Friday September 8

All Electronics Off & Away!!!

1. Bellringer: CEC over Carnegie and Wealth on Page 113
2. Left Column Notes: Chapter 4.2
   – 10 Facts from video: Vanderbilt, Rockefeller, Carnegie, Morgan
   – discuss
3. Preview & Read CH 4.3
4. Turn in Notebooks

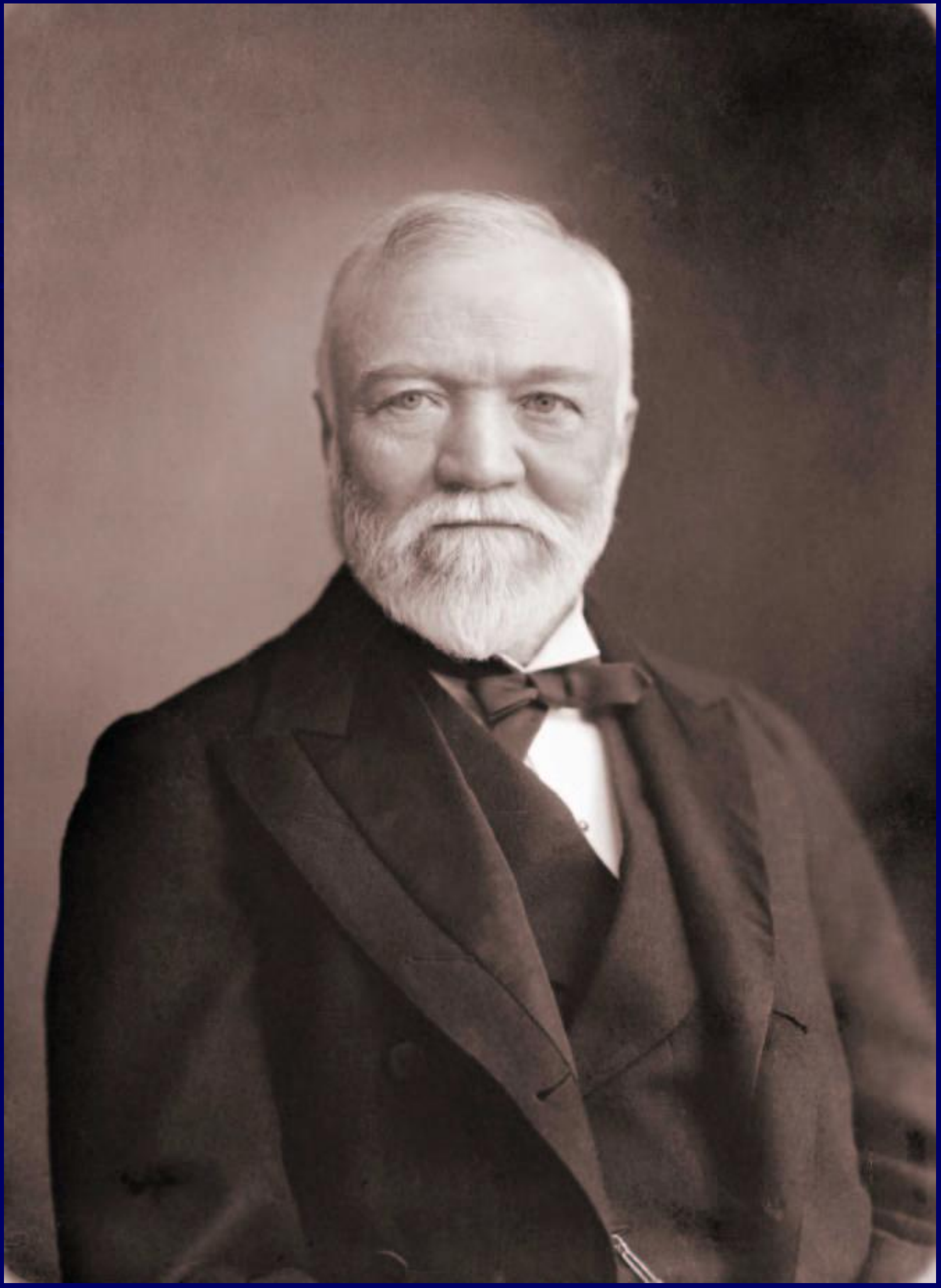
C claim or main idea

E best evidence

C commentary: how the evidence supports claim

“This, then, is held to be the duty of the man of wealth: First, to set an example of modest, unostentatious living, shunning display or extravagance and, after doing so, to consider all surplus revenues which come to him simply as trust funds… to produce the most beneficial results for the community…”

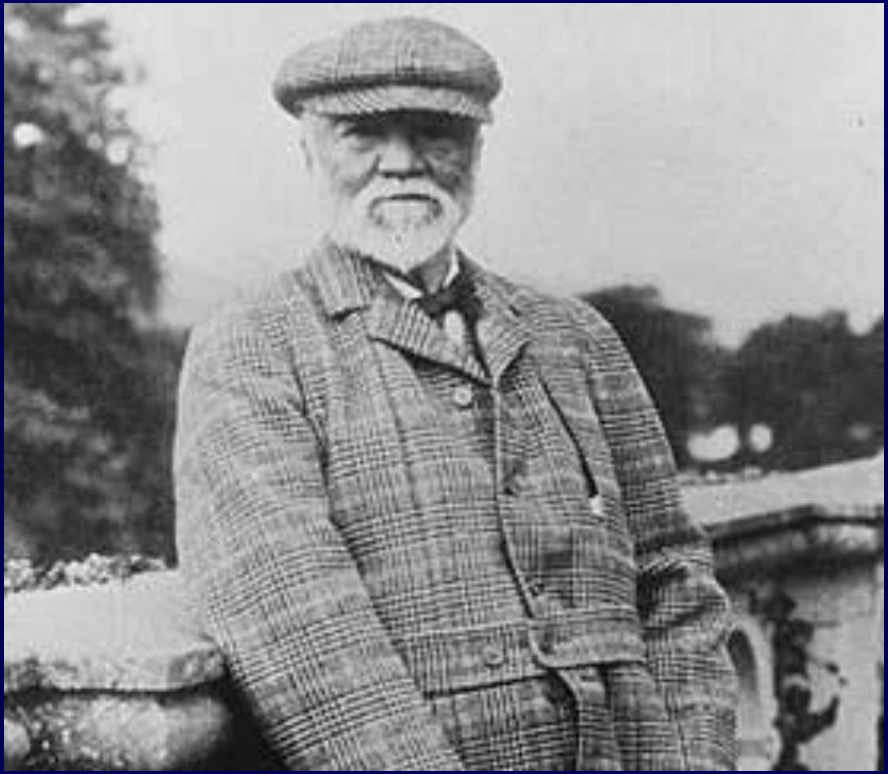
Andrew Carnegie (1889)



Generous while often ruthless, Andrew Carnegie personally embodied the contradictions that divided America in the Gilded Age.

At a time when America struggled-often violently-to sort out the competing claims of democracy and individual gain, Carnegie championed both.

He saw himself
as a hero of
working people,
yet he crushed
their unions;
A generous philanthropist,
he slashed the wages of the workers
who made him rich.



Carnegie's climb
from poverty
in Scotland
to the mansions
of New York
paralleled America's transformation
from a sleepy agricultural nation
into the world's foremost
industrial power.

For three decades, he dominated the steel industry.
By 1900, Carnegie Steel produced more steel than the entire British steel industry.
When he sold the company to J.P. Morgan in 1901, Carnegie personally earned $250 million (approximately $4.5 billion today).

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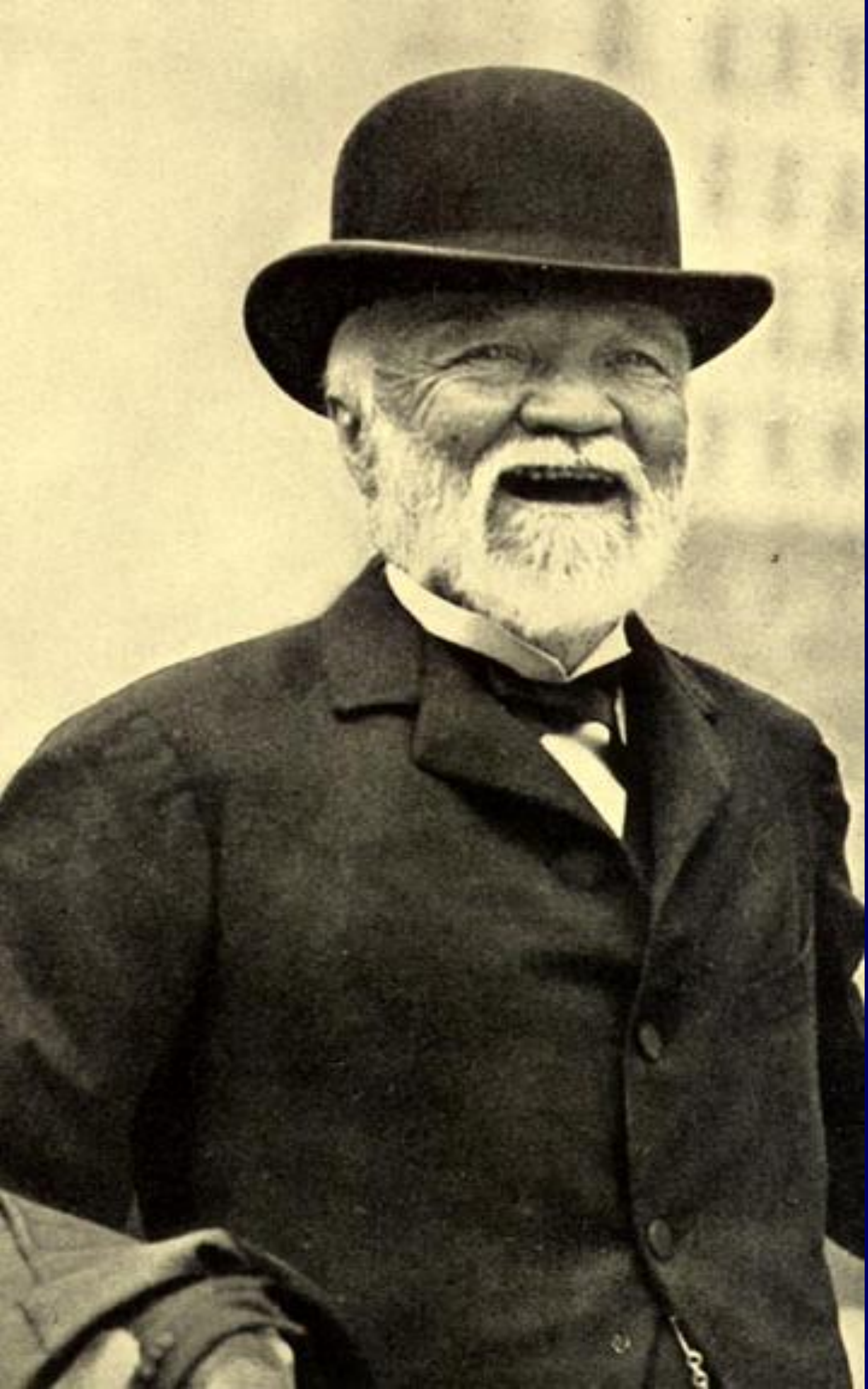
Carnegie then turned his enormous energies to philanthropy and the pursuit of world peace, hoping perhaps that donating his wealth to charitable causes would mitigate the grimy details of its accumulation.



By the time of his
death in 1919,
he had given away
over $350 million
(more than
$3 billion
in modern dollars).

“You have undertaken to cheat me.
I won't sue you, for the law is too slow. I'll ruin you.”

Cornelius Vanderbilt

Cornelius Vanderbilt was an American steamship and railroad builder, executive, financier, and promoter.

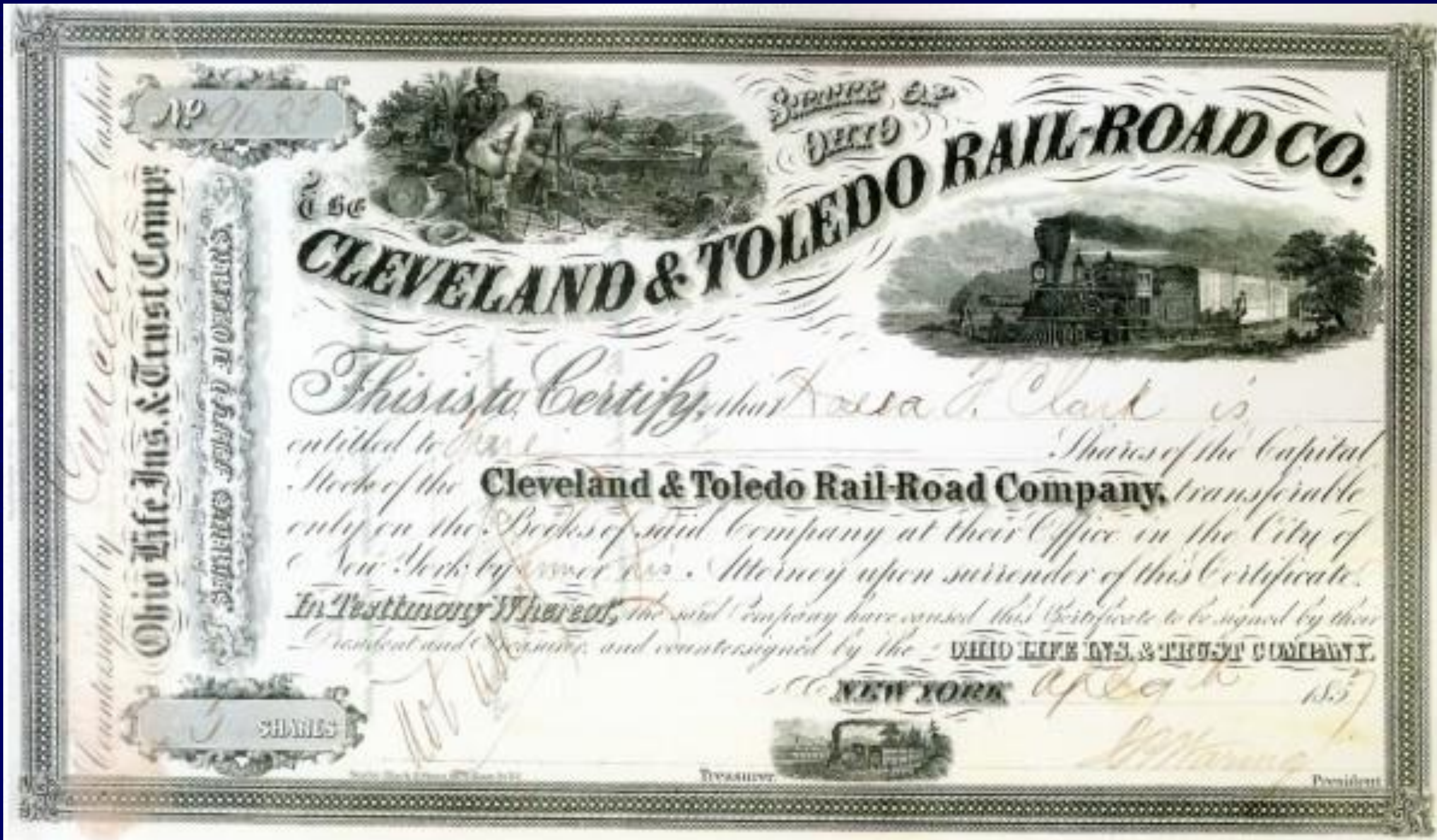
He was a man of boundless energy, and his acute business sense enabled him to outmaneuver his rivals.

Vanderbilt was born to a poor family and quit school at the age of 11.

He persuaded his mother to give him a loan for a boat to start his first business, opening a freight service between New York City and Staten Island for eighteen cents a trip.

By the 1840's he was running more than 100 steamboats and his company had more employees than any other business in the United States.

Nearing the age of 70, Vanderbilt decided once again that the wave of the future was in another direction - building a railroad empire.


No
The
CLEVELAND & TOLEDO RAIL-ROAD CO.
This is to Certify, that
is
entitled to
Shares of the Capital
Stock of the Cleveland & Toledo Rail-Road Company, transferable
only on the Books of said Company at their Office in the City of
New York by
Attorney upon surrender of this Certificate.
In Testimony Whereof, the said Company have caused this Certificate to be signed by their
President and Treasurer, and countersigned by the OHIO LIFE INS. & TRUST COMPANY.
NEW YORK
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Treasurer
President
SHARES
Ohio Life Ins. & Trust Compy

Vanderbilt was never known for philanthropic activities.

One of his few gestures was a gift of $1 million to New York’s Central University, which then became Vanderbilt University.

Upon his death, the richest man in the United States left the bulk of his fortune - $95 million - to his son.

"It is wrong to assume that men of immense wealth are always happy."

John D. Rockefeller

John D. Rockefeller of New York
was the son of a "pitch man"
who claimed he could cure cancers.

At as young man,
he made a small fortune
selling goods needed
by armies of the Civil War.

After the war, John D. brought his brother William into a partnership, operating an oil refinery in Cleveland which they named the Standard Works.

In two years, it was the largest oil refinery in the world.

By 1871, Rockefeller formulated his plan for consolidating all oil refining firms into one great organization, buying out larger competitors in exchange for stock (partnerships) in Standard Oil.

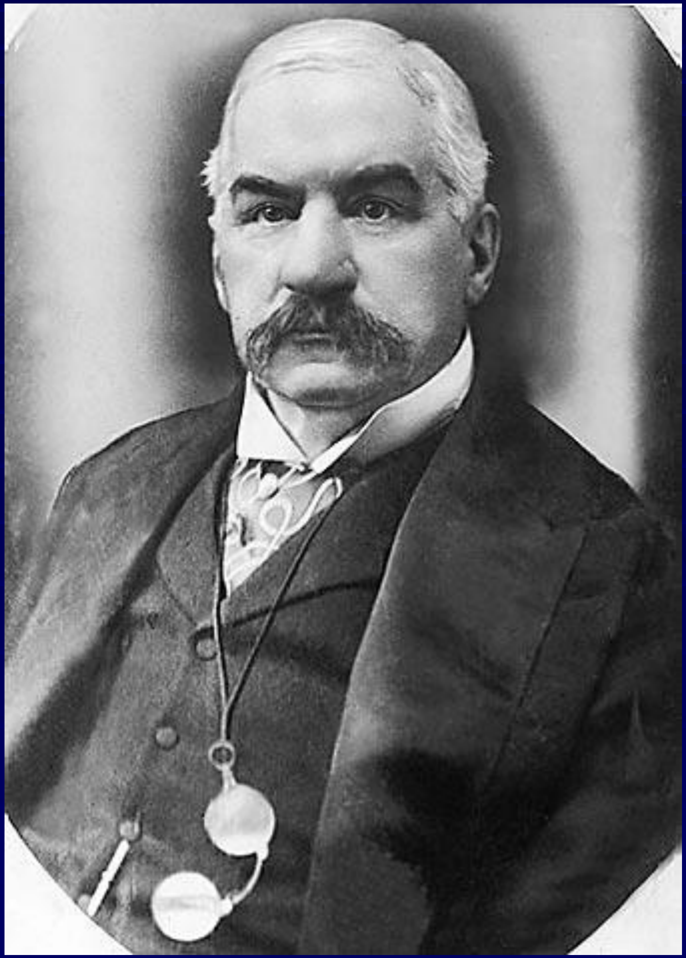
By 1879 the Standard Oil Company did about 90 percent of the refining in the United States.

From the mid-1890s until his death in 1937, Rockefeller's activities were philanthropic.

Rockefeller’s fortune peaked in 1912 at almost $900,000,000, but by that time he had already given away hundreds of millions of dollars.

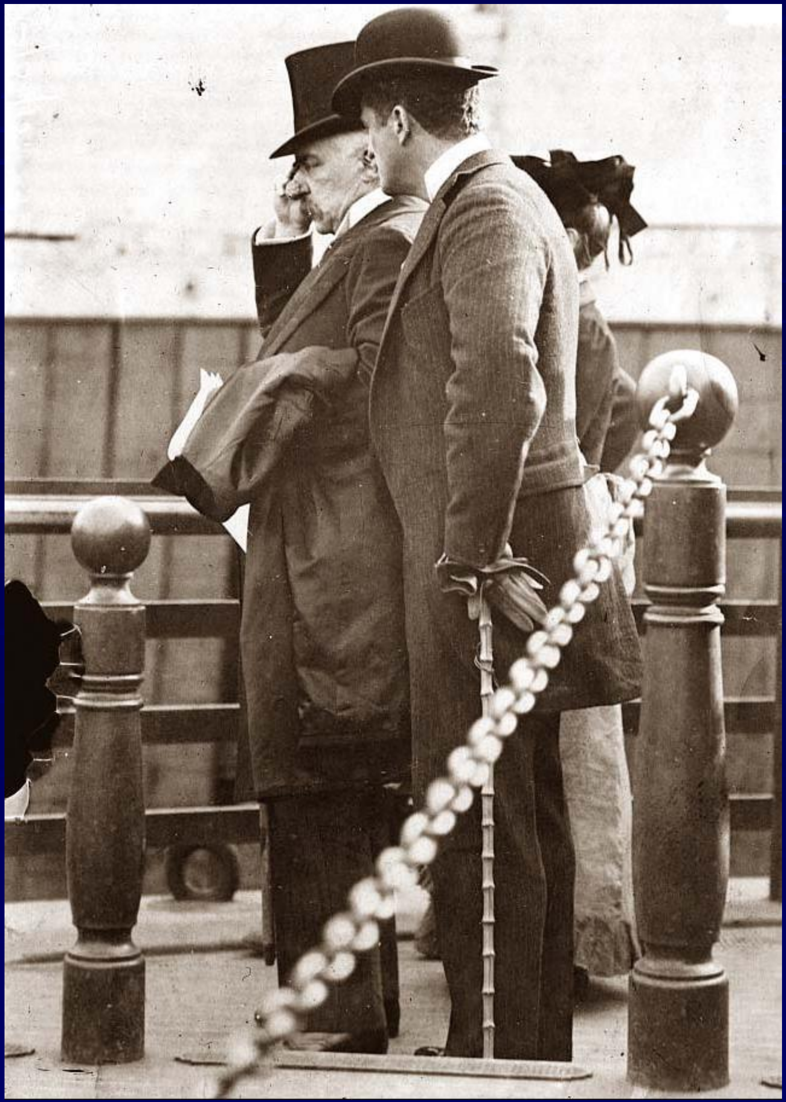
"Money equals business which equals power, all of which come from character and trust."

JP Morgan



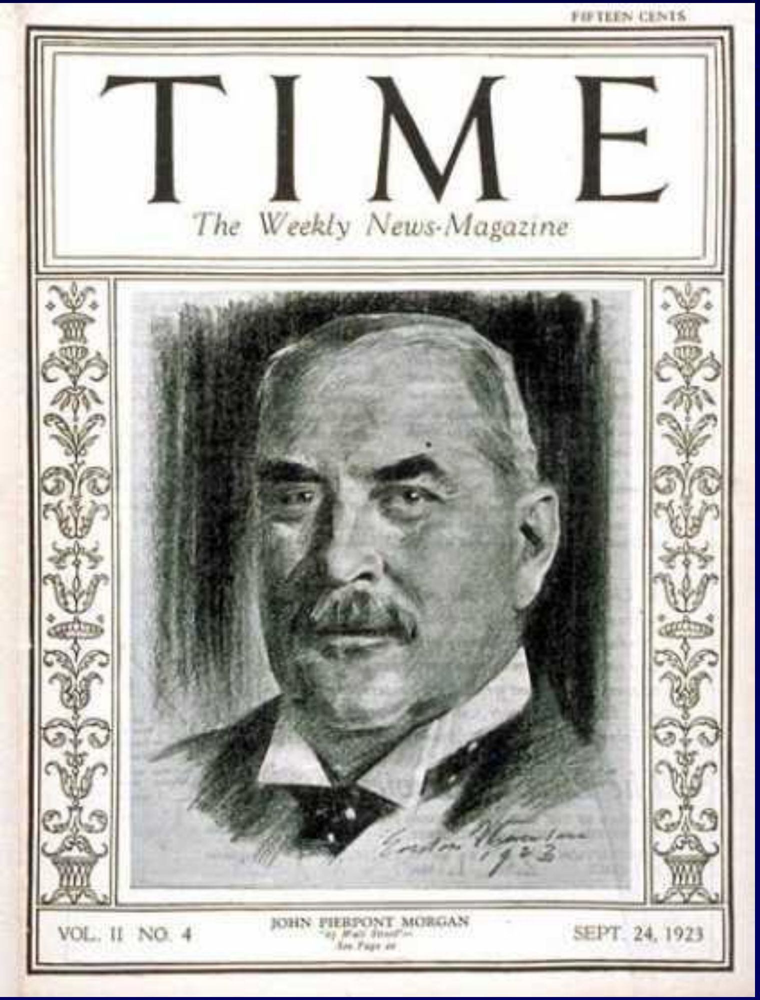
John Pierpont Morgan began his career in 1857 as an accountant, and worked for several New York banking firms.

Described as a cold man, Morgan began reorganizing railroads, gaining control of large amounts of stock in many rail companies.



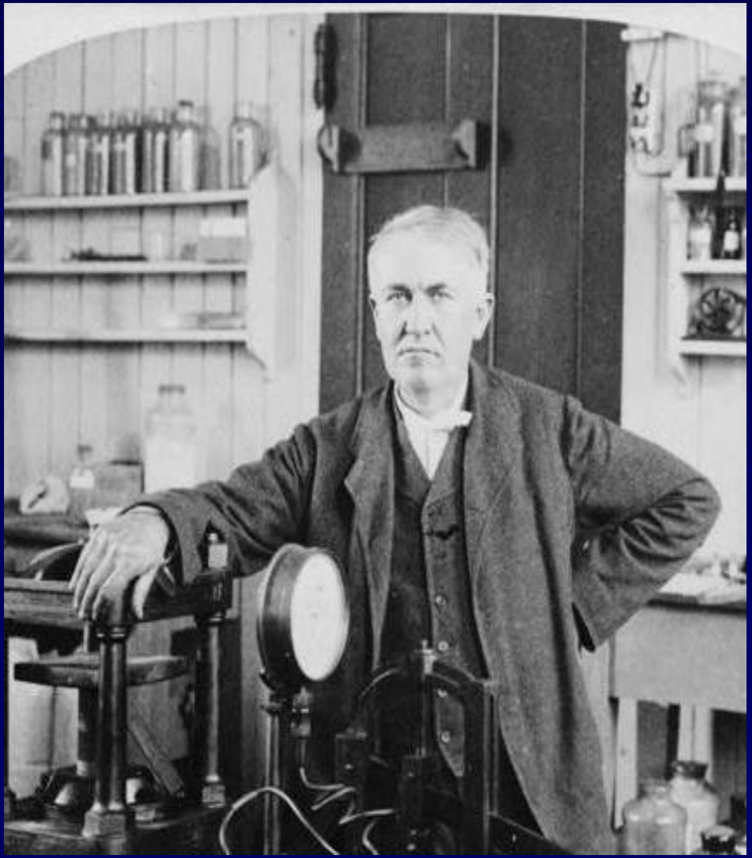
By the 1890s, Morgan embarked on consolidations of electric (General Electric,) steel (U.S. Steel) and agricultural equipment manufacturing industries.

Morgan also financed manufacturing and mining businesses, controlled banks, insurance companies, shipping lines, and communications systems.



His house on Madison Avenue was the first electrically lit private residence in New York.

His interest in the new technology was a result of his financing Thomas Edison's Electric Illuminating Company.



He bequeathed much of his large personal art collection to the Metropolitan Museum of Art in New York City.

Where do we draw the line between unfair business practices and competition that leads to innovation, and improvement in the standard of living for everyone?

Robber Barons

or

Captains of Industry?