

# The Incorporation of America

Presented by: Mr. Anderson, M.Ed., J.D.

---

---

---

---

---

---

---

## 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
  - o "Wizard of Menlo Park"
  - o light bulb, phonograph, motion pictures.

---

---

---

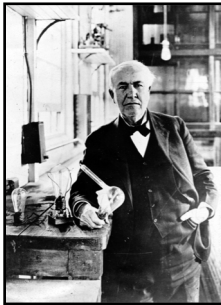
---

---

---

---

## Thomas Alva Edison



"Wizard of Menlo Park"

---

---

---

---

---

---

---

## The Light Bulb



---

---

---

---

---

---

---

## The Phonograph (1877)



---

---

---

---

---

---

---

## The Ediphone or Dictaphone



---

---

---

---

---

---

---

## The Motion Picture Camera



---

---

---

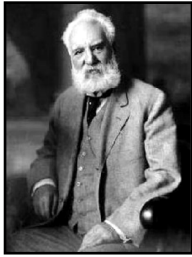
---

---

---

---

## Alexander Graham Bell



Telephone (1876)

---

---

---

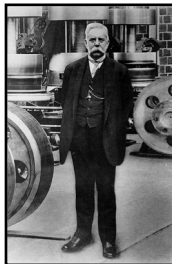
---

---

---

---

## Alternate Current



George Westinghouse

---

---

---

---

---

---

---

## Alternate Current



Westinghouse Lamp ad

---

---

---

---

---

---

---



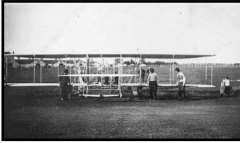
## The Airplane



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!*

---

---

---

---

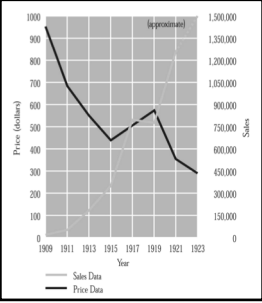
---

---

---

---

## "Model T" Prices & Sales



Price (left axis)  
Sales (right axis)  
Year  
— Sales Data  
— Price Data


**The Ten-Millionth Ford**

*Ford*

The 10,000,000th Ford car left the Highland Park Assembly of the Ford Motor Company June 4. This is a production achievement unsurpassed in automotive history. Twenty-four volume has been the our growth of dependable, convenient, economical service.

*Ford Motor Company*

Model T 295



---

---

---

---

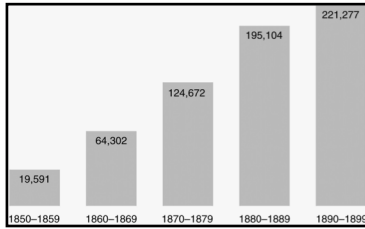
---

---

---

---

## 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.

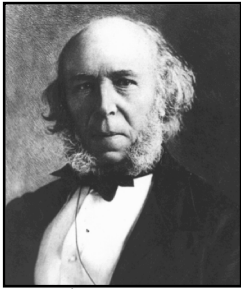


## New Business Culture

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  
English Philosopher

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

---

---

---

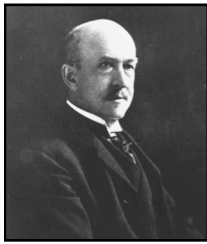
---

---

---

---

## 2. Social Darwinism in America



William Graham Sumner  
*Folkways* (1906)  
Yale Professor

- \$ 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??

---

---

---

---

---

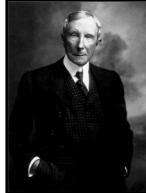
---

---

## New Type of Business Entities

1. Pool  
1887 → Interstate Commerce Act  
→ Interstate Commerce Commission created.

2. Trust → John D. Rockefeller  
▪ Standard Oil Co.



---

---

---

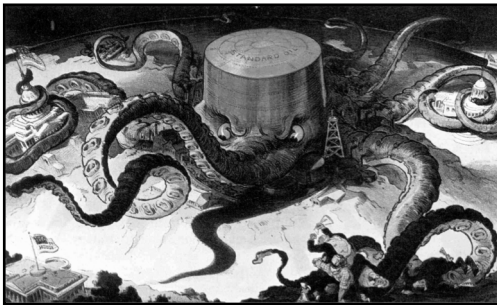
---

---

---

---

## Standard Oil Co.



---

---

---

---

---

---

---

## New Type of Business Entities

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



---

---

---

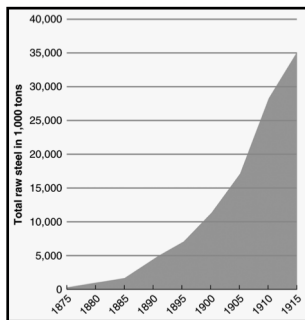
---

---

---

---

## Iron & Steel Production




---

---

---

---

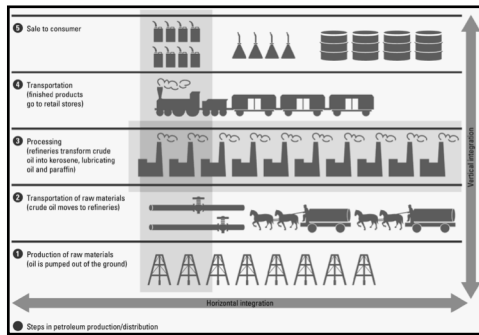
---

---

---

---

## Horizontal v. Vertical Consolidation




---

---

---

---

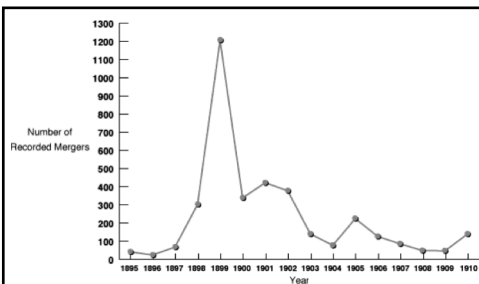
---

---

---

---

## 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)

---

---

---

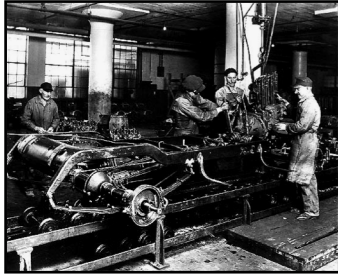
---

---

---

---

## The Reorganization of Work



The Assembly Line

---

---

---

---

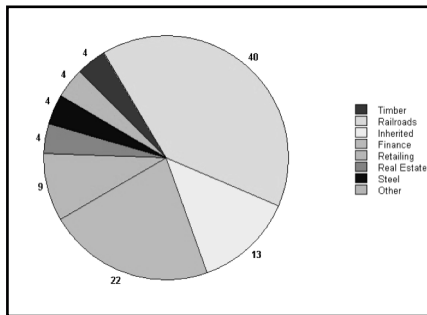
---

---

---

---

## % of Billionaires in 1900




---

---

---

---

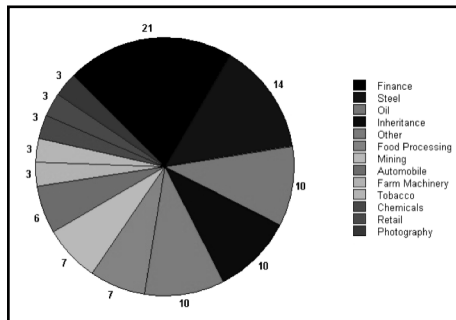
---

---

---

---

## % of Billionaires in 1918




---

---

---

---

---

---

---

---



### *The Protectors of Our Industries*



---

---

---

---

---

---

---

---

### *The 'Bosses' of the Senate*



---

---

---

---

---

---

---

---

### *The 'Robber Barons' of the Past*



---

---

---

---

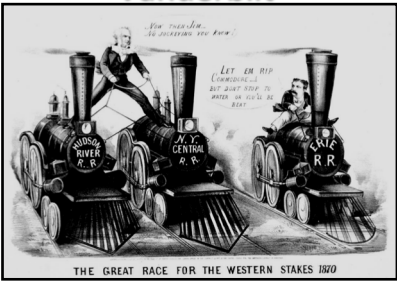
---

---

---

---

## Cornelius ["Commodore"] Vanderbilt



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

---

---

---

---

---


---

---

---

## William Vanderbilt

- \$ *The public be damned!*
- \$ *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.

Roadblock to reform



Russell H. Conwell  
Reverend

---

---

---

---

---

---

---

---

## "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.*

---

---

---

---

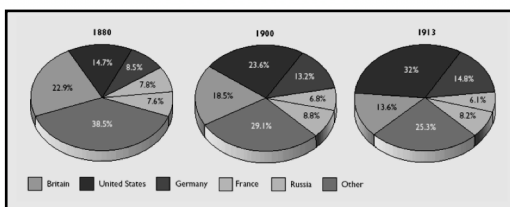
---

---

---

---

## Relative Share of World Manufacturing




---

---

---

---

---

---

---

---

## Modern "Robber Barons\*"?\_?



---

---

---

---

---

---

---