

**Henry Ford** was born on the July 30, 1863 on a farm to parents William and Mary Ford, along with his 4 other siblings Robert, Margaret, William and Jane. In 1873, Ford saw his first engine driven machine, a steam engine mounted on wheels. Over the following year, Ford learned how to work the engine and gained a passion for mechanics. Ford was devastated in 1876 when his mother died, and so with little interest in farm work he left home in 1879 to work as an apprentice machinist in Detroit. In 1896, he finished his self designed gasoline engine propelled vehicle called the Quadricycle.



Ford went about finding investors to form a company called the Detroit Automobile Company, but the company soon went bankrupt. The company's investors wanted a production model released so they hired Henry Leland to get the job done. Ford soon resigned and the company became the Cadillac Automobile Company.

Ford found 11 more investors and with \$28,000 started the Ford Motor Company in 1903. With a newly designed car, Ford showed its potential by recording a new land speed record of 39.4 seconds over a mile. A famous race driver called Barney Oldfield decided to race the car around America, making the Ford car well known throughout the country. Ford was also an early sponsor of the Indianapolis 500. By 1908, Ford had a new model ready for sale called the **Model T**. With features such as the steering wheel on the left side, the engine and transmission fully enclosed, easy and cheap to repair and a low purchase price the Model T became a huge success.

The Model T Ford became so popular and cheap by the 1920s that most Americans had learned to drive on. Ford created a franchise of car dealerships which made the car available in nearly every city in North America and brought not only the car but the idea of the automobile to the public. Ford posted 100%+ profits on each previous year and in 1913 introduced belt driven moving assembly lines into his plants, which further increased production and profits. The **assembly line** permitted the mass production of the cars, significantly lowering their cost. The Model T price started out at \$825 which dropped each year as production improved, and by 1916 the price dropped as low as \$360 for the basic touring car. By 1916 sales reached 472,000 vehicles and by 1918 half of all cars in America were Model T Fords. Production continued until 1927 by which time sales were falling fast as competition grew, but by that time Henry Ford had sold \$15,007,034 Model T's and held the record for the next 45 years.

In 1926, Henry finally decided to design a newer more modern car which resulted in the also very popular Model A Ford. The car went on sale in 1927 after a great deal of technical design and innovation and finished production in 1931 after over 4 million vehicles were sold. After this new model the company developed an annual model change and Henry also finally agreed to start a credit company for people to gain finance. 1932 saw Ford producing a third of the world's total vehicles.

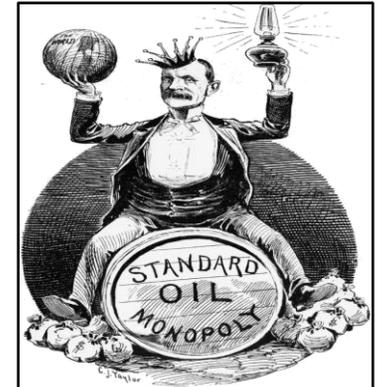
Ford was an advocate and pioneer of "welfare capitalism" with the idea of improving employee's lives and reducing employee turnover. Hiring and keeping the best employee's meant lower cost and increased efficiency by undertaking a program that involved a 5 day work week, a reduction from 9 to an 8 hour work day and an increase in minimum daily pay from \$2.34 to \$5. Workers were not allowed to participate in heavy drinking, gambling or bad behavior for them to keep the higher pay rate.



**John D. Rockefeller** was an American industrialist and philanthropist. He founded the Standard Oil Company, which dominated the oil industry and was the first great U.S. business trust.

Rockefeller moved with his family to Cleveland, Ohio, in 1853, and six years later established his first business -- a commission business dealing in hay, grain, meats, and other goods. Sensing the commercial potential of the expanding oil production in western Pennsylvania in the early 1860s, he built his first oil refinery, near Cleveland, in 1863. Within two years it was the largest refinery in the area, and thereafter Rockefeller devoted himself exclusively to the oil business.

In 1870, Rockefeller and a few associates incorporated the **Standard Oil Company** (Ohio). Because of Rockefeller's emphasis on economical operations, the company prospered and began to buy out its competitors until it controlled nearly all the refineries in Cleveland by 1872. Rockefeller believed that competition was wasteful and used ruthless methods to drive out competitors. This enabled the company to negotiate with railroads for favored rates on its shipments of oil. It acquired pipelines and terminal facilities, purchased competing refineries in other cities, and vigorously sought to expand its markets in the U.S. and abroad. By 1882, Standard Oil had a near monopoly of the oil business in the United States. In 1881, Rockefeller and his associates had established the first major U.S. "trust" and set a pattern of organization for other monopolies.



The aggressive competitive practices of Standard Oil, which many regarded as ruthless, and the growing public hostility toward monopolies, of which Standard was the best-known, caused some industrialized states to enact antimonopoly laws. In 1892 the Ohio Supreme Court held that the Standard Oil Trust was a monopoly in violation of an Ohio law prohibiting monopolies. Rockefeller evaded the decision by dissolving the trust and transferring its properties to companies in other states.

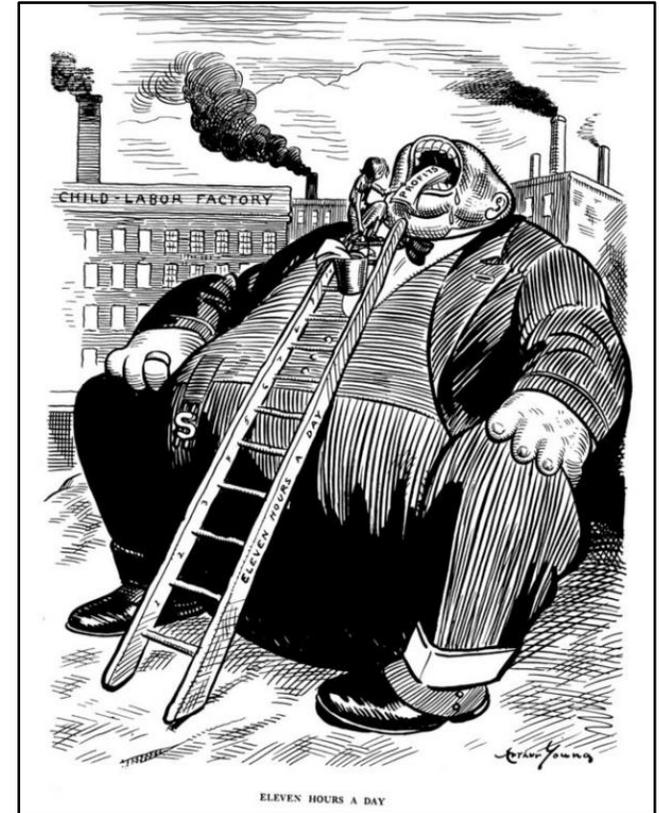
A devout Baptist, Rockefeller turned his attention increasingly during the 1890s to charities and benevolence; after 1897 he devoted himself completely to philanthropy and would give hundreds of millions to charity. He made possible the founding of the University of Chicago in 1892, and by the time of his death he had given the school more than \$80 million. In association with his son, John D. Rockefeller, Jr., he created major philanthropic institutions, including the Rockefeller Institute for Medical Research (renamed Rockefeller University) in New York City (1901); the General Education Board (1902); and the Rockefeller Foundation (1913). Rockefeller's benefactions during his lifetime totaled more than \$500 million.



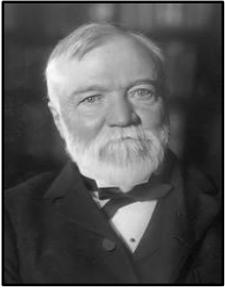
**John Pierpont Morgan** was a financier (**banker**), art collector, and philanthropist born on April 17, 1837, in Hartford, Connecticut. The son of a banker, Morgan went into the family business and became one of the most famous financiers in the history of business. Morgan's first marriage to Amelia Sturges was brief. She died a few months after their 1860 wedding. Five years later, Morgan married Frances Tracy. The couple had four children: John Pierpont, Jr., Louisa, Juliet, and Anne. After working for his father, he started his own **private banking company** in 1871, which later became known as J. P. Morgan & Co. His company became one of the leading financial firms in the country and profited by making loans to growing businesses. It was so powerful that even the U.S. government looked to the firm for help with the depression of 1895. The company also assisted in thwarting the 1907 financial crisis.

During his career, his wealth, power, and influence attracted a lot of media and government scrutiny. During the late 1800s and even after the turn of the century, much of the country's industries were in the hands of a few powerful business leaders, especially Morgan. He took control of many bankrupt railroads in the late 1800s, reorganized them, and made huge profits. He also controlled electrical insurance and shipping companies. He was criticized for creating monopolies by making it difficult for any business to compete against his. Morgan dominated two industries in particular—he helped consolidate railroad industry in the East and formed the **U.S. Steel Corporation** in 1901 after purchasing Carnegie Steel Company and merging it with other companies. The U.S. Steel Corporation would become the world's largest steel manufacturer. The government, concerned about Morgan's creation of a monopoly in the steel industry, filed suit against the company in 1911. The following year, Morgan and his partners became the subject of a congressional investigation in 1912.

Morgan had many interests beyond the world of banking. He enjoyed sailing and participated in a number of America's Cup yacht races. He was an ardent art collector, creating one of the most significant collections of his time. He later donated his art collection to the Metropolitan Museum of Art, and his collection of written works to the Morgan Library—both in New York City. J.P. Morgan died on March 31, 1913, in Rome, Italy. At the time of his death, he was hailed as a master of finance and considered one of the country's leading businessmen.



**Andrew Carnegie** was an industrialist born on November 25, 1835, in Scotland. The son of a handloom weaver, Carnegie grew up to become one of the wealthiest businessmen in America.



At the age of thirteen, Carnegie came to the United States in 1848 with his family. They settled in Allegheny, Pennsylvania, and Carnegie went to work in a textile factory, earning \$1.20 a week. The next year he found a job as a telegraph messenger. Wanting to advance himself he moved up to a telegraph operator position in 1851. Then he took a job at the Pennsylvania Railroad in 1853. He worked as the assistant and telegrapher to Thomas Scott, one of the railroad's top officials. Through this experience, he learned a lot about the railroad industry and about business in general.

While working for the railroad, Carnegie begins making investments. He made many wise choices and found that his investments, especially those in oil, brought in substantial returns. He left the railroad industry in 1865 to focus on his other business interests, including the Keystone Bridge Company.

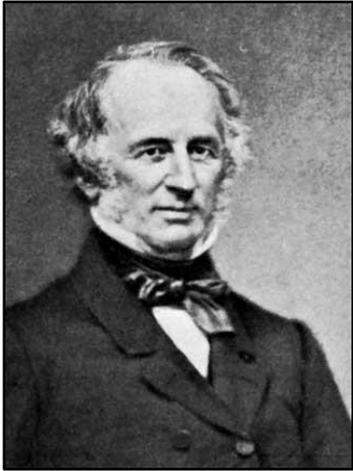
By the next decade, when he was 38 years old, Carnegie entered the steel industry which was booming because of the growth of the railroad industry. His business, which became known as the **Carnegie Steel Company**, revolutionized steel production in the United States. Carnegie built plants around the country, using technology and methods that made manufacturing steel easier, faster, and more productive. For every step of the process, he owned exactly what he needed: the raw materials, ships and railroads for transporting the goods, and even coal fields to fuel the steel furnaces. This start-to-finish strategy helped Carnegie become the dominant force in the industry by seeking to control every aspect of the steel making process. By 1889, **Carnegie Steel Corporation** was the largest of its kind in the world.

Some people felt the company's success came at the expense of its workers. The most notable case of this came in 1892. When the company tried to lower wages at a Carnegie Steel plant in Homestead, Pennsylvania, the employees objected. They refused to work, starting what has been called the **Homestead Strike of 1892**. The conflict between the workers and local managers turned violent after the managers called in guards to break up the union. While Carnegie was away at the time of strike, he was still held accountable for his managers' actions by many.

In 1901, Carnegie made a dramatic change in his life. He sold his business for a quarter of a billion dollars to the U.S. Steel Corporation, started by legendary banking financier J. P. Morgan. The sale earned him more than \$200 million. At the age of 65, Carnegie decided to spend the rest of his days helping others. While he had begun his philanthropic work years earlier by building libraries and making donations, Carnegie expanded his efforts in 1900s. He made numerous other donations as well and it is said that more than 2,800 libraries were opened with his support. Carnegie also wrote several books and numerous articles. His 1889 article "Wealth" outlined his view that those with great wealth must use their assets to help others and be socially responsible. This was later published as the 1900 book *The Gospel of Wealth* in which he argued that wealthy people had a duty to help society.

Carnegie died of pneumonia on August 11, 1919, in Lenox, Massachusetts. With a fortune estimated at \$500 million at the time of his death, he reportedly left \$350 million of that money to be given to charities, organizations, and institutions he believed in.





**Cornelius Vanderbilt**, byname Commodore Vanderbilt, (born May 27, 1794, Port Richmond, Staten Island, New York, U.S.—died January 4, 1877, New York, New York), American shipping and railroad magnate who acquired a personal fortune of more than \$100 million.

The son of an impoverished farmer and boatman, Vanderbilt quit school at age 11 to work on the waterfront. In 1810 he purchased his first boat with money borrowed from his parents. He used the boat to ferry passengers between Staten Island and New York City. Then, during the War of 1812, he enlarged his operation to a small fleet, with which he supplied government outposts around the city.

Vanderbilt expanded his ferry operation still further following the war, but in 1818 he sold all his boats and went to work for Thomas Gibbons as steamship captain. While in Gibbons's employ (1818–29), Vanderbilt learned the steamship business and acquired the capital that he would use in 1829 to start his own steamship company.

During the next decade, Vanderbilt gained control of the traffic on the Hudson River by cutting fares and offering unprecedented luxury on his ships. His hard-pressed competitors finally paid him handsomely in return for Vanderbilt's agreement to move his operation. He then concentrated on the northeastern seaboard, offering transportation from Long Island to Providence and Boston. By 1846 the Commodore was a millionaire.

The following year, he formed a company to transport passengers and goods from New York City and New Orleans to San Francisco via Nicaragua. With the enormous demand for passage to the West Coast brought about by the 1849 gold rush, Vanderbilt's Accessory Transit Company proved a huge success. He quit the business only after his competitors—whom he had nearly ruined—agreed to pay him \$40,000 (later it rose to \$56,000) a month to abandon his operation.

By the 1850s he had turned his attention to railroads, buying up so much stock in the New York and Harlem Railroad that by 1863 he owned the line. He later acquired the Hudson River Railroad and the New York Central Railroad and consolidated them in 1869. When he added the Lake Shore and Michigan Southern Railroad in 1873, Vanderbilt was able to offer the first rail service from New York City to Chicago.

During the last years of his life, Vanderbilt ordered the construction of Grand Central Depot (the forerunner of Grand Central Terminal) in New York City, a project that gave jobs to thousands who had become unemployed during the Panic of 1873. Although never interested in philanthropy while acquiring the bulk of his huge fortune, later in his life he did give \$1 million to Central University in Nashville, Tennessee. (later Vanderbilt University). In his will he left \$90 million to his son William Henry, \$7.5 million to William's four sons, and—consistent with his lifelong contempt for women—the relatively small remainder to his second wife and his eight daughters.

