

Module 6: A Nation Grows - 1877 to the 1900s

Topic 3 Content: Industrial Leaders Notes

Introduction



Industrial Leaders

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Instructions

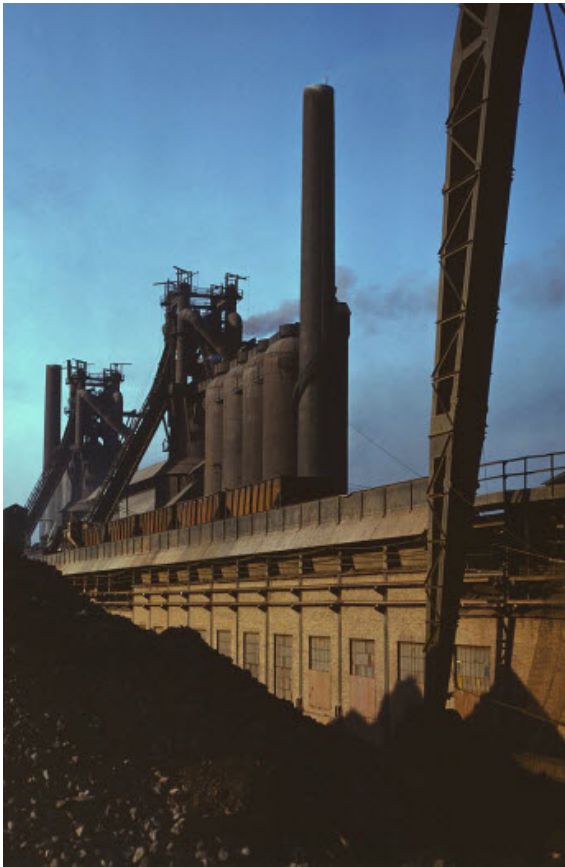


Click the image of each industrial leader to learn how he contributed to the growth of America's economy.

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Andrew Carnegie



- With help from investors, Carnegie built steel plants around the United States, utilizing the available resources.
- Carnegie Steel was the largest corporation of its kind.
- J.P. Morgan bought Carnegie Steel for 200 million dollars.



Andrew Carnegie is considered one of the captains of industry. Born in Scotland, Carnegie immigrated to America in 1848. He was raised in poverty, and began working for a wage that equaled a mere \$1.20 per week. Eager to make his way up in the world, Carnegie took a job with the Pennsylvania Railroad. Over time, he bought stock in the railroad, which enabled him to collect dividends from the investment.


After the Civil War, Carnegie's work involved replacing wooden bridges with iron. In 1873, he traveled to England and toured a steel manufacturing plant. The steel mill used the Bessemer process to convert iron into stronger steel. Fascinated by this process, Carnegie opened his own steel manufacturing business near Pittsburgh, Pennsylvania. In order to start his business, Carnegie needed to find other investors. Once his company had enough money, the entrepreneur began the Carnegie Steel Corporation.

Carnegie built steel plants around the country. He used available resources in the United States to make production of steel easier, faster, and cheaper. Carnegie owned everything he needed for extracting the raw materials, refining the steel, and transporting the finished products. By 1889, Carnegie Steel was the largest corporation of its kind in the world. Carnegie eventually sold his company to J.P. Morgan for 200 million dollars, and spent the rest of his life helping others by donating his fortune to various charities and projects.


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J.P. Morgan



- Morgan's businesses were so powerful that he created monopolies by eliminating the competition.
- Although criticized, Morgan was a very influential businessman and his companies still exist today.



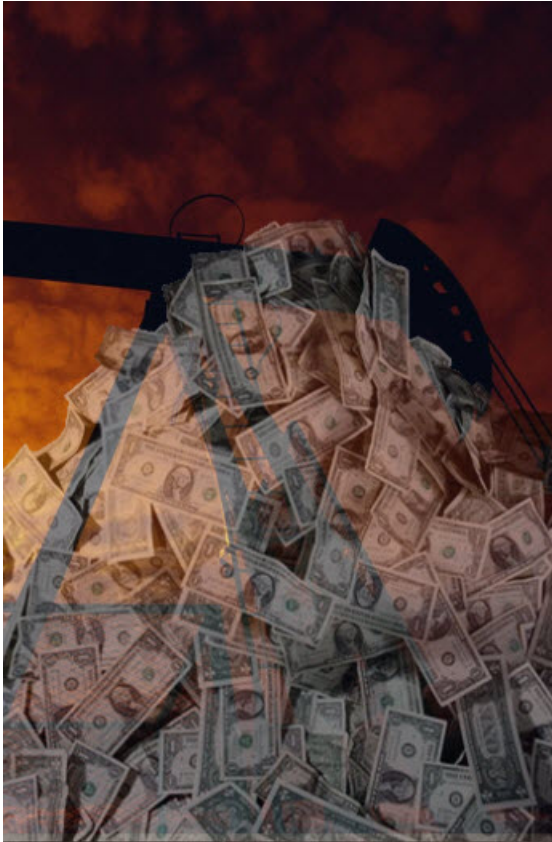
J.P. Morgan was one of the most powerful bankers of his time. In 1871, he founded a private business called the J.P. Morgan Company. Morgan made investments in railroad businesses in the East, and merged Carnegie steel with the Federal Steel Company to create the U.S. Steel Corporation. The U.S. Steel Corporation became the largest steel producer in the world, and made 1.4 billion dollars per year.

Because of his business endeavors, J.P. Morgan was criticized for creating monopolies. His companies became so powerful that he eliminated all competition. Morgan found a way to manipulate the country's financial system for personal gain. Even though he was criticized, Morgan was one of the most influential businessmen of his time.

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John D. Rockefeller



- The trust created by Rockefeller allowed him to take control of over 90% of the oil refineries and pipelines in the United States.
- He eliminated his competitors and created a monopoly.
- Rockefeller became the first American to earn 1 billion dollars.



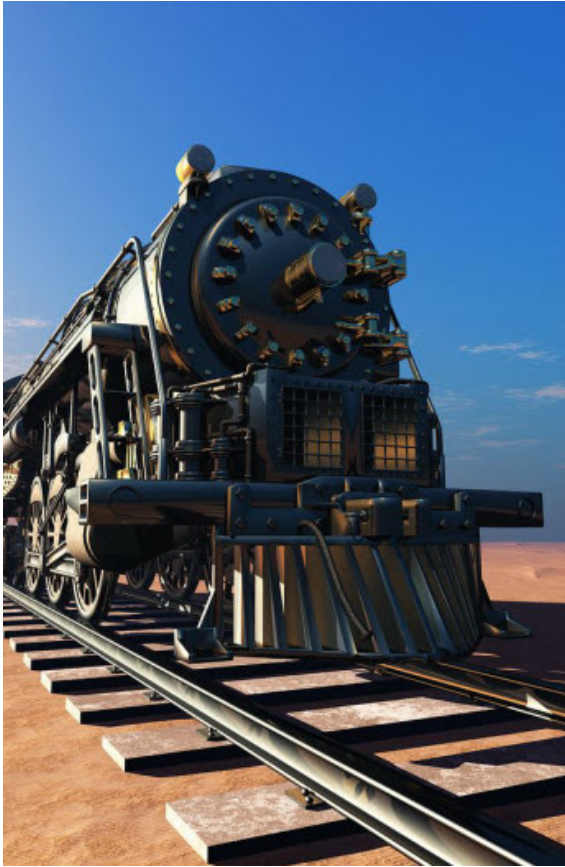
John D. Rockefeller was an American business tycoon. He and his brother William, along with several other partners, founded Standard Oil. Instead of merging with other companies, Rockefeller set up a trust, which turned several businesses into corporations through a trust agreement. In return, company combined several companies' stocks, allowing partners to share dividends. Rockefeller's trust became the first great business trust in the United States. The trust allowed Rockefeller to control over 90% of the United States' refineries and pipelines. He effectively eliminated his competitors and created a monopoly in the oil business.

Through his business practices, Rockefeller earned a tremendous amount of money. He became the world's richest man, and the first American to acquire over one billion dollars. Over time, he donated 500 million dollars to various charities and projects.

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Cornelius Vanderbilt



- Vanderbilt moved to the railroad business and consolidated separate railroad lines.
- Consolidating the lines reduced the cost of shipping and allowed Vanderbilt to earn 100 million dollars.



Cornelius Vanderbilt was a shipping and railroad tycoon. He did work for his father that included transporting goods on steamboats. Eventually, Vanderbilt went into the steamboat business for himself. In the 1820s, he became one of the country's largest steamboat operators.

In the 1860s, Vanderbilt changed from the steamboat business to the railroad industry. He acquired control of several railroad lines between the cities of Chicago and New York. Vanderbilt also consolidated these separate lines into one rail system. By transforming the railroad lines, he was able to reduce the cost of shipping while increasing the speed and efficiency. He earned an estimated 100 million dollars, which he left to his son when he passed away.