

The myth of the robber barons essay sample

[Business](#)



Business historian of Murray State University in Kentucky, Burton W. Folsom Jr.'s illustrative work, *The Myth of the Robber Barons*, unfolds the manufactured myth of Robber Barons and manifests the misplaced victory of industrial and economic progress of America. It tells the story of earliest entrepreneurship in America and depicts six large and inspiring entrepreneurs behind the industrial revolution.

The history fabricated by many historians illustrates that 19th century of American history is marked with the economic exploitations of "robber barons" that deprived American citizens of the potential benefits of industrialization and collected huge profits for themselves.

But some of the great industrialist and businessmen of the 19th century America have also been equated with "robber barons" and their accomplishments have been labeled as the result of exploitation, theft and treachery against their fellow countrymen. According to this myth of "robber barons", great entrepreneurs like Carnegie, Vanderbilt, and Rockefeller who helped America to establish itself on sound economic footings and constructed huge infrastructures of banks, railroads, steel mills and cities, have been displayed as incarnations of exploiters with hideous agendas.

Dr. Folsom tries to cast away these fabricated notions and manifests a clear distinction between the exploiters and those entrepreneurs who struggled in an opposite way. These leaders worked to eliminate disparities in the industrial milieu and to break the monopolies.

They further helped to create a just and progressive society by tackling social issues such as poverty, illiteracy etc. Folsom does not deny that there

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were no corrupt and malicious entrepreneurs. He describes that there were numerous entrepreneurs who established their influence in the political and official sectors in order to serve their own vested interest. These entrepreneurs were political in nature and worked only to establish and strengthen their business empires.

Folsom explains these two distinguished types of entrepreneurs in details and his in-depth analysis of these distinct types shows apparent differences among them. He categorizes these entrepreneurs as “ market entrepreneurs” and “ political entrepreneurs’ but further clarifies that no entrepreneur can be classified into a single category as their activities and objectives are overlapped. Additionally, he displays the both trends i. e. political and market intermingle with each other and most entrepreneurs possess the characteristics of the both categories.

Folsom further illustrates the traits and characteristics of these two types of entrepreneurs and says that political entrepreneurs fit the traditional robber barons class i. e. their objectives and the means to achieve those objectives are substantially fraudulent and are comprised of dishonest practices like exploitation, political manoeuvres etc.

He further displays that these business empires got political and official investments through different means and spent these huge amount in useless activities. The end products of these companies were cheap and of poor quality as their main concern was outside the customers’ domain. Their only concern was to get things done rapidly and to earn profits. These

organizations further relied on other corrupt practices to get what suited to their interests.

Folsom does not negate these entrepreneurs' role in economic growth of America. He is of the view that despite the corrupt practices and illegal means, these entrepreneurs helped America to grow economically. He describes Robert Fulton, Edward K. Collins and Samuel Cunard as the prominent political entrepreneurs.

Folsom further narrates their corrupt practices and says that all these stated entrepreneurs worked in a single industry i. e. steamboat industry and received federal aid to run their businesses. Even with subsidies and help from government these businessmen earned huge profits by different means.

On the other hand, Folsom claims that second category of entrepreneurs i. e. market entrepreneurs, cannot be assumed as "baron robber". These market entrepreneurs established America as a fair economic entity with fair competitions, better labor wages and a just industrial environment. Their main concern was their customers and they made sound products to meet the customer satisfaction. These businessmen were benevolent in their orientations and dispersed their money for socio-economic growth of their nation. Most of them were huge donators to educational institutes, libraries and other social services organizations. They established trusts and charitable organizations to help the poor and needy. Folsom includes Andrew Carnegie James J. Hill, Cornelius Vanderbilt and John D. Rockefeller in this category.

Folsom further narrates the charitable practices of these entrepreneurs especially of John D. Rockefeller to prove his point. He says that Rockefeller left about \$550, 000, 000 to charity at his death that was huge amount at that time of American history. This huge amount was distributed among schools, educational institutes and churches. It was further paid to scientist who cannot carry on their research work with scarce resources. These beneficiary scientists later on explored the cures for yellow fever, meningitis, and hookworm.

These stories narrated by Folsom about the charity and social work of Rockefeller manifests clearly that he was a great philanthropist. He does not take into account the popular view propagated by textbooks about Rockefeller. Folsom states that the study of this entrepreneurship is important in order to locate the true history of American Industrialism and to cast away the false notions attached to it.

Folsom is of the view that creation of this myth has political motives as well i. e. to justify and establish government monopoly over the business and to capacitate government to intervene in the affairs of the entrepreneurs. He says that each “ abuse” committed by a “ robber baron” was a justification to establish governmental control and a motive to introduce reforms. Folsom further discloses that this reformation process suits the interests if the government as it takes away power from entrepreneurs and forward it to different states institutions.

And all these activities are done in the name of shielding America against the corrupt practices of economic exploitations and theft and to protect

America from robber Barons like James H. Hill who established an extended structure of railroads across America. Hill worked for railroads, but dreamed of owning his own. In 1878, he availed the opportunity of buying an entire railroad between the St. Paul and Pacific. Hill went to inspect his purchase and found a bankrupt line with only 10 miles of unconnected rail, its materiel scattered along the abandoned right-of-way. Hill decided to complete this project. Critics considered acquisition of this project by Hill as a foolish dream but Hill kept his promise.

He built a system that would last, using the highest-quality rails and laying track in carefully chosen spots to maximize safety and slash costs. He rediscovered a passage lost since the days of Lewis and Clark and used it to avoid a 100-mile detour. Hill pursued an incremental strategy, developing the economy of each frontier area (with help to farmers including free cattle and wheat) before he moved farther west, creating for himself a huge customer base. Men like Hill built America, leaving in their wake vast cities throbbing with commercial activities. Folsom's book is the first to do them justice. It is essential reading for anyone who follows in their footsteps.

Folsom further criticizes textbooks mainly for not providing correct information about these great entrepreneur and only describes political entrepreneur side of businessmen. He also says that historians must eradicate their pre-concieved notions about these entrepreneurs i. e. entrepreneurs cut costs and made many contributions to American economic growth, but they also marred political life by bribing politicians and misusing government funds.

This powerful work, *Myth of the Robber Barons*, blows up the misperceptions and fabricated realities about the nineteenth century entrepreneurs and reveals that all the entrepreneurs were not of “ Robber Baron” category but there were market oriented businessmen like Rockefeller and Hill. These market-oriented entrepreneurs contributed not only contributed in the industrial and business sector but their contribution to the social sector cannot be denied. This book established the truth that the myth of Robber Baron is a fabricated one that suits the interests of the government and it has not real grounds.