires in 1900



% of Billionaires in 1918



The Protectors of Our Industries



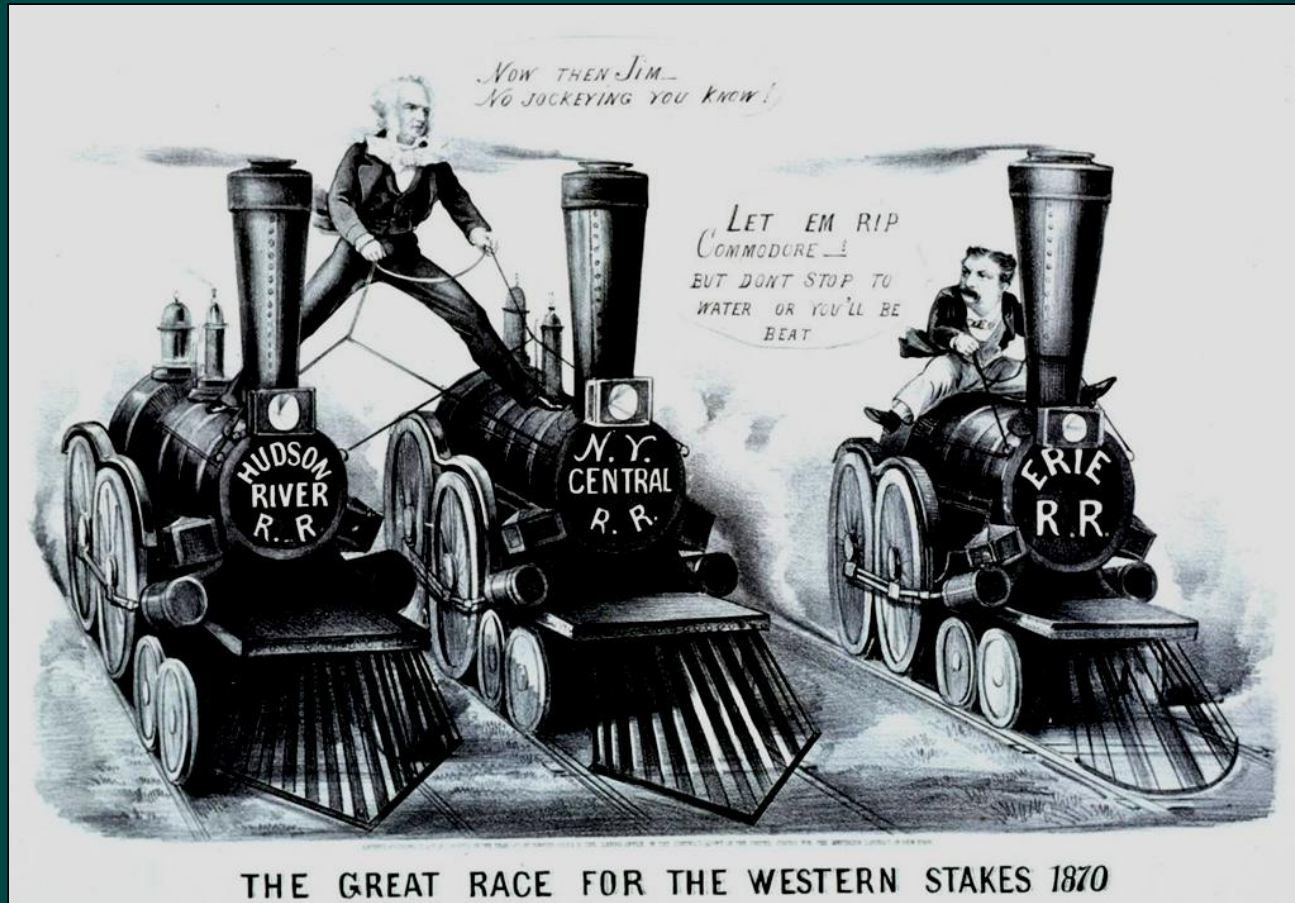
The 'Bosses' of the Senate



The 'Robber Barons' of the Past



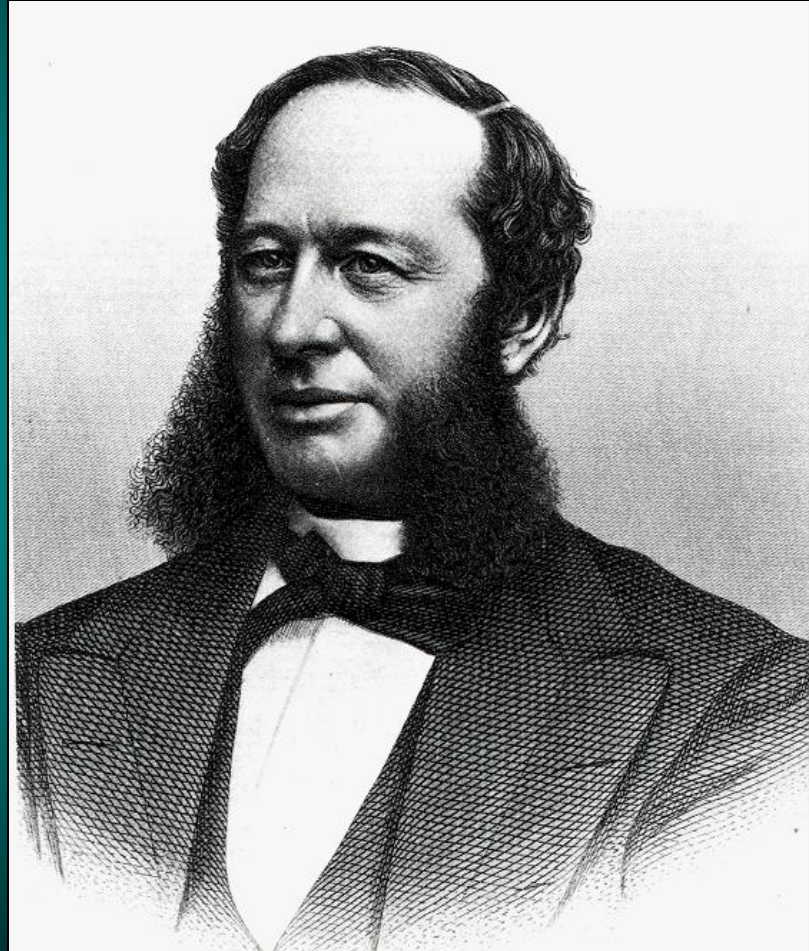
Cornelius ["Commodore"] Vanderbilt



Can't I do what I want with my money?

William Vanderbilt

*\$ What do I care
about the law?
H'aint I got the
power?*



The Gospel of Wealth:

Religion in the Era of Industrialization

- \$ Wealth no longer looked upon as bad.
- \$ Viewed as a sign of God's approval.
- \$ Christian duty to accumulate wealth.
- \$ Should not help the poor.



Russell H. Conwell

"On Wealth"



Andrew Carnegie

- \$ The Anglo-Saxon race is superior.
- \$ "Gospel of Wealth" (1901).
- \$ Inequality is inevitable and good.
- \$ Wealthy should act as "trustees" for their "poorer brethren."

Regulating the Trusts

1877 → *Munn. v. IL*

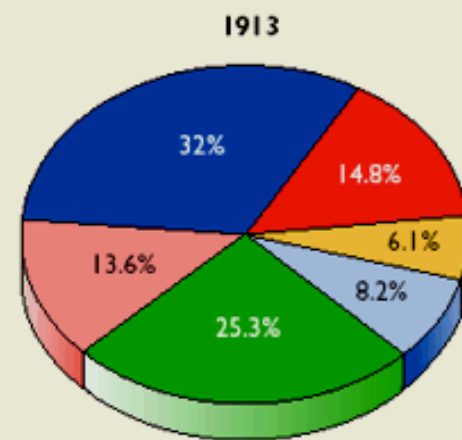
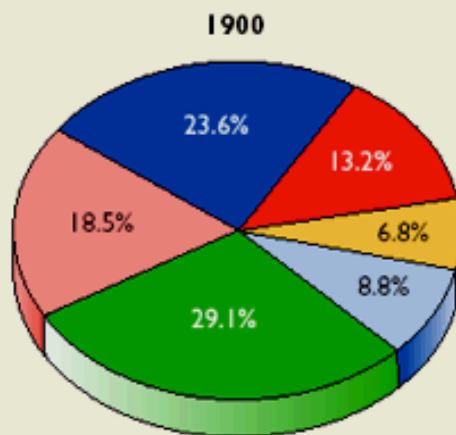
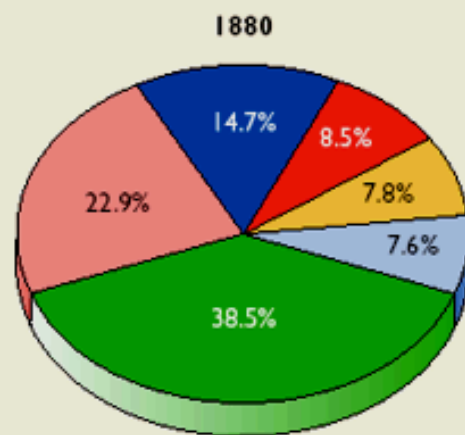
1886 → *Wabash, St. Louis & Pacific Railroad Company v. IL*

1890 → **Sherman Antitrust Act**

- in "restraint of trade"
- "rule of reason" loophole

1895 → *US v. E. C. Knight Co.*

Relative Share of World Manufacturing



■ Britain ■ United States ■ Germany ■ France ■ Russia ■ Other

Modern 'Robber Barons'??

