

Enduring Understanding:

Big Business grew in economic and political power in the Industrial Age.

Essential Question:

How was the formation of Trusts both a blessing and a curse for America?

Objective:

You will be able to explain the causes of the Industrial Revolution and the influence of laissez-faire Capitalism on it.



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THE 25 WEALTHIEST AMERICANS OF ALL TIME

1. John D. Rockefeller,	1839-1937,	oil,	\$192 billion.
2. Cornelius Vanderbilt,	1794-1877,	shipping, railroads,	\$143 billion.
3. John Jacob Astor,	1763-1848,	real estate, fur trade,	\$116billion.
4. Stephen Girard,	1750-1831,	shipping, real estate	\$83 billion.
5. William H. Gates III,	1955- ,	software,	\$82 billion.
6. Andrew Carnegie,	1835-1919,	steel,	\$75 billion
7. A.T. Stewart,	1803-1876,	retail	\$70 billion.
8. Frederick Weyerhaeuser,	1834-1914,	lumber,	\$68 billion.
9. Jay Gould,	1836-1892,	railroads,	\$67 billion.
10. Marshall Field,	1834-1906,	department stores	\$61 billion.
11. Henry Ford,	1863-1947,	automobiles,	\$54billion.
12. Sam Walton,	1918-1992,	retail,	\$53 billion.
13. Andrew W. Mellon,	1855-1937,	banking,	\$48 billion.
13. Richard B. Mellon,	1858-1933,	banking,	\$48 billion.
15. Warren Buffett,	1930- ,	investing,	\$46 billion.
16. James G. Fair,	1831-1894,	mining,	\$45 billion.
17. William Weightman,	1813-1904,	Pharmaceuticals,	\$43 billion.
18. Moses Taylor,	1806-1882,	banking,	\$44 billion.
19. Russel Sage,	1816-1906,	finance,	\$43 billion.
20. John Blair,	1802-1899,	railroads,	\$43 billion.
21. Cyrus Curtis,	1850-1933,	publishing,	\$32 billion
22. Paul G. Allen,	1953- ,	software,	\$25.4 billion.
23. John Pierpont Morgan,	1837-1913,	finance,	\$25 billion.
24. Edward Henry Harriman,	1848-1909,	railroads,	\$25 billion.
25. Henry Huddleston Rogers,	1840-1909,	oil,	\$25 billion.

Create a list of at least 3 similarities you see on this list.

Causes of the Industrial Revolution – “The Perfect Storm”

1. An availability of Natural resources. "We were lucky to live where we lived."
2. Immigration waves and rise of cities. "They built it and bought it."
3. Inventions and innovations. "We reward people for good ideas."
4. Growth of Big Businesses. "A Business Friendly Era."



Cause #1 of the Industrial Revolution

- An availability of Natural Resources

Why was this important?

If you're planning on building a house, by yourself, what materials would you need?

Cause #2 of the Industrial Revolution

The increase in inventions and innovations across the U.S.

Henry Bessemer

Telegraph

George Pullman

Oil well

Christopher Sholes

Vacuum cleaner

Long lasting light bulb

George Eastman

Mass production of steel

Thomas Edison

Instant Camera

I.W. McGaffey

Packaging of meat

Philip Armour

RR air brakes/ transferring e

Edwin Drake

Railroad sleeping car

George Westinghouse

Typewriter

Samuel Morse

Isaac Singer

Telephone

Alexander Graham Bell

Assembly Line production

John Wannamaker

Department Store

Sewing machine

Henry Ford

Based on this discussion, explain what the following statement means:

Perhaps a country's greatest resource, is its people.

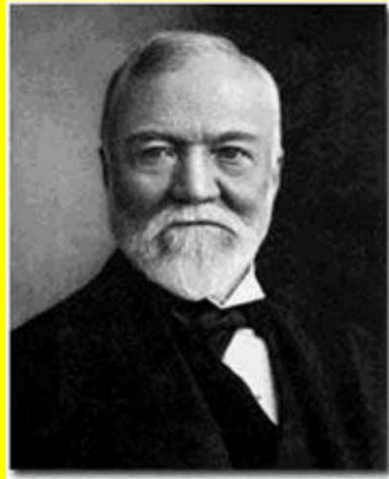
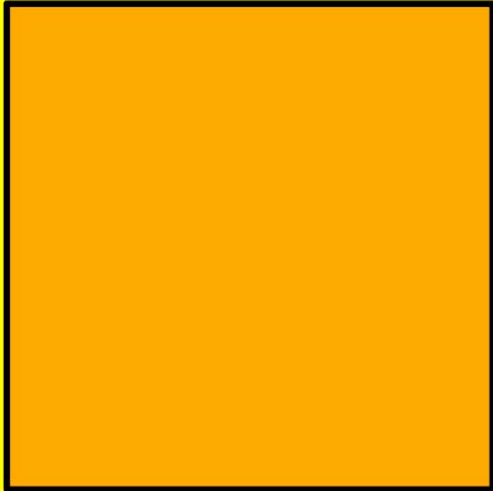
#3 The Rise of Big Business

1. Pick the “right” industry and...

**During the Industrial Revolution what would have been the “right” industries?
WHY?**

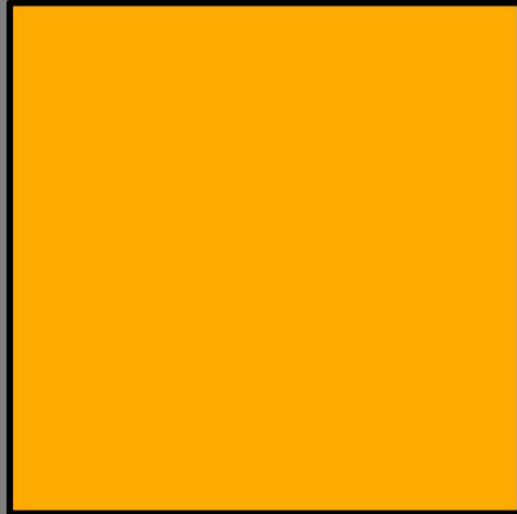
take advantage of the "Business Friendly" environment

- A. Social Darwinism - "Survival of the Fittest"**
- B. Classical economics - "Laissez-faire."**
- C. Capitalism - "Be a winner."**



STEEL INDUSTRY –Carnegie

STANDARD OIL COMPANY -Rockefeller



2. Develop your business

Decisions to make:

Control Costs- Cheap labor +
mechanization =
economies of scale

IN OTHER WORDS. . . **“Eliminate the competition”**

HOW?

- 1. Knock them out– Undersell or Out produce them**
- 2. Merge – To join forces**
- 3. Buy them out—Write them a check**

The Gospel of Wealth:

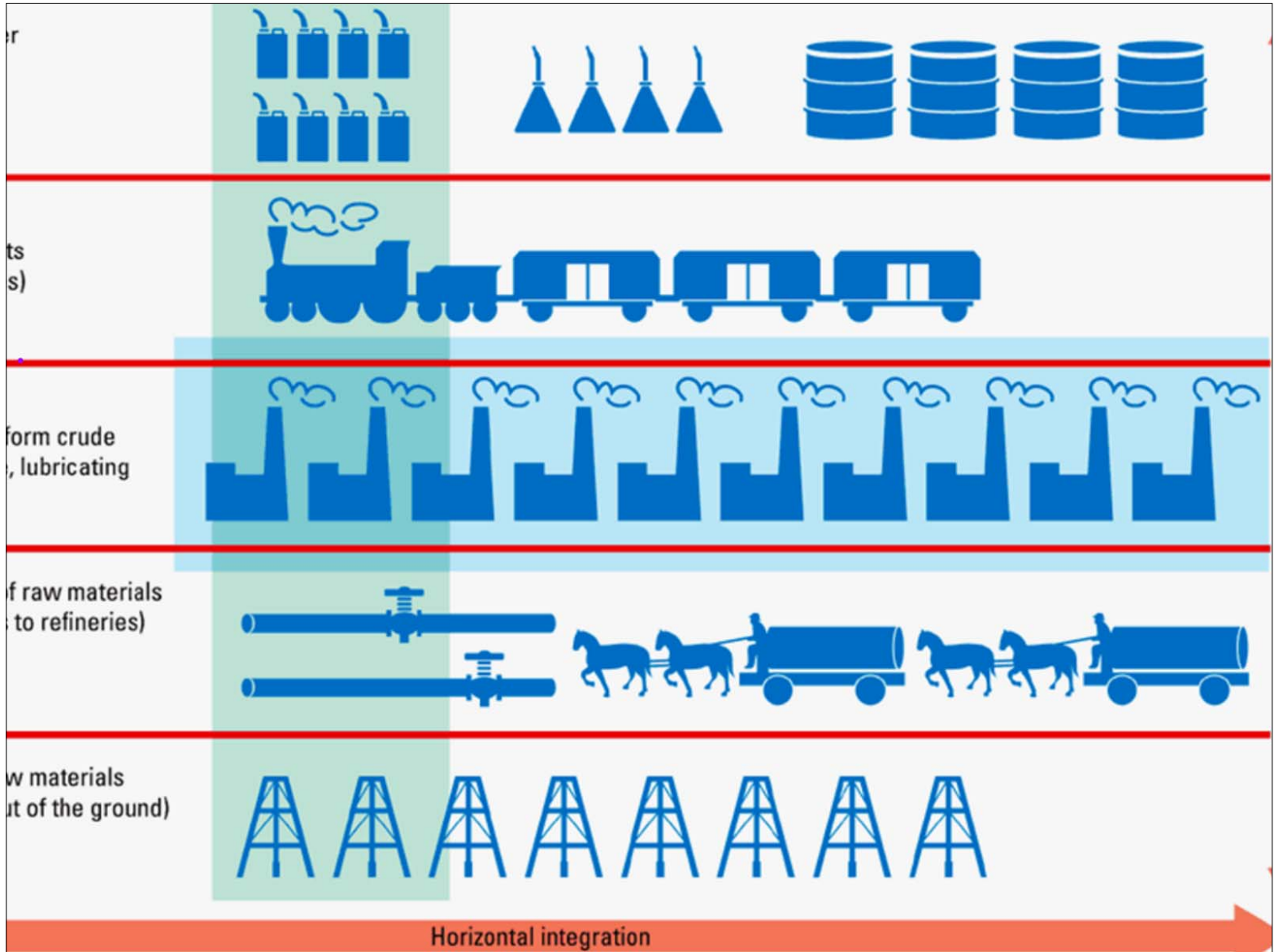
Religion in the Era of Industrialization

- \$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.



When Monopolies exist, (and exist they did in the Industrial Age) who benefits and who suffers?

Blessing of Monopolies

The Curse of Monopolies

The nation's economy

Society in general

Monopolists

Trust employees

Consumers

Capitalism

Trust shareholders

Small Business owners

So were they Robber Barons or Captain's of Industry?

Say members of the government to other members, circa 1890..."Shouldn't we do something to promote Capitalism and prevent failure of the market economy."

Sherman Anti-Trust Act (1890)- Federal Government will pursue and punish any organization that is seen as stifling the growth of the Free Market.

Of Course, in the early years of the law, this meant who?

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**How were industrial leaders seen as both
“Captains of Industry” and “Robber Barons?”**

Monopolies of the Industrial Age

Railroad

Chocolate

Oil

Sugar

Beef

Copper

Asphalt

Steel

Shipping

Drug

Elevator

Cigarette

Flour

Cereal

WHO BENEFITS?

- 1. Corporate leaders**
- 2. Shareholders in company**
- 3. The Nation's economy - Ideally**
- 4. Company workers - Ideally**
- 5. Society in general. "Gospel of Wealth."**

**In an ideal world, Monopolists were considered
"Captains of Industry."**

Who Suffers?

In reality.

1. **Consumers**
2. **The Company's workers**
3. **Free-Enterprise system**
4. **Small Business owners**

**In the real world, many monopolists were considered
"Robber Barons."**

B.) VERTICAL INTEGRATION- Control every step of the process.

Oil Drilling

Oil Refining

Transporting the raw materials and finished product

Selling the finished product

Philosophy = Social Darwinism - "Survival of the Fittest"

