Growth of Industry and Big Business
What factors encouraged the growth of Industry and Big Business?
Factors Encouraging Industrialization
Henry Ford

• **Assembly line**: each worker performs an assigned production task to produce large quantities of goods more quickly. Product moves from worker to worker.

• **Mass Production**: the production of large quantities of goods using machinery (assembly line)
Transportation and Communication

• Transportation
  • Steamboats
  • Railroads
• Communication
  • Telegraph
  • Telephone

Allows producers to reach national markets
brings people together in some way
• Individuals contributed to industrialization through their inventions and Some through business innovations.
Entrepreneur

• a person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk.
New Industries and Innovations

• Railroads – Vanderbilt
• Steel – Carnegie
  • (Bessemer Process for making steel)
  • Oil – Rockefeller
• distribution of electricity - Tesla and Westinghouse (Edison?)

Importance- Allowed growth of other businesses
Why did companies consolidate during the late 19th century?

• Consolidate - combine
Do Now

• What is the “Octopus” doing?
• What does the “Octopus” represent?
New Forms of Business Organization

- Trusts - two companies merge
- Pools – competing companies agree to charge the same price
Trend Toward Consolidation

Horizontal Consolidation
Companies in the same industry combine. Banks, Shoe companies

Vertical Consolidation
Companies at different levels of production of the same final product
Cablevision bought Madison Square Garden, MSG Network, NY Knicks & NY Rangers
**Vertical Integration**

Purchased of Companies at All Levels of Production

- Cattle
- Slaughterhouse
- Refrigerated Railroad Cars
- Cooled Warehouses
- Meat Packing Plants
- Delivery Wagons

Ace Meat Industries

**Horizontal Integration**

Purchase of Competing Companies in Same Industry

U.S. Oil Company

Independent Oil Refineries
• Name THREE Big Businesses that have a huge impact on the American Economy today.

• Do you think these business’ impact are positive or negative? Explain.
WHAT DO THE CARTOONS HAVE IN COMMON?
Robber Barons or Captains of Industry?

Andrew Carnegie  John D. Rockefeller  J.P. Morgan  William Vanderbilt