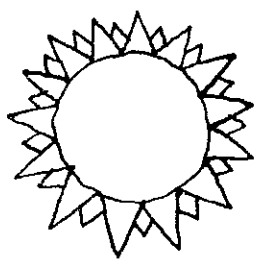


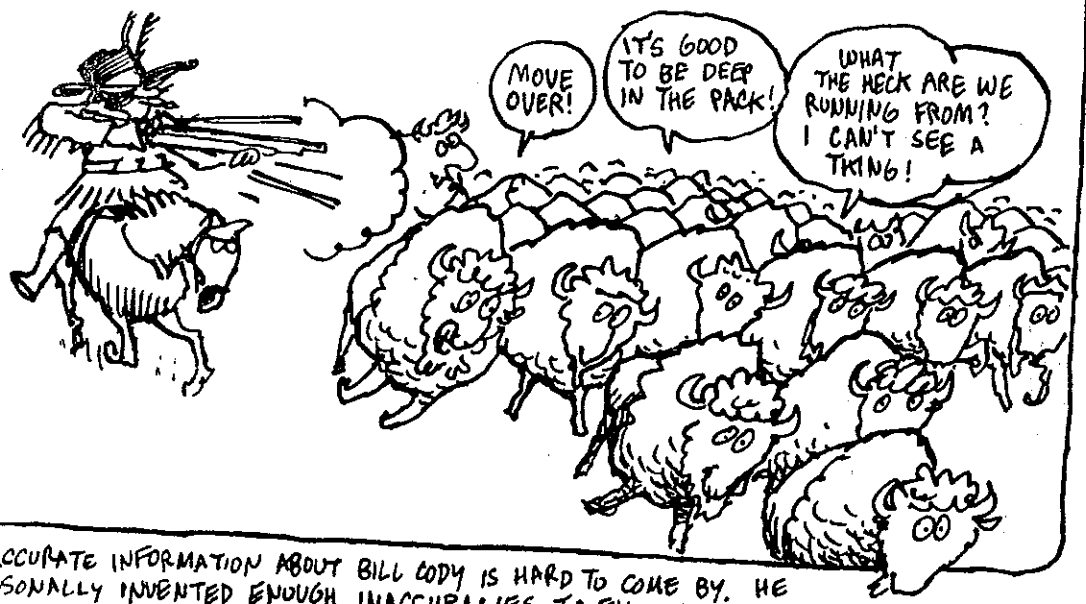


IN 1866 (OR WAS IT 1867?), THE FLAMBOYANT, YOUNG WILLIAM F. CODY SIGNED A CONTRACT TO PROVIDE BISON MEAT TO THE CONSTRUCTION WORKERS OF THE KANSAS PACIFIC RAILWAY.

I DON'T LIKE THE SOUND OF THIS...



CODY WAS NO MEAT PACKER... HE PACKED A GUN INSTEAD (NICKNAMED "LUCRETIA BORGIA"). HIS PLAN WAS TO RUSTLE UP GRUB WHERE HE FOUND IT... BECAUSE THE KANSAS PLAINS WERE A VERITABLE LIVING MEAT LOCKER, WITH BISON AS FAR AS THE EYE COULD SEE!



* ACCURATE INFORMATION ABOUT BILL CODY IS HARD TO COME BY. HE PERSONALLY INVENTED ENOUGH INACCURACIES TO FILL VOLUMES.

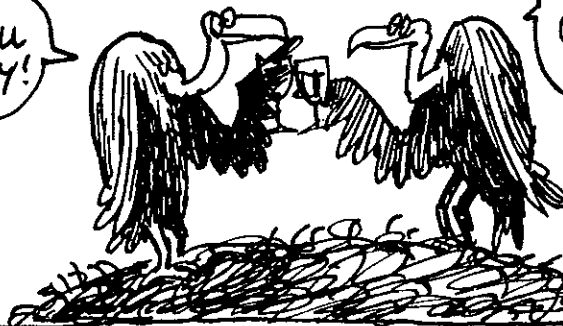
IN EIGHT MONTHS*
CODY BAGGED OVER
4200 BISON AND
EARNED HIMSELF A
NICKNAME AS WELL:

▷▷ **BUFFALO
BILL.** ▷▷



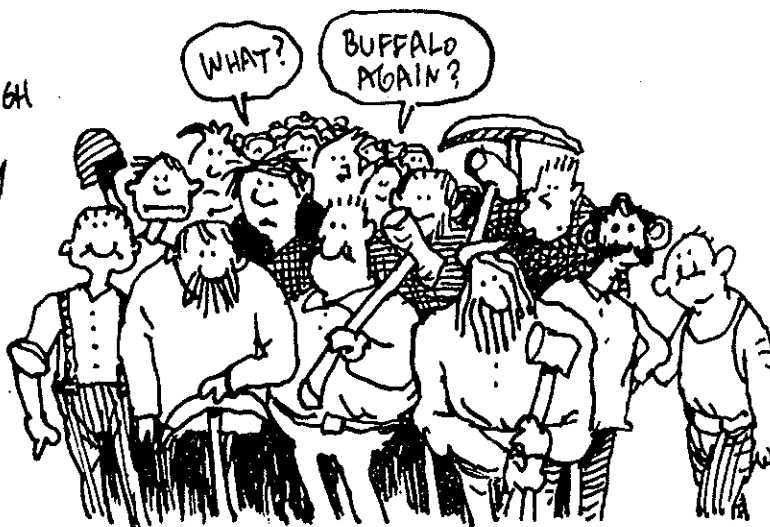
THIS WAS JUST THE BEGINNING OF THE GREAT BUFFALO
SLAUGHTER. IT WAS INCREDIBLY WASTEFUL: CODY TOOK
ONLY THE HAMS AND HUMPS, LEAVING THE REST TO THE
HAPPY VULTURES.

TO BILL
CODY!



THE MOST
GENEROUS
OF MEN!

EVEN SO, HE
SUPPLIED ENOUGH
MEAT TO FEED
A SMALL ARMY
OF RAILROAD
WORKERS!

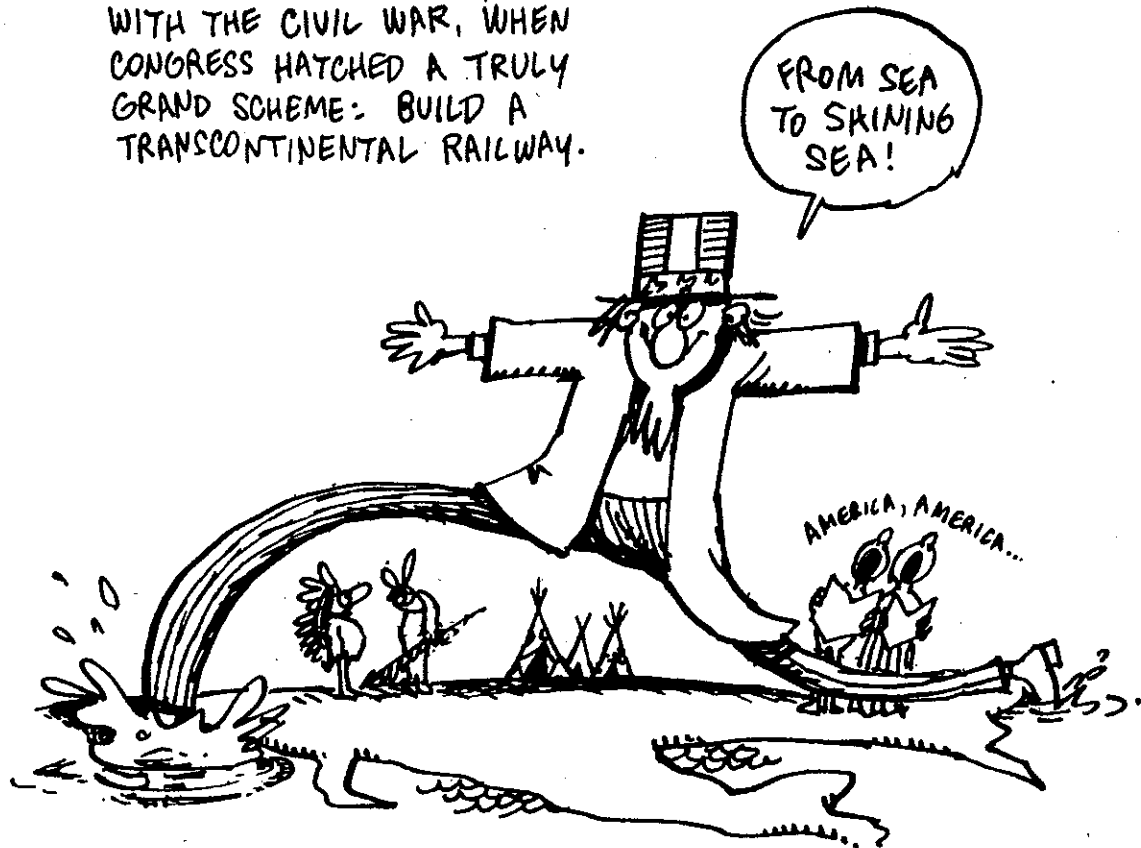


*OR EIGHTEEN. SEE PREVIOUS FOOTNOTE.

ALL THOSE WORKERS
EATING ALL THOSE
BUFFALO WAS A
CLEAR SIGN THAT THE
RAILROAD BUSINESS
WAS BOOMING. IN
THE 1860'S, RAILROAD
BARONS' FORTUNES
WERE RISING EVEN
FASTER THAN THE
BUFFALO POPULATION
WAS FALLING.



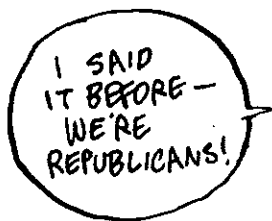
THE BOOM HAD ACTUALLY BEGUN
WITH THE CIVIL WAR, WHEN
CONGRESS HATCHED A TRULY
GRAND SCHEME: BUILD A
TRANSCONTINENTAL RAILWAY.



BUT A PROJECT SO ENORMOUS HAD SCARCELY BEEN IMAGINED BEFORE!
WHO COULD POSSIBLY AFFORD IT? SUCH A HUGE INVESTMENT IN
LAND, LABOR, AND EQUIPMENT WAS BEYOND THE ABILITY OF ANY
PRIVATE COMPANY.



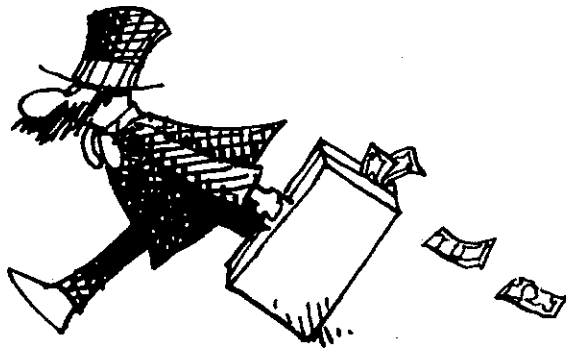
IT WAS SUGGESTED THAT THE GOVERNMENT ITSELF COULD BUILD AND
RUN THE GREAT RAILROAD — BUT NO, THAT WOULD BE SOCIALISTIC!



SO THE GOVERNMENT CAME UP WITH A BRILLIANT SOLUTION: SIMPLY
GIVE THE LAND
AND LEND THE
MONEY TO PRIVATE
RAILROAD COMPANIES!
THE AMOUNT OF
LAND EVENTUALLY
HANDLED OVER WAS
INCREDIBLE: MORE
THAN 200 MILLION
ACRES !!

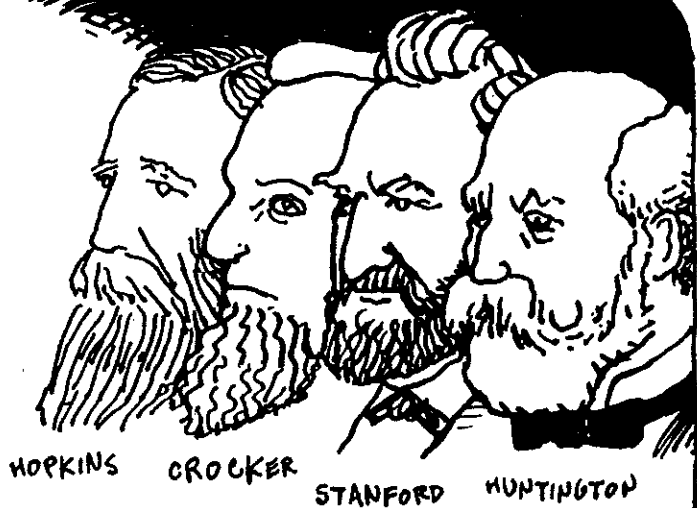


AND WHO WERE THESE RAILROAD COMPANIES? WELL, IN THOSE DAYS, WHEN THE INDUSTRY WAS YOUNG, ANYONE WHO SAID HE WAS A RAILROAD COULD BE A RAILROAD. AND WITH SUCH HIGH STAKES, THERE WERE MANY CONTENDERS!!



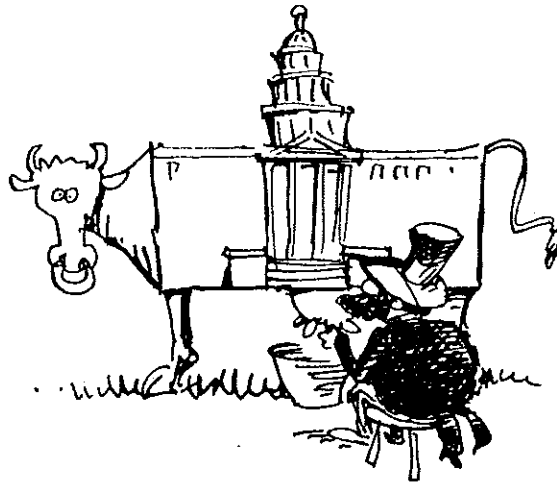
FOR EXAMPLE, FOUR CALIFORNIA SHOPKEEPERS, ARMED WITH SOME ENGINEERING SURVEYS, DECLARED THEMSELVES THE **CENTRAL PACIFIC** RAILROAD. ONE OF THEM HEADED TO WASHINGTON WITH A SUITCASE FULL OF CASH...

...AND "PERSUADED" CONGRESS TO GIVE THE WESTERN END OF THE TRANSCONTINENTAL PROJECT TO HIMSELF AND HIS PARTNERS. PRACTICALLY OVERNIGHT, THEIR FORTUNES MULTIPLIED FROM THE TENS OF THOUSANDS TO THE TENS OF MILLIONS. THEY WERE NOW A RAILROAD!!

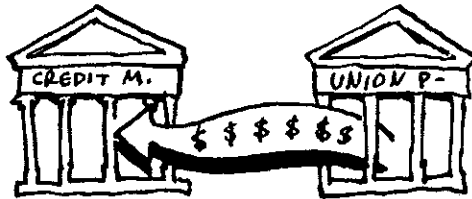


THE EASTERN HALF
OF THE ROUTE WAS
ASSIGNED TO THE
UNION PACIFIC

COMPANY. DESPITE THE
PATRIOTIC NAME, THE
CORPORATION'S DIRECTORS
FOUND A WAY TO MILK
CONGRESS FOR MILLIONS
OF DOLLARS...



THE SCHEME WAS SIMPLE:
THEY HIRED A FIRM NAMED
CREDIT MOBILIER TO DO THE
CONSTRUCTION WORK, THEN
OVERPAID CREDIT MOBILIER BY
AN ENORMOUS FACTOR.



THE BEAUTY OF IT WAS THAT
THE OWNERS OF CREDIT MOBILIER
AND THE OWNERS OF THE UNION
PACIFIC WERE — THE VERY
SAME PEOPLE!!



ALTHOUGH MILLIONS
IN PUBLIC FUNDS
DISAPPEARED INTO THE
RAILROADERS' BANK
ACCOUNTS, CONGRESS
WAS SILENT —
AND NO WONDER:
THE UNION PACIFIC
MEN HAD BESTOWED
MANY SHARES OF
PROFITABLE STOCK
UPON THE COMPLIANT
CONGRESSPEOPLE!

WE HAVE
TO OPERATE
THIS WAY — RUNNING
A RAILROAD IS A
RISKY BUSINESS!

ESPECIALLY
THE WAY
WE DO IT...

Moo.

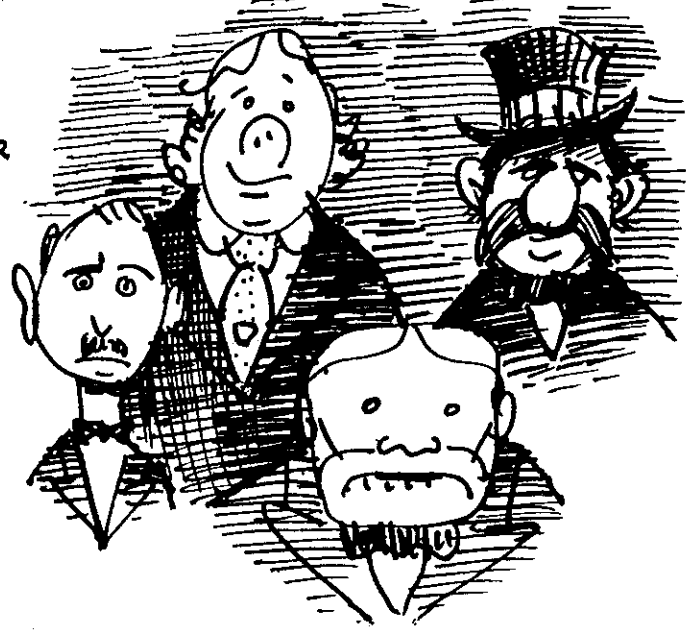




RAILROADERS WEREN'T THE ONLY ONES WHO MULTIPLIED THEIR MONEY IN THE CIVIL WAR.

SEVERAL OF AMERICA'S MOST FAMOUS FORTUNES DATE FROM THE 1860'S!

FOR INSTANCE (L. TO R.):
 JOHN D. ROCKEFELLER (OIL),
 PHILIP ARMOUR (MEAT),
 ANDREW CARNEGIE (IRON & STEEL),
 J.P. MORGAN (BANKING) —



ALL WERE MEN IN THEIR 20'S DURING THE CIVIL WAR, AND ALL CHOSE BUSINESS OVER BATTLE!

<p>"I HAD HOPED MY BOY WAS GOING TO MAKE A SMART, INTELLIGENT BUSINESSMAN, AND WAS NOT SUCH A GOOSE AS TO BE SEDUCED FROM DUTY [sic] BY THE DECLAMATIONS OF BUNCOMBED SPEECHES. IT IS ONLY GREENHORNS WHO ENLIST... A MAN MAY BE A PATRIOT WITHOUT RISKING HIS OWN LIFE... THERE ARE PLENTY OF OTHER LIVES LESS VALUABLE..."</p> <p>—JUDGE THOMAS MELLON TO HIS SON</p>	<p>"I'M RICH! I'M RICH!" —ANDREW CARNEGIE</p>	<p>"TO CONTINUE MUCH LONGER WITH MOST OF MY THOUGHTS WHOLLY UPON THE WAY TO MAKE MONEY IN THE SHORTEST TIME MUST DEGRADE ME BEYOND HOPE OF PERMANENT RECOVERY." —ANDREW CARNEGIE</p>
	<p>"WE COULD NOT BE EXPECTED TO LEAVE OUR COMFORTABLE HOMES WITHOUT SOME GREAT INDUCEMENT." —BANKER JAY COOKE</p>	
	<p>"YOU CAN SELL ANYTHING TO THE GOVERNMENT AT ANY PRICE IF YOU'VE GOT THE NERVE TO ASK." —JIM FISK</p>	<p>"I LIKE TO TURN BRISTLES, BLOOD, BONES, AND THE INSIDES AND OUTSIDES OF PIGS AND BULLOCKS INTO REVENUE." —P. ARMOUR</p>

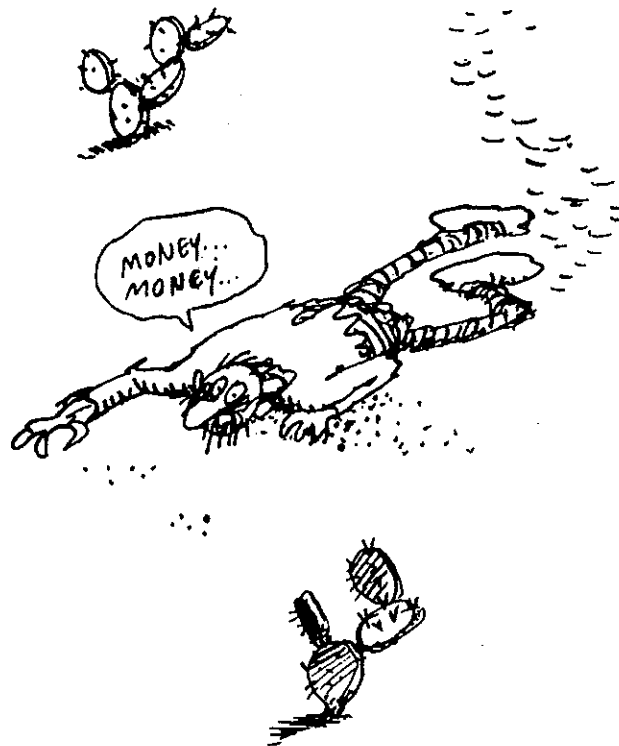
AS THEIR BUSINESSES
BOOMED, THESE
GENIUSES OF HIGH
FINANCE INVENTED
NEW, FABULOUS,
AND NOT ALWAYS
HONEST METHODS
OF MANIPULATING
MONEY. FOR SOME
REASON, THESE ARE
OFTEN DESCRIBED
IN LIQUID METAPHORS,



SUCH AS:

STOCK WATERING
SPRONING PROCEEDS
SKIMMING ASSETS
FLOODING MARKETS
MILKING COMPANIES
FLOATING LOANS
SINKING FUNDS
POOLS
FINANCIAL RESERVOIRS

(NOTE: "LAUNDERING"
MONEY WASN'T
INVENTED UNTIL
LATER.)



AMERICANS ADMIRED THE WITS, ENERGY, AND EVEN THE RUTHLESSNESS OF THESE CORSAIRS. AFTER ALL, WASN'T COMPETITION PART OF THE NATURAL ORDER? WASN'T SUCCESS THE SURVIVAL OF THE FITTEST? IT WAS PRIMAL! IT WAS DARWINIAN!*



IN THIS ECONOMIC STRUGGLE FOR EXISTENCE, THE POST-WAR CAPITALISTS OFTEN DISPLAYED THE BUSINESS ETHICS OF A CHIMPANZEE.



*DARWIN'S THE ORIGIN OF SPECIES APPEARED IN 1859.



THEY "PURCHASED" REPRESENTATIVES, SENATORS, THE PRESIDENT'S BROTHER-IN-LAW... EVERY INDUSTRY HAD GOVERNMENT OFFICIALS IN ITS POCKET.. IN CALIFORNIA, THE RAILROAD EVEN TOSSED GOLD COINS TO THE VOTERS ON ELECTION DAY!



IN THE JARGON OF THE TIME, A CORRUPT NETWORK WAS A "RING." THERE WAS A WHISKEY RING, AN ERIE RAILROAD RING, THE CREDIT MOBILIER RING, A GOLD RING, A U.S. CUSTOMS RING, A CANAL RING, A MILWAUKEE RING, N.Y.'S "BOSS" TWEED RING, AND COUNTLESS OTHER STATE, COUNTY, AND MUNICIPAL RINGS.



(AND OF COURSE, SOME OF THESE RINGS REACHED INTO THE RECONSTRUCTION SOUTH, GIVING THE RACISTS A NEW EXCUSE TO QUESTION THE BLACKS' "CAPACITY" FOR HONEST GOVERNMENT.)



THE ROBBER BARONS

Explain how the following men made their money, and then judge whether it was ethical or not. Explain this judgment.

William F. Cody “Buffalo Bill”:

Central Pacific Railroad (notice the name Stanford?):

Union Pacific Railroad and Credit Mobilier:

John D. Rockefeller (Standard Oil):

Philip Armour (Armour Meat Packing):

Andrew Carnegie (Iron & Steel):

J.P. Morgan:

Define the theory of **Social Darwinism**, then explain how you feel about the concept.

Define these terms:

Horizontal Integration-

Vertical Integration-

Economy of Size-

Proprietorship-

Partnership-

Corporation-

Stock-

Dividends-



Trust-

Monopoly-

Laissez-Faire Capitalism-

MAKING A CONNECTION TO 

Answer each of the questions below, you may need to look up terms in your text or notes.

1. What property spaces in the game of  represent Trunk Lines?
2. Two players made a deal that they would not charge each other, if they landed on each other's properties, just to take another player out of the game. What term best describes this activity made illegal by congress in 1890?
3. If one player had a great deal of cash and tried to buy up all the properties that competed on one street, would it best be described as vertical or horizontal integration?
4. What properties on the  board would best complete this analogy:

Kiss the Sky is to _____, [proprietorship]
as Best Buy is to _____. [large corporation]
5. When a corporation floods a market with their product so much that a small business can't compete it is called:
6. While the player who is being run out of the game may complain about deals that were made to eliminate him or her as Laissez-faire, the winner would counter saying it is only survival of the fittest. The winner's argument is defended by the belief in...