

TODAY...

- Grab a piece of tape
- Tape your poster somewhere eye-level around the room
- Get out a pencil and your worksheet from last class (everyone needs one – if you don't have one, grab a copy from the desk)
- Get ready to go as soon as the bell rings
- **STUDY GUIDE DUE: MONDAY. ON THE DAY OF THE QUIZ. NOVEMBER 13. WHY? BECAUSE NO ONE DOES THEIR HOMEWORK. AND MAYBE IT WILL HELP YOU PREPARE FOR THE QUIZ IF YOU ACTUALLY DO IT BEFORE THE QUIZ.**

CAPTAINS OF INDUSTRY



John D. Rockefeller

Cornelius Vanderbilt

Andrew Carnegie

J Pierpont Morgan

The "Robber Barons"

America's Richest: 1917

1. John D. Rockefeller	Oil	\$336 billion
2. HC Frick	Steel	
3. Andrew Carnegie	Steel	\$310 billion
4. George Baker	Banking	
5. William Rockefeller	Oil	
6. Edward Harkness	Oil	
7. J. Ogden Armour	Meatpacking	
8. Henry Ford	Autos	\$188-199 billion
9. William Vanderbilt	Railroads	\$52-239 billion
10. Edward Green	Inheritance	

America's Richest: 2017

1. Bill Gates	Microsoft	\$86 Billion
2. Warren Buffet	Investing	\$76 Billion
3. Jeff Bezos	Amazon	\$73 Billion
4. Mark Zuckerberg	Facebook	\$57 Billion
5. Larry Ellison	Oracle	\$52 Billion
6. Charles Koch	diversified	\$48 Billion
6. David Koch	diversified	\$48 Billion
8. Michael Bloomberg	media/data	\$48 Billion
9. Larry Page	Google	\$41 Billion
10. Sergy Brin	Google	\$40 Billion
11-13: Waltons	WalMart	\$33-34 Billion

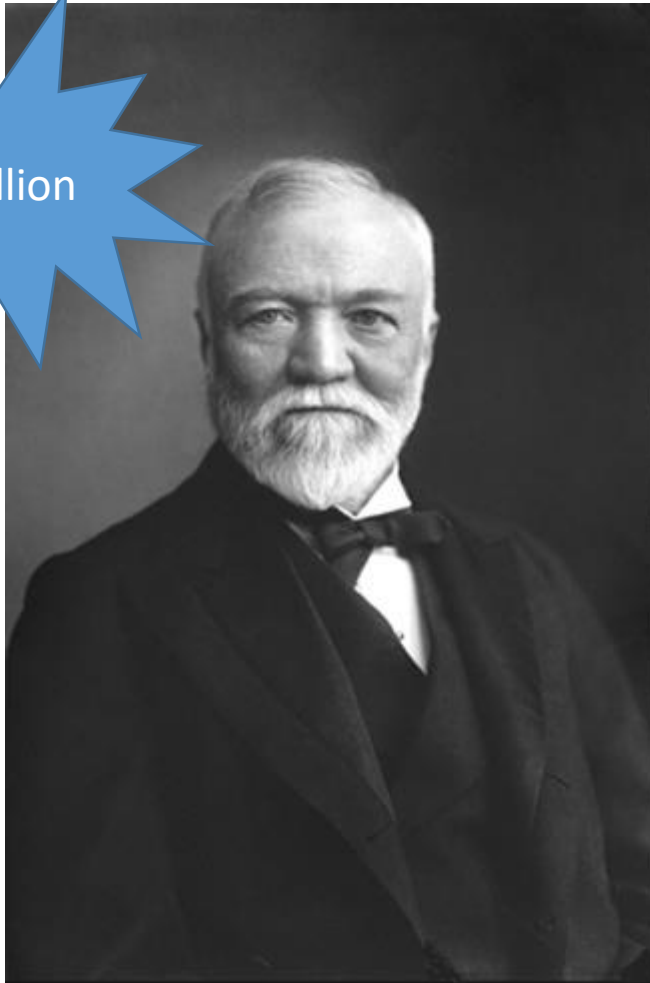
“THE GOSPEL OF WEALTH”

- Rich people are the “fittest”
 - **Social Darwinism**
 - And it’s their duty to care for those who are poorer
 - Universities, philanthropic efforts, etc

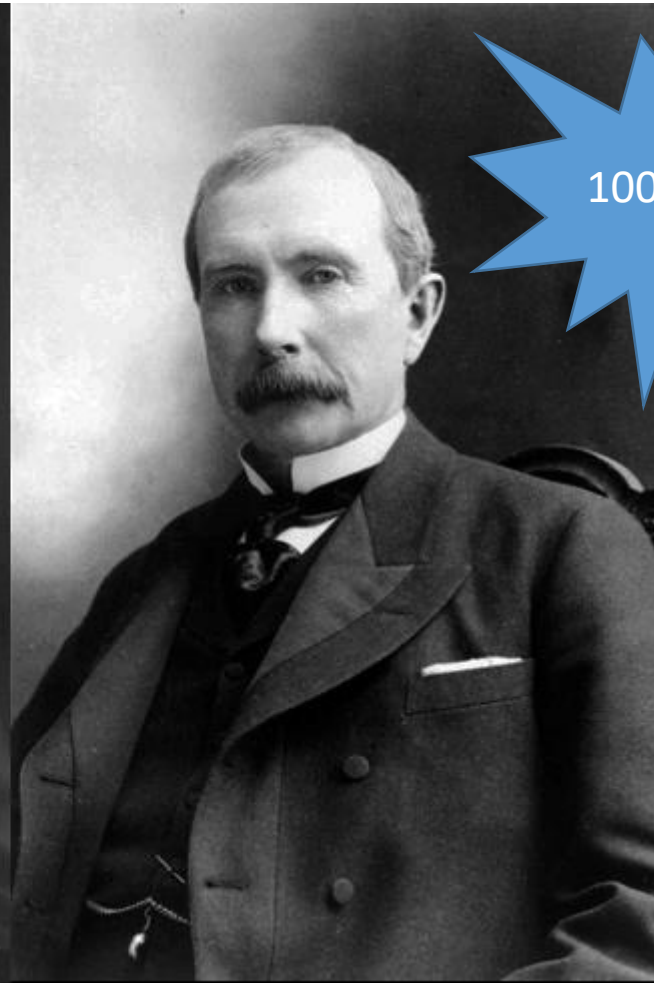


ALWAYS THE COMPETETORS...

67 billion



100 billion



CAPTAIN OF INDUSTRY OR ROBBER BARON?

- Morgan, Rockefeller, and Carnegie combined worth \$1 trillion in today's money – more than the top 40 richest people today
- Meanwhile, 1 in 11 steel workers died on the job per day



BIG BUSINESS



What were some business strategies that were used by companies in this era?

Think about how to make products cheaper!

Going one step further...

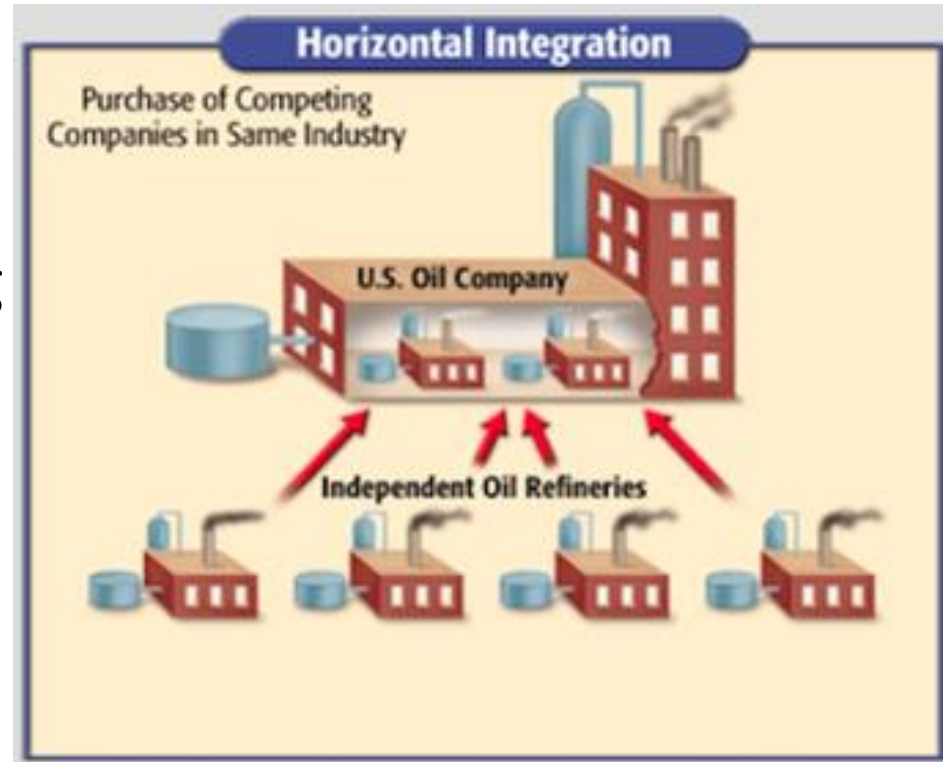
- In order to improve manufacturing operations, business owners figured out that it made sense for them to control the line of supply
 - This meant that they controlled **all aspects of the production** from raw material to finished product.
- **VERTICAL INTEGRATION**



Another option...

- Business owners also figured out that they could control cost of goods if everyone making a particular product worked together.
 - This meant that they controlled all of the production process at a particular level.

- **HORIZONTAL INTEGRATION**



Vertical and Horizontal Integration

Vertical



Horizontal



- Resources

- Manufacturing

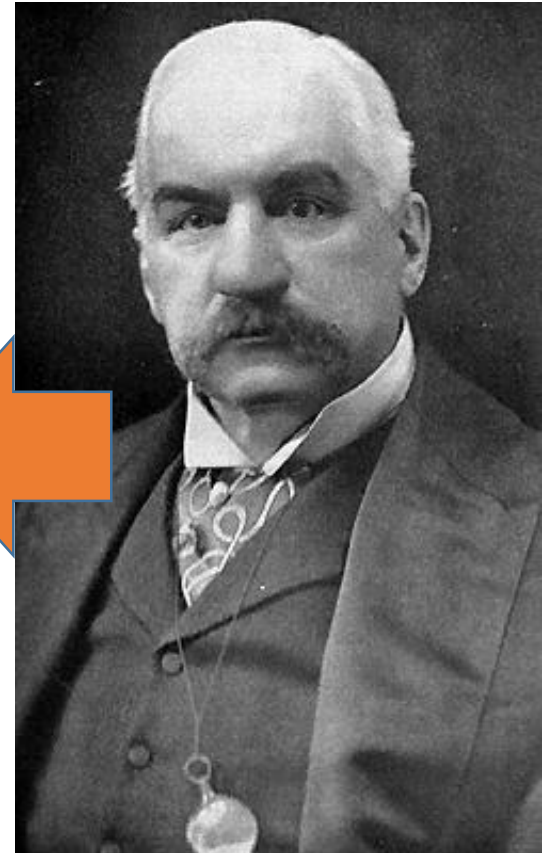
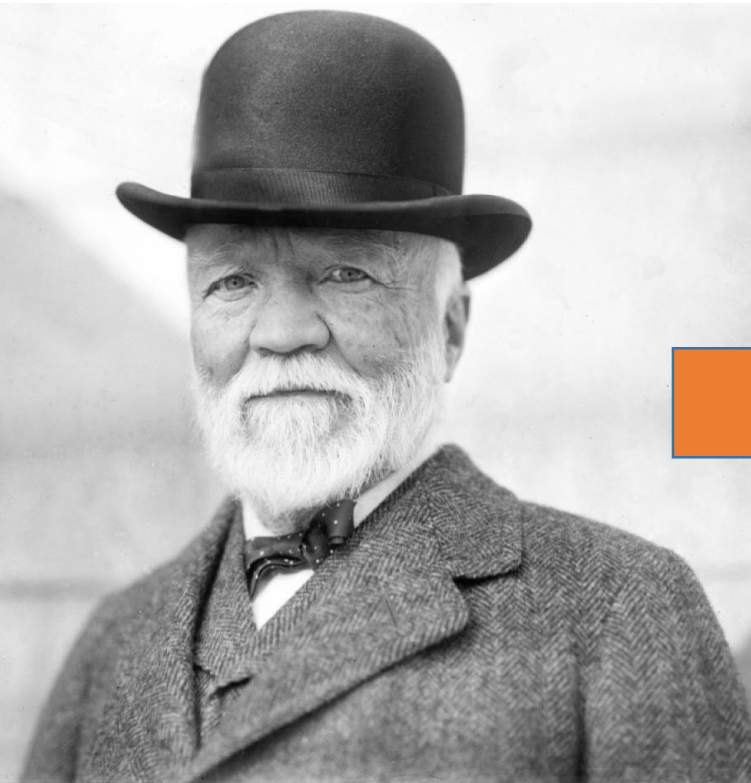
- Distribution

Agenda – 9/26

- Monopolies! Class discussion, and modern-day monopolies????
- *I won't be here Monday or Tuesday*
 - Monday: connect west and east through the Wizard of Oz
 - Tuesday: review day
- HW: study 😊

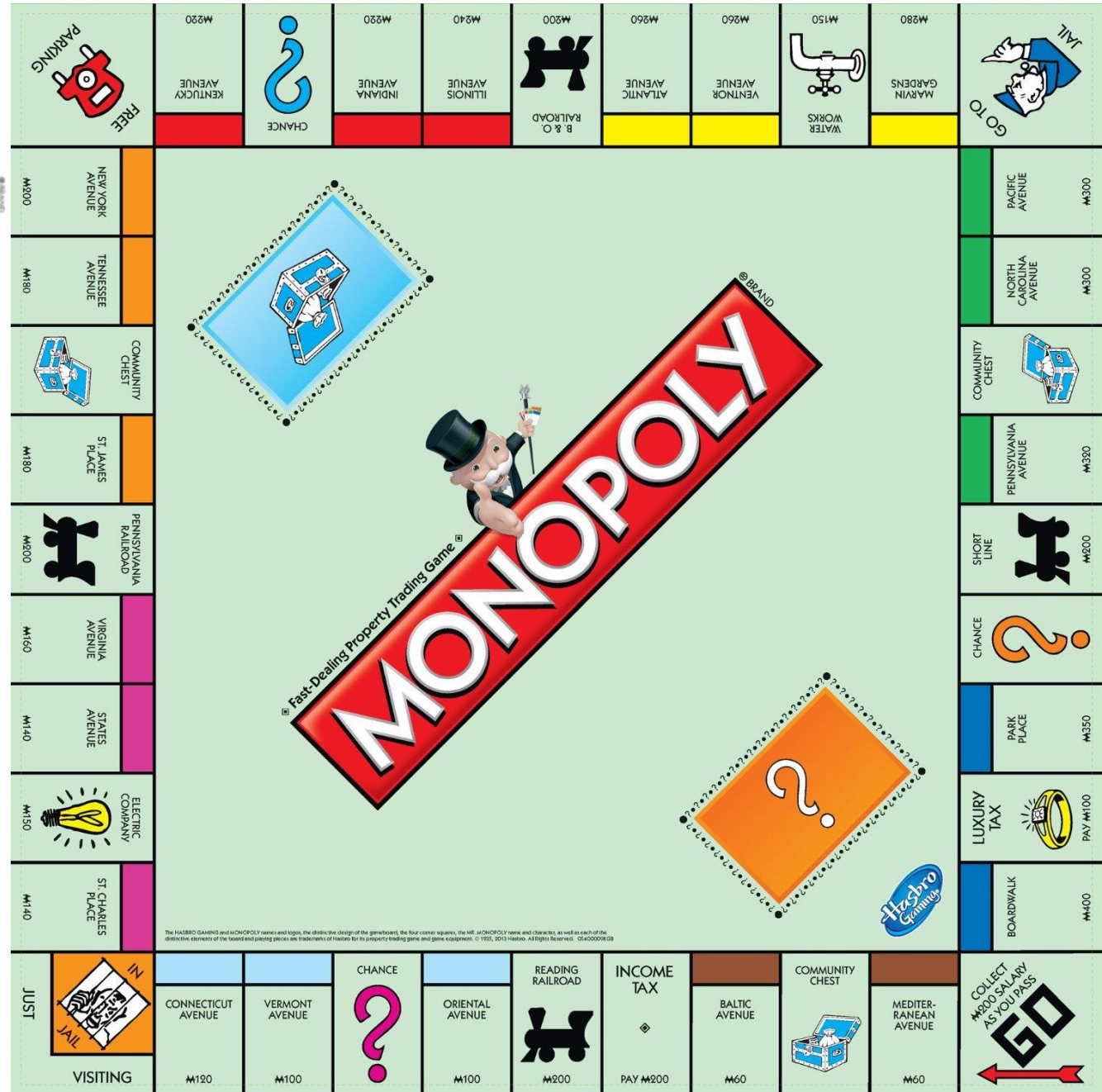
But when someone owns all means of production OR the line of supply, they have....

A **MONOPOLY!**





A monopoly is when a firm has complete control over its industry's production, wages, and prices.



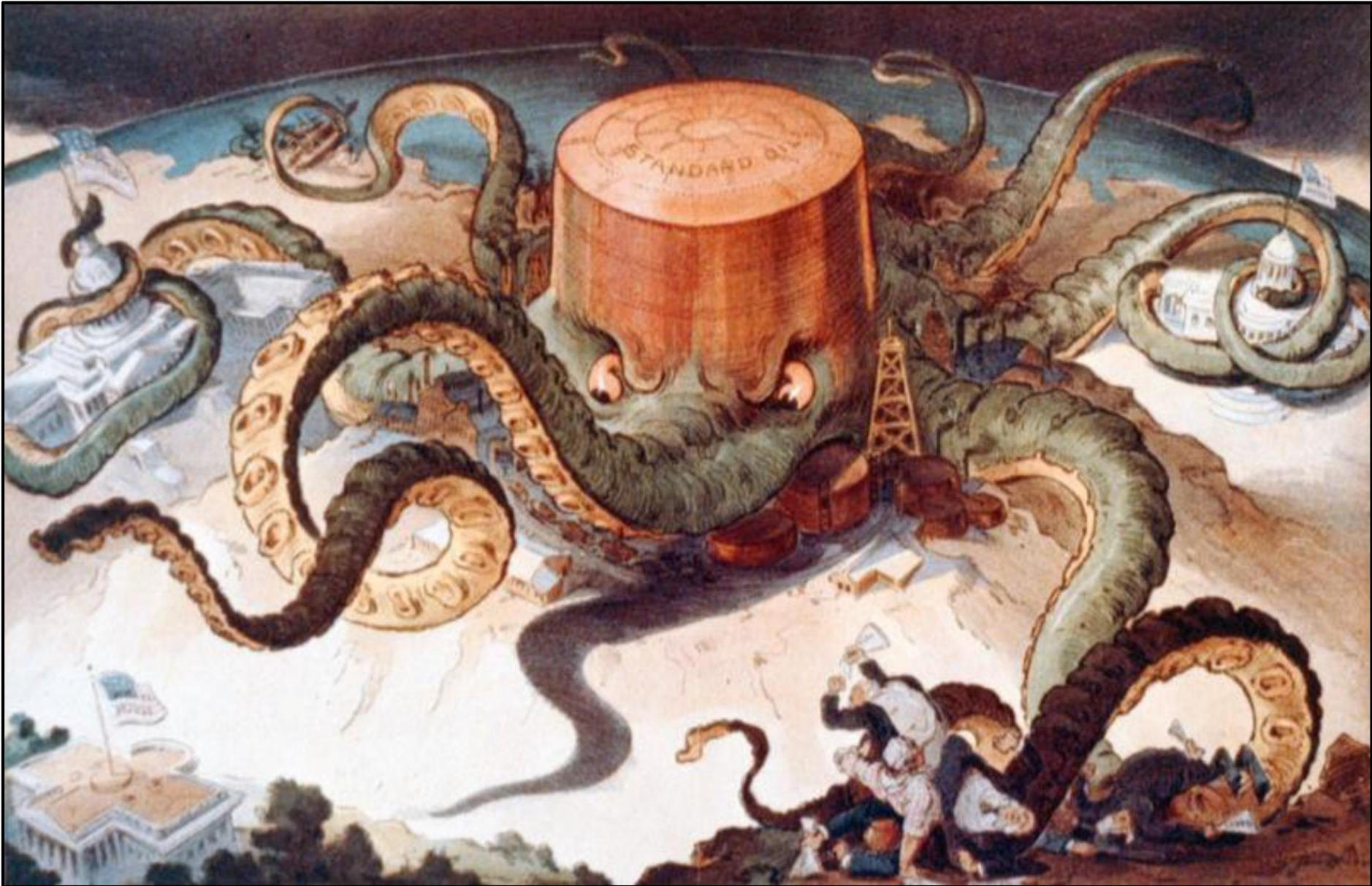
MONOPOLIES!

Today: finish monopolies and cartoon analysis

Tomorrow: Populist Party

Monday: QUIZ AND STUDY GUIDE DUE

Warm up: HIPP this political cartoon



STRONGLY AGREE
AGREE
DISAGREE
STRONGLY DISAGREE

*remember this?

It is fair for a business to
give discounts to regular
customers

Owners should lay off
employees when profits
drop

Owners should lay off
employees if they can find
workers who will work for
lower wages

The goal of business is to
make as much money as
possible

A business that can afford to do so should be allowed to undersell its competitors, even if that drives them out of business

QUICK DISCUSSION:

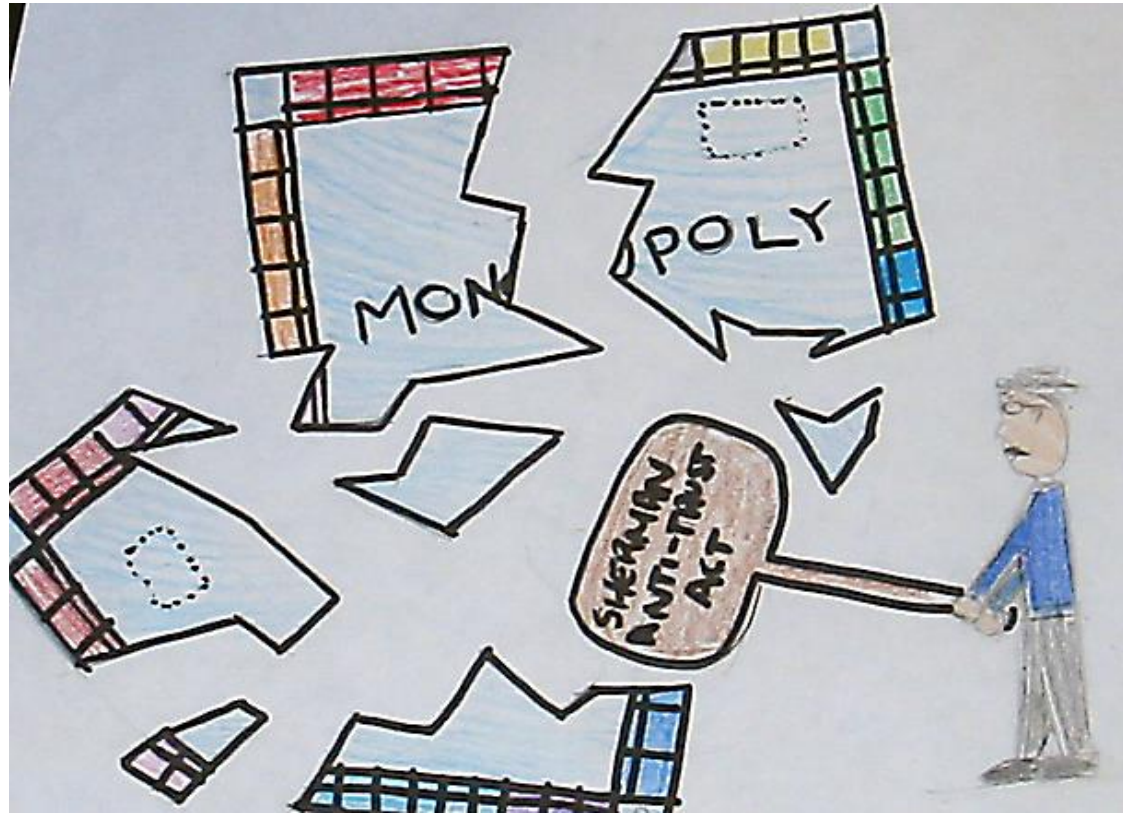
What are some potential problems that might arise from one company controlling all of one particular product?

QUICK DISCUSSION:

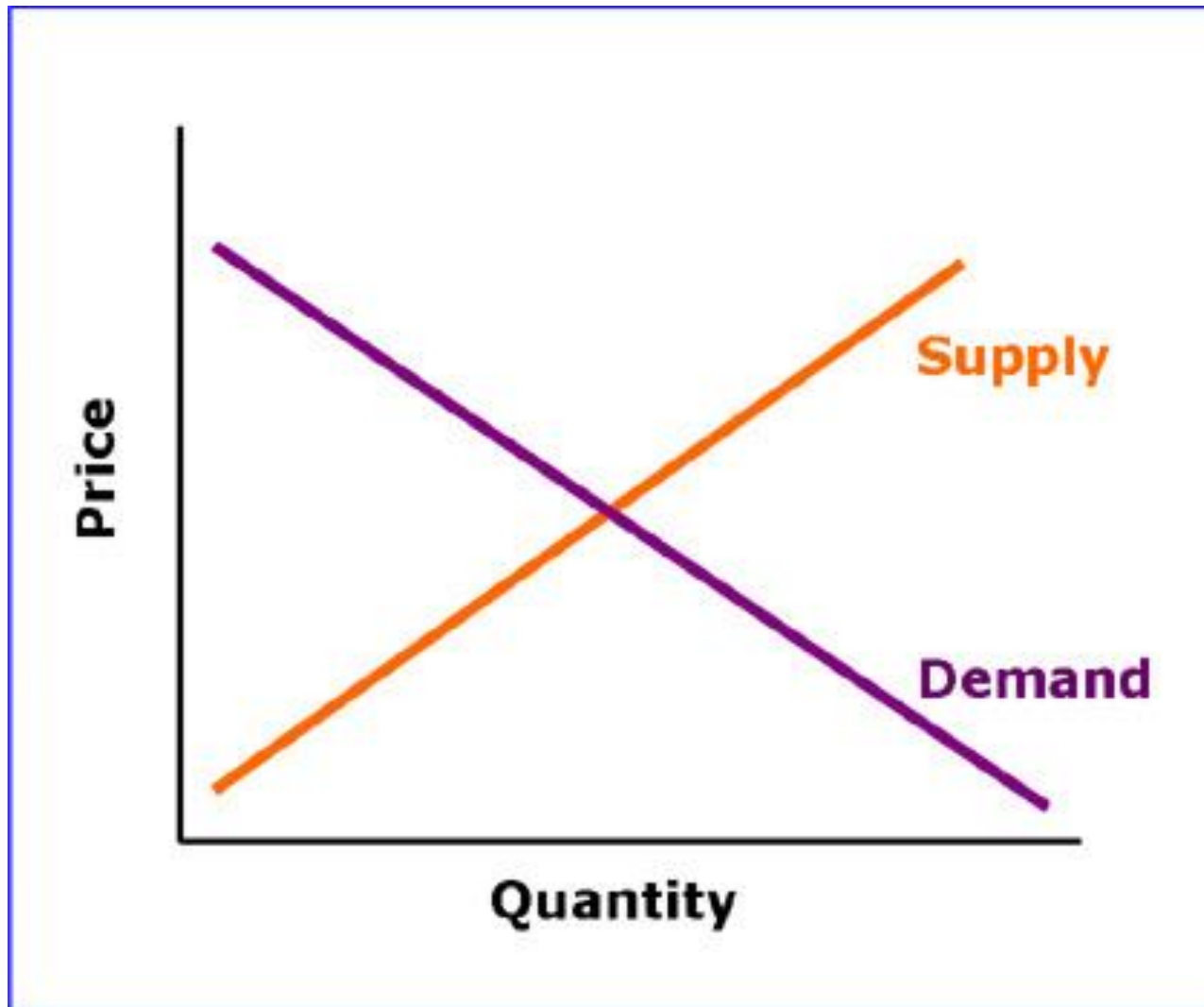
What are people going to do about it?

SHERMAN ANTI-TRUST ACT

- 1890 – you can bring lawsuits against big businesses
 - Monopolies were thought to reduce **economic competition**, which usually keeps prices lower

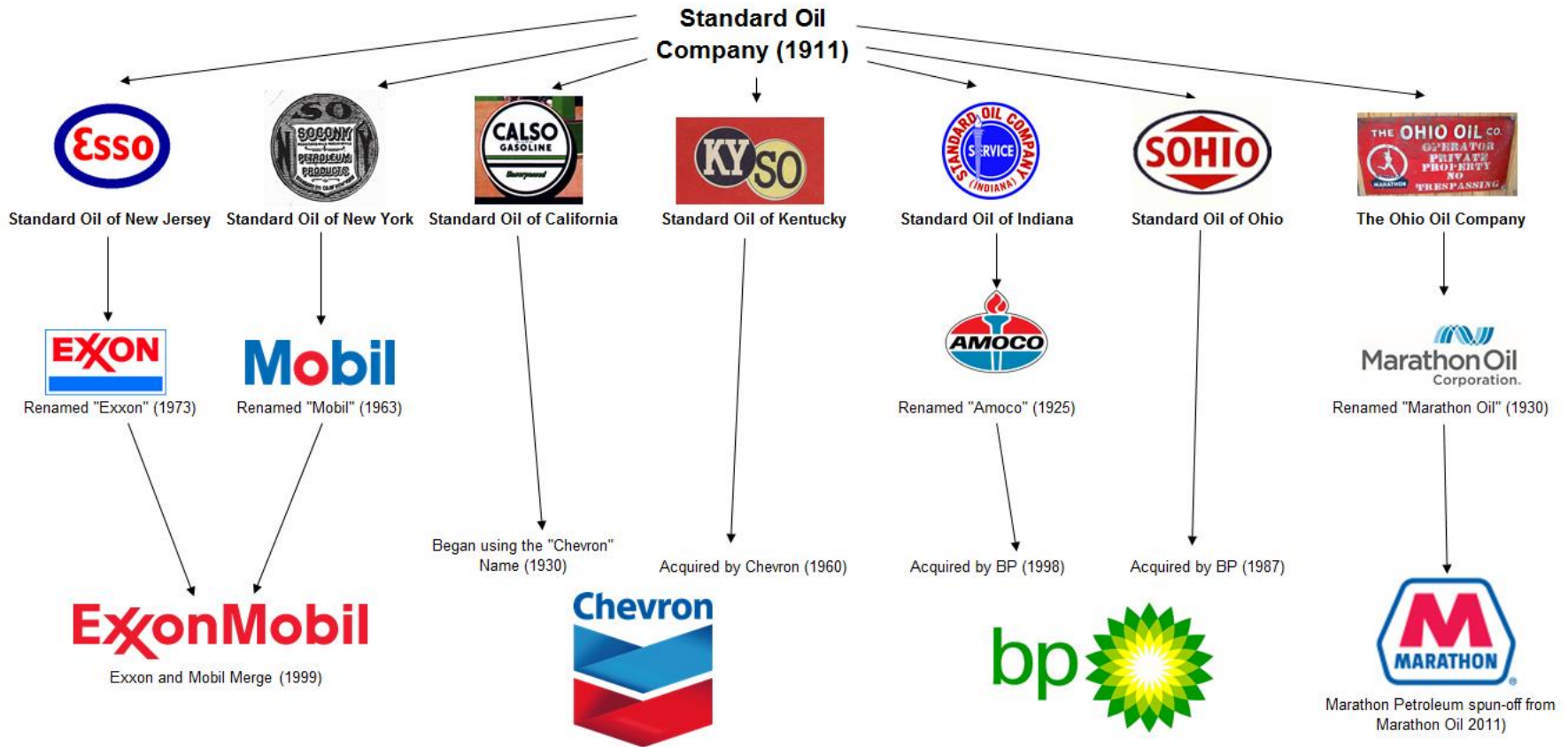


SUPPLY AND DEMAND



SHERMAN ANTI-TRUST: EFFECTS

Broke up Rockefeller's company, Standard Oil...



SHERMAN ANTI-TRUST: TODAY

- Bill Gates and Microsoft in 1998
 - Product forcing
 - Sued Microsoft – successfully



MONOPOLIES TODAY?

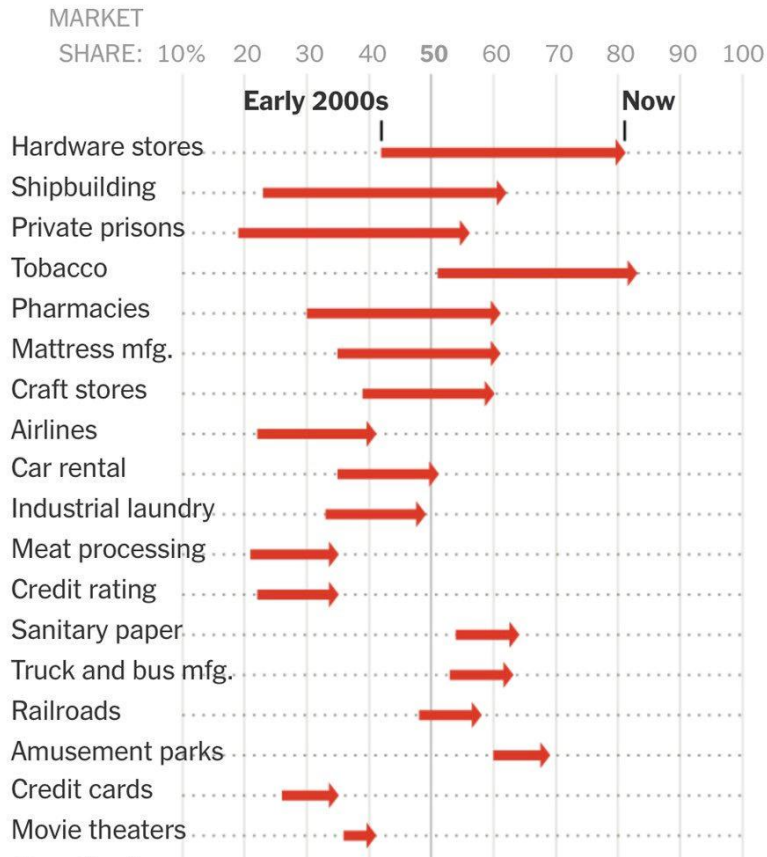
“We don’t even remember what the Internet looked like before Google came onto the scene. Thanks to their secret algorithm, they control 67% of the web search market.” @toptenz

In your notes, name one:

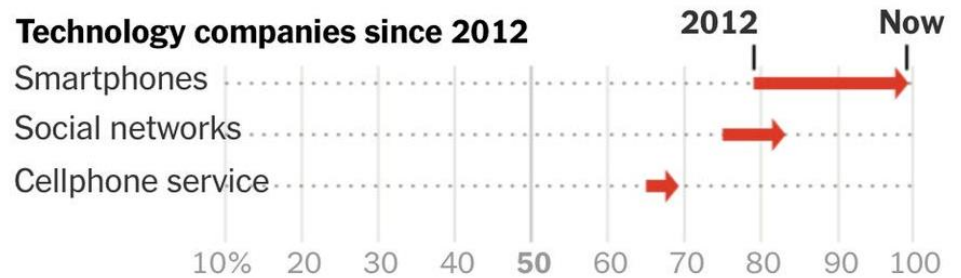
- Hardware store
- Craft store
- Rideshare company
- Website search engine
- Online commerce store
- Smartphone
- Social networking site

Dominance of Corporate Behemoths

The combined market share of the two largest companies in many industries has grown in recent years, often because of mergers.



Technology companies since 2012



MONOPOLIES TODAY?

Social Media is a market most of us have never considered ripe for a monopoly... but over 71% of adults use Facebook.

CARTOON ANALYSIS

