The Period of the Special Charter

As the work of Joseph S. Davis on the earliest American corporations covered their development through 1800, this study begins with that year.[1] The first three-quarters of the 19th century are a unit in that most incorporations were by special charter. General incorporation laws were, of course, enacted in several states, but not until about 1875 had constitutional provisions requiring incorporation under general laws become so numerous that special charters might be considered a thing of the past for most fields of enterprise in most states of the Union (see Table 5).

Since the data for the pre-1875 period come largely from special acts of legislatures, only annual figures can be presented in this chapter. In some respects the calendar year is not a very appropriate period for a compilation of corporate charters granted by special acts. The legislative session is to be preferred for many purposes, but it would lack regularity for a given state and would not be uniform in date or length from state to state. The calendar year is therefore selected for want of a better period; but, as will appear later, it is at times well to work with a moving average of annual data. Some series are built upon charters issued in accordance with special acts alone, others on charters issued solely under general law, and still others on charters issued under both. This lack of uniformity is not a handicap when merely broad tendencies are to be observed, though it must be remembered when attention is directed to details.

Table 6 gives for 1800–75 some data on incorporations by eight states—Connecticut, Maine, Maryland, Massachusetts, New Jersey, New York, Ohio, and Pennsylvania.[2] Two-item centered moving averages were computed for incorporations under both special and general laws, whenever the two sets of figures were available; otherwise, the moving averages were built upon charters issued under the one or the other (see Chart 1). If figures on incorporations granted under general law in the first year that a charter could have been procured under it were for less than twelve months,

they had to be omitted from the moving averages based upon charters issued solely under general law. To have included them would have given an erroneous impression of the incorporation movement. On the other hand, when moving averages were made for charters granted under both special and general laws, figures for the former that covered only part of a year had to be added to those for the latter, since then they merely complemented the special charter picture.

Only one series of Table 6, that for New Jersey, covers the entire period studied, but an examination of all series makes possible several observations. Apparently there were three long waves of incorporation: 1800–21, 1821–43, and 1843–61 (Chart 1). A fourth long wave may perhaps be said to begin with 1861, but its terminal date cannot be marked off. The Ohio annual series, after the recessions of 1867 and 1870 and a high peak in 1872, reaches a deep trough in 1878.[3] The New Jersey annual series seems to have a trough about 1875.[4] The Maine incorporation series, based upon charters issued under both general and special laws, has a trough in 1876 (see the tables of Maine data in App. 3). Unfortunately, no chart shows for the post-1875 period the number of charters issued under both general and special laws. The Massachusetts annual series falls from a peak in 1864 into several minor wave-like movements which fluctuate about a horizontal trend and end with a rise in 1879 (see Chart 9). The four series thus suggest the late 'seventies as the terminal date for the fourth

[1] *Essays in the Earlier History of American Corporations* (Harvard Economic Studies, XVI, No. I–IV, 1917).

[2] See Appendix 3 for the sources of these data and for comments upon them. Figures for more states could have been added by the laborious process of examining state statutes. The states in which incorporations were numerous in this period are included and the coverage seems sufficient to warrant the general statements that follow.

[3] See Chart 9. From 1862 to 1875 in Ohio there were three intense periods of chartering in three industrial fields: (1) In mining the number of charters granted reached a peak in 1865 (the 2-item centered moving average for mining incorporations shows a peak in the same year). (2) In railroads a peak in chartering was reached in 1871 (the 2-item centered moving average of railroad incorporations, plotted on Chart 4, shows a peak in the same year). (3) In manufacturing a peak in chartering was reached in 1873 (the 5-item moving average of manufacturing incorporations, plotted on Chart 3, shows a peak in 1872).

The incorporation of building and loan associations under general law began in 1867. Many associations were soon chartered, 86 being incorporated in 1868 alone. The addition of building and loan incorporations raised the total number of charters granted by Ohio substantially.

[4] For New Jersey incorporations, reference cannot be made to Chart 9 as in the case of the Ohio series; the New Jersey series on Chart 1 covers incorporations under both special and general laws while the New Jersey series on Chart 9 is based solely on charters granted under general laws.

TABLE 5

Chronology of Initial State Constitutional Provisions that Necessitated Incorporation under General Laws

STATE[a]	DATE ADOPTED	DATE EFFECTIVE	SOURCE[b] Document	Constitution
Louisiana	11/ 5/1845	11/ 5/1845	A, III, 1392 n. a, 1405	1845: Title VI, Art. 123
Iowa	8/ 3/1846	12/28/1846[c]	A, II, 1132 (for dates: B, III, 499 n. 1)	1846: VIII, 2
New York	11/ 3/1846	1/ 1/1847	A, V, 2669 (for dates: B, III, 1096 n. 1)	1846: VIII, 1
Illinois	3/ 5/1848	3/ 5/1848	A, II, 985 n. b, 1005	1848: X, 1
Wisconsin	3/13/1848	5/29/1848[c]	B, III, 1688 n. 1, 1693-4, 1701	1848: IV, 31, 32; XI, 1
California	11/13/1849	12/20/1849[d]	A, I, 396 (for dates: B, III, 138 n. 1)	1849: IV, 31
Michigan	11/ 5/1850	11/ 5/1850	Mich. Laws, 1851, pp. xxvii–ix	1850: XV, 1
Maryland	6/ 4/1851	6/ 4/1851	A, III, 1712 n. a, 1726-7	1851: III, 47
Ohio	6/17/1851	9/ 1/1851	A, V, 2931 (for dates: B, III, 1192 n. 1)	1851: XIII, 1 & 2
Indiana	8/ 4/1851	11/ 1/1851	B, III, 482 n. 1, 495	1851: XI, 13
Minnesota	10/13/1857	5/11/1858[c]	B, III, 828 n. 1, 846	1857: X, 2
Oregon	11/ 9/1857	2/14/1859[c]	B, III, 1298 n. 1, 1312-3	1859: XI, 2
Kansas	10/ 4/1859	1/29/1861[c]	B, III, 516 n. 1, 528	1859 [or 1861]: XII, 1 [cf.: 1855, XIII, 1 (A, II, 1191); 1857, XII, 1 (ibid., 1213); 1858, XIV, 1 (ibid., 1235)]
West Virginia	4/ 3/1862	6/19/1863[c]	A, VII, 4012-3, 4013 n. a, 4031	1861-63: XI, 5
Nevada	9/ 7/1864	10/31/1864[c]	B, III, 1007 n. 1, 1020	1864: VIII, 1
Missouri	1/ 6/1865	1/ 6/1865	A, IV, 2191 n. a, 2212	1865: VIII, 4
Nebraska	6/21/1866	3/ 1/1867[c]	A, IV, 2359 (for dates: B, III, 982 n. 1)	1866-67: II, Corporations, 1 & 2
Alabama	12/ 6/1867	7/20/1868	A, I, 132 n. a, 150	1867: XIII, 1
North Carolina	1868	1868	A, V, 2800 n. b, 2816	1868: VIII, 1
Arkansas	3 /1868	3 /1868	A, I, 314 (for dates: B, III, 98 n. 1)	1868: V, 48
Tennessee	3/26/1870	3/26/1870	B, III, 1472 n. 1, 1486	1870: XI, 8
Pennsylvania	12/16/1873	1/ 1/1874	B, III, 1325 n. 1, 1329	1873 [or 1874]: III, 7
New Jersey	9/ 7/1875	9/ 7/1875	B, III, 1056, 1056 n. 9	1844 as amended Sept. 7, 1875
Maine	9/13/1875	9/13/1875	A, III, 1646 n. a, 1656	1819 as amended Sept. 13, 1875: IV, 14
Texas	2/17/1876	2/17/1876	B, III, 1489 n. 1, 1526	1876: XII, 1 & 2
Colorado	7/ 1/1876	8/ 1/1876[c]	B, III, 234 n. 1, 267	1876: XV, 2
Georgia	12/ 5/1877	12/ 5/1877	A, II, 851-2 (for dates: B, III, 357 n. 1)	1877: III, 7, ¶xviii [Cf. Const. of March 11, 1868 (A, II, 822 n. a, 830)]
North Dakota	10/ 1/1889	11/ 2/1889[c]	B, III, 1155 n. 1, 1170	1889: VII, 131
South Dakota	10/ 1/1889	11/ 2/1889[c]	B, III, 1432 n. 1, 1435, 1457-8	1889: III, 23, item 9; XVII, 1
Montana	10/ 1/1889	11/ 8/1889[c]	B, III, 944 n. 1, 968	1889: XV, 2
Washington	10/ 1/1889	11/11/1889[c]	B, III, 1626 n. 1, 1646	1889: XII, 1
Idaho	11/ 5/1889	7/ 3/1890[c]	B, III, 425 n. 1, 442	1890: XI, 2
Wyoming	11/ 5/1889	7/10/1890[c]	B, III, 1710 n. 1, 1715, 1728	1889: III, 27; X, 1
Mississippi	11/ 1/1890	11/ 1/1890	B, III, 860 n. 1, 877	1890: VII, 178
Kentucky	9/28/1891	9/28/1891	B, III, 533 n. 1, 539	1890 [or 1891]: Sec. 59, 17th
Utah	11/ 5/1895	1/ 4/1896[c]	B, III, 1538 n. 1, 1555	1895: XII, 1
South Carolina	12/ 4/1895	12/31/1895	B, III, 1369 n. 1, 1378, 1404-5	1895: III, 34, item III; IX, 2 [Cf. 1868, XII, 1 (A, VI, 3302)]
Delaware	6/ 4/1897	6/10/1897	A, I, 627 (for dates: B, III, 298 n. 1)	1897: IX, 1
Florida	1900	1900	General Statutes of Florida, 1906, p. 41.	Joint Res. #2, Acts of 1899, adopted at general election of 1900
Virginia	6/26/1902	7/10/1902	B, III, 1578 n. 1, 1588-9, 1605	1902: IV, 63, 64; XII, 154
Oklahoma	11/16/1907	11/16/1907[c]	B, III, 1224 n. 1, 1258	1907: IX, 38
New Mexico	1/21/1911	1/ 6/1912[c]	B, III, 1064 n. 1, 1084	1912: XI, 13
Arizona	2/ 9/1911	2/14/1912[c]	B, III, 65 n. 1, 86	1912: XIV, 2
Vermont	3/ 4/1913	3/13/1913	B, III, 1576 n. 28, 1577	1793: Ch. II, Sec. 65, added by 1913 amendment

[a] Four states—Connecticut, Massachusetts, New Hampshire, and Rhode Island—do not have constitutional provisions requiring incorporation under general laws. On this point, however, see the Rhode Island constitution of 1843 in Reports of the Constitutional Convention Committee, III, Constitutions of the States and United States, New York State Constitutional Convention Committee (Albany, 1938), 1361.

[b] This table was constructed from two sources: The Federal and State Constitutions, Colonial Charters, and Other Organic Laws of the States, Territories, and Colonies Now or Heretofore Forming the United States of America, compiled and edited by Francis Newton Thorpe (House Doc. 357, 59th Cong., 2d Sess.); and Reports of the Constitutional Convention Committee, III.

To minimize the space devoted to citations, those sources are referred to as A and B. In the 'Document' column the letter A or B is followed by a Roman numeral indicating the volume, then by page references in Arabic numerals. In the 'Constitution' column the date of the constitution involved is followed by the article in Roman numerals and the section in Arabic numerals. Departures from the above arrangements are clearly indicated.

[c] Date of statehood.

[d] The constitution was proclaimed by the Governor on December 20, 1849; California was admitted to the Union on September 9, 1850.

TABLE 6
Business Incorporations, Eight States, 1800–1875

Year	CONN. Under General Law	MAINE Under General Law	MAINE By Special Act	MAINE Total	MD. By Special Act	MASS. Under General Law	N.J. Under General Law	N.J. By Special Act	N.J. Total	N.Y. Under General Law	N.Y. By Special Act	N.Y. Total	OHIO Under General Law	OHIO By Special Act	OHIO Total	PA. By Special Act
1800					0			2	2			5				0
1801					2			3	3			13				2
1802					0			3	3			14				0
1803					0			0	0			9		2	2	6
1804					1			12	12			12		0	0	14
1805					10			0	0			28		0	0	4
1806					2			9	9			25		0	0	6
1807					0			4	4			12		0	0	9
1808					5			5	5			36		2	2	2
1809					0			5	5			25		3	3	13
1810					11			0	0			44		1	1	15
1811					0			11	11	12[b]	43	55		1	1	17
1812					9			9	9	12	31	43		2	2	12
1813					0			4	4	29	25	54		1	1	11
1814					11			9	9	40	28	68		3	3	69
1815					10			13	13	19	19	38		1	1	15
1816					23			9	9	10	23	33		18	18	22
1817					10			2	2	5	27	32		18	18	23
1818					12			3	3	4	26	30		3	3	11
1819					10			3	3	1	28	29		2	2	24
1820			3	3	2			2	2	1	9	10		2	2	9
1821			13	13	1			1	1	3	7	10		0	0	4
1822			10	10	3			5	5	3	18	21		1	1	5
1823			13	13	8			5	5	6	32	38		0	0	11
1824			10	10	4			13	13	2	40	42		2	2	4
1825			17	17	4			13	13	10	56	66		3	3	12
1826			18	18	7			5	5	10	25	35		8	8	30
1827			19	19	6			0	0	8	24	32		7	7	16
1828			12	12	16			25	25	10	44	54		8	8	22
1829			17	17	21			5	5	9	37	46		12	12	18
1830			13	13	6			10	10	2	32	34		17	17	22
1831			20	20	5			14	14	8	40	48		8	8	37
1832			21	21	22			11	11	3	70	73		37	37	39
1833			25	25	27			13	13	6	48	54		14	14	38
1834			47	47	13			14	14	10	47	57		31	31	35
1835			24	24	9			13	13	12	26	38		38	38	30
1836			131	131	36			35	35	20	116	136		71	71	70
1837	12[a]		104	104	12			45	45	17	44	61		92	92	31
1838	23		34	34	13			9	9	4	28	32		55	55	64
1839	9		14	14	35			14	14	4	36	40		67	67	43
1840	4		3	3	10			6	6	5	15	20		10	10	33
1841	10		18	18	6			6	6	12	17	29		9	9	31
1842	4		11	11	4			6	6	3	8	11		11	11	23
1843	8		10	10	3			1	1	0	6	6		10	10	31
1844	9		17	17	8			7	7	14	17	31		29	29	40
1845	20		30	30	12			18	18	13	17	30		53	53	25
1846	18		44	44	22		4[b]	21	25					49	49	25
1847	26		32	32	24		5	20	25					22	22	17
1848	14		27	27	34		5	28	33					80	80	51
1849	29		34	34	0		1	31	32					103	103	90
1850	38		27	27	71		7	20	27					192	192	98
1851	44		8	8	0	8[a]	18	36	54					170	170	131
1852	85		52	52	18	20	13	44	57							74
1853	133		61	61		21	19	46	65							147
1854	106		63	63		13	21	51	72							126
1855	48		33	33		31	16	66	82						7[a]	90
1856	26		38	38		26	8	41	49					64	64	91
1857	28		39	39		26	11	43	54					47	47	117
1858	18		14	14		11	20	27	47					49	49	49
1859	22		29	29		20	5	49	54					97	97	122
1860	26		31	31		21	7	43	50					36	36	94
1861	14		16	16		16	2	37	39					25	25	
1862	18		19	19		20	11	22	33					26	26	
1863	27		16	16		56	7	30	37					51	51	
1864	76		33	33		174	12	60	72					91	91	
1865	93		38	38		136	8	69	77					358	358	
1866	123		61	61		103	25	123	148					281	281	
1867	66		55	55		87	25	140	165					266	266	
1868	72		50	50		89	13	148	161					295	295	
1869	68		65	65		56	14	128	142					333	333	
1870	62	11	68	79		65	19	135	154						304	
1871		19	54	73		84	27	122	149						336	
1872		6	58	64		81	23	119	142						401	
1873		23	68	91		88	35	133	168						360	
1874		20	93	113		80	38	83	121						298	
1875		12	66	78		86	51	44	95						333	

Source: Appendix 3
a Not a full year. Not included in moving averages plotted on Chart 1.
b Not a full year. Included in moving averages plotted on Chart 1.

wave, if there was one.[5] A different interpretation may be put upon the 1861–78 period, as is done in the next chapter, though for the present a fourth wave in these early data is assumed.

To aid understanding of these long waves and the nature of the other movements, the total incorporations by four states (Maryland, New Jersey, New York, and Ohio) were arranged according to a uniform industrial classification scheme (see Tables 7–10).

Table 7 is a revision of some data originally compiled by Joseph G. Blandi from Maryland laws.[6] For each business corporation chartered prior to the spring of 1852 a special statute was passed. Though a constitutional provision requiring business charters to be procured under general laws was ratified in June 1851, no general incorporating statutes were enacted in compliance with it until a year later.[7] Mutual insurance companies were removed from the Blandi figures since that type of company is not included in the business incorporation series of this study (see Ch. 1). The charters of the corporations in Blandi's Miscellaneous group were reclassified according to their stated purposes.[8] The Canal and River Improvement figures of Table 7 are combinations of Blandi's two groups—Canals and Navigation. His category, Wharf Companies, forms part of the Miscellaneous Transportation group of Table 7.

The New Jersey material in Table 8A was compiled from a document published by John Hood when he was Secretary of State for New Jersey,[9] and from the New

[5] Little can be said about a possible long wave in the Connecticut series for the Civil War and post-Civil War period, since the incorporation series for that state is broken. Connecticut data for 1871–80 have not been published.
[6] Maryland Business Corporations, 1783–1852 (Johns Hopkins University Studies in Historical and Political Science, LII, 2, 1934), pp. 14, 93–111.
[7] Maryland Laws, 1852, Ch. 322, 338, 369.
[8] Two were added to the Mining group—1 in 1836, 1 in 1850; 4 were added to the Manufacturing group—1 in 1832, 1 in 1835, 1 in 1837, 1 in 1847; 11 were added to Miscellaneous Transportation (which includes also Blandi's 3 Wharf companies)—1 in 1829, 1 in 1830, 2 in 1832, 2 in 1840, 1 in 1845, 1 in 1847, 2 in 1850, 1 in 1852; 1 was added to the Commercial Banking figure for 1850; 2 were added to the Real Estate figures—1 in 1817, 1 in 1838; and 39 Steamboat companies, 2 Telegraph companies, 1 Gas company, 2 Trading companies, 4 Amusement companies, and 2 Agricultural companies were set up in six separate groups.
[9] Index of Titles of Corporations chartered under general and special laws by the legislature of New Jersey, between the years 1693–1870, inclusive ... (Trenton, 1871). Because the data in that volume, together with the adjustments made in working up the material, are described fully in the New Jersey section of Appendix 3, only the various decisions that had to be made with respect to the grouping of the corporations by the purposes for which they were organized are commented on here.

CHART 1

Business Incorporations, Eight States, 1800–1875

2-item Centered Moving Averages of Annual Data

▫─·─▫	Connecticut
———	Maine
———	Maryland
+++++	Massachusetts
×—×—×	New Jersey
┼·┼·┼	New York
◄◄◄◄	Ohio
··········	Pennsylvania

Source of annual data: Table 6.

TABLE 7

Maryland Business Incorporations by Special Acts, 1800–1852

	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	'25	'26	'27	'28	'29	'30	'31	'32	'33	'34	'35	'36	'37	'38	'39	'40	'41	'42	'43	'44	'45	'46	'47	'48	'49	'50	'51	'52
Total number	0	2	0	0	1	10	2	0	5	0	11	0	9	0	11	10	23	10	12	10	2	1	3	8	4	4	7	6	16	21	6	5	22	27	13	9	36	12	13	35	10	6	4	3	8	12	22	24	34	0	71	0	18
Mining		2			1		1				1		1			2	5		1	1			2	4	1	1	1	1	1	4	1	1	2	1	3	6	7	1		4		2	1		1	2	5	2	9		11		2
Manufacturing					1	5			1		1		1		2	5	5	5	8		1			4	1	3	5	2	2	4	4	1	2	8	3	2	8	2		25	6	2	2	3	2	6	5	8	3		11		2
Public utilities									2		4		5			4	13	1		7	7	1	1	4	3		2	2	9	7	3	2	11	3	5	2	4	6		3	4	1	1		3	4	7	8	16		25		12
Transportation																																																					
Railroad																1	1		4					1	1	2	2	1	3	7	3	10	10	3	3	1	1	3		1	4	1		3	5	7	5	3	7		18		10
Steamboat																													3	2	3		6	1	3	1	3	2		1	4			2	3	1	3	7		18		10
Canal			1		1						1		1								1				1			1	3	2		1	1	2	1	1	2	1		1	2	1		2	1	5	3	3		4		3
Ferry																			2								1	1	2	2	1	1	1		2		1								2	1	4	2	2		2		2
Misc.											1						1		1	1	1			1			1	1	3	2		1	1		1		2			1	2							2	2		2		1
Communication																								1						1	1	2			2		1			1	2	1	1		2	1		1	2		2		1
Telegraph																																																			2		2
Misc.		2				5	1		2		4		4		4	12		7	4	7	1	1	1	3	2	3	3		6	2		2	1	5	2	1	1	3		2		1	1	3	1	1	2		8		7		2
Others																																																					
Gas																																		1				1								1							
Water		1			1	1	1		1		1		1			1	2			2	2		1	1	1	1	1	1	1	1	1	1	1				1						1	3		2	2		3				
Bridge		1			4	4	1		1		3		3			3	10	1	6	3	3		1	1	1	1	1	1	5	1	1	1	1	4	2	1	1	2		2		1	1	3	1	1	2	5	5		7		2
Turnpike																																											1	1											
Misc.											1					1														1	1								4			1											
Trade																														1												1	1										
Service																												1	1		3	1	1	1		5		3	3		1		1				1	2	2			1		1
Hotel																												1	2	3	1		7	18	4	14	2	1	4	2		1			1	1	2	2	5		23		3
Amusement																												1	2			1	5	15		11		2	2	2		1					1	2	4		8		2
Misc.																																					3														12		
Finance																																								4							1			1				
Banking					3	3	1		1		1				2		2	1									1		2	2	1	1	2	2	1	3						1			1		1		1		3		1
Bldg. & Loan																											1			1																								
Construction																														1																			1				
Agriculture																																																					
Miscellaneous																																																	1				

Taken from Blandi (see Ch. 3, note 6) but modified as described in the text.

14

TABLE 8

New Jersey Business Incorporations

A By Special Acts, 1800–1875

Row categories (top to bottom):

Total number
Mining
Manufacturing
Public utilities
Transportation
  Railroad
  Steamboat
  Canal
  Ferry
  Misc.
Communication
  Telegraph
  Misc.
Others
  Gas
  Water
  Bridge
  Turnpike
  Misc.
Trade
Service
  Hotel
  Amusement
  Misc.
Finance
  Banking
  Bldg. & Loan
  Insurance
  Real Estate
  Misc.
Construction
Agriculture
Miscellaneous

Compiled from Hood volume cited in Ch. 3, note 9, and from New Jersey statutes for 1871–75. For complete data, see Appendix 4.

B Under General Laws, 1846–1899

Row categories (top to bottom):

Total number
Mining
Manufacturing
Public utilities
Transportation
  Railroad
  Steamboat
  Canal
  Ferry
  Misc.
Communication
  Telegraph
  Misc.
Others
  Gas
  Water
  Bridge
  Turnpike
  Misc.
Trade
Service
  Hotel
  Amusement
  Misc.
Finance
  Banking
  Bldg. & Loan
  Insurance
  Real Estate
  Misc.
Construction
Agriculture
Miscellaneous

Compiled from sources cited in the New Jersey section of Appendix 3. For complete data, see Appendix 3.

Jersey statutes for 1871–75.[10] While the companies listed in the first source are grouped into several industrial categories useful in constructing Table 8A, the name of a company was in some cases more helpful in indicating the primary corporate objective.[11] This was particularly true of companies that are duplicated in the Hood volume and appear in two or more of his industrial categories. When corporate objectives could not be surmised, the companies were placed in the Miscellaneous group of Table 8A.

Table 8B was compiled from New Jersey reports that list each newly chartered company by name, give its authorized capital stock, and describe briefly its corporate objectives.[12] For the charts of this chapter that

show New Jersey incorpoations, the data of the two sections of Table 8 are combined for the period of incorporation under both general and special laws, that is, 1846–75. Figures for 1875–99 are given in this chapter in order that the trends shown in Table 11 may be visualized for the post-1875 period.

Table 9 is a rearrangment of an unpublished table constructed by Jospeh S. Davis from data for New York compiled by Homer B. Vanderblue from original sources.[13] As elsewhere in this study, mutual insurance companies were excluded from the data on business incorporations. In contrast to the New Jersey tables, which present incorporations under general and special laws separately, the New York table applies to charters procured under both types of law.

The Ohio purpose data of Table 10A were compiled from the *Annual Report of the Secretary of State, to the Governor of the State of Ohio, for the Year 1885*,[14] where incorporations are grouped by industry. On the whole, the names of the companies—the only information by which the industrial groupings by the office of the Secretary of State could be checked—did not give much ground for suggesting reallocation.[15] In 1851 Ohio

---

[10] Nonbusiness corporations were excluded from the count for 1871–75 on the basis of the company name; the same criterion was used in deciding the industrial allocation of each corporation.

[11] Hood's classification of companies was modified in the following manner, in addition to the changes necessitated by the elimination of duplications too numerous to note here:
1) A building and loan company of 1870 was transferred from the Banking to the Building and Loan group.
2) Docks and Wharves, and Express companies were added to Miscellaneous Transportation companies.
3) Ice companies were added to Manufacturing.
4) Most Improvement companies were classified as Real Estate companies; but on the basis of the company names some were put into other groups such as Agriculture, Construction, Building and Loan, Trade, Miscellaneous Other Public Utilities, and Miscellaneous Finance.
5) Hood's Manufacturing group includes mining companies. Only entries that had 'mining' in the title or for some other reason were clearly mining concerns were treated as mining corporations. Consequently, the Mining group of Table 8A is probably somewhat smaller than it should be, and the Manufacturing group correspondingly inflated.
6) The Market group was divided on the basis of the company names among the Real Estate, Trade, and Miscellaneous Transportation groups of Table 8A.
7) The Miscellaneous group, allocated entirely on the basis of name, fell largely into the Mining group—many companies being oil or marl producing enterprises.
8) Some companies were transferred from the Railroad group to Miscellaneous Transportation—horse car companies, horse railroads, street railroads, and tramways.
9) Some entries under Hood's Steamboat classification were added to the Canal group.
10) Water companies were divided between the Water group (which has to do only with the supply of water for domestic purposes) and Miscellaneous Other Public Utilities (which includes the supply of water power).
11) Except for the elimination of duplications noted above and the two exclusions noted here, modifications were not necessary in the following Hood classes: Bridge, Canal, Gas Light, Hall (after nonbusiness had been excluded), Hotel, Insurance (after mutuals had been excluded), Navigation, Telegraph, and Turnpike companies.

[12] These documents are listed in the New Jersey section of Appendix 3. In Chapters 7 and 8 the information on the industrial objectives of New Jersey corporations chartered under general laws 1846–1907 is described fully.

[13] Professor Davis and Dean Vanderblue have kindly permitted use of their material. Less comprehensive data on New York incorporations, namely, figures on incorporations under the New York 1811 general incorporation act for manufacturing enterprises, were published by W. C. Kessler in *The Journal of Political Economy*, XLVIII, 6 (Dec., 1940), pp. 877–82. The portion of the Davis-Vanderblue figures that applies to incorporation under the general law of 1811 differs slightly, but not significantly, from the Kessler data.

[14] Pp. 147–227 (Columbus, 1885). See the Ohio section of Appendix 3 for a full description of the sources of Ohio incorporation data.

[15] The groupings in the Secretary's report were modified as follows:
a) Three companies were transferred from the Bank category: 1 of 1814 to Manufacturing, and 1 of 1816 and 1 of 1817 to Miscellaneous.
b) Four were transferred from the Bridge group to the Miscellaneous Other Public Utility group: 1 of 1832, 1 of 1837, 1 of 1849, and 1 of 1851.
c) Six of the Canal group were reclassified: 3 were transferred to Miscellaneous Transportation—1 of 1830, 1 of 1835, and 1 of 1848; 1 of 1836 to the Miscellaneous group; and 2 to Manufacturing—1 of 1837 and 1 of 1838.
d) The Cemetery group was put entirely under Real Estate.
e) Draining companies, except 1 of 1838, which was put in the general Miscellaneous group, were put in the Miscellaneous Other Public Utility group.
f) Harbor companies were transferred to Miscellaneous Transportation.
g) The entire Hotel group was accepted as listed.
h) Hydraulic companies were put in the Miscellaneous Other Public Utility group.
i) The entire Insurance group (except mutual companies, which were eliminated from the business incorporation series) was accepted as listed.
j) The Manufacturing and Mining groups, except 1 company of

Table 9
New York Business Incorporations
Under Special and General Laws, 1800–1845

	1800	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	'25	'26	'27	'28	'29	'30	'31	'32	'33	'34	'35	'36	'37	'38	'39	'40	'41	'42	'43	'44	'45
Total number	5	13	14	9	12	28	25	12	36	25	44	55	43	54	68	38	33	32	30	29	10	10	21	38	42	66	35	32	54	46	34	48	73	54	57	38	136	61	32	40	20	29	11	6	31	30
Mining																																					1	1	2	2	1	1				
Manufacturing																																					2					1				
By Special Act									1	8	15	1	3	2	2	20	11	5	5	1	1	3	4	2	2	18	2	12	15	10	6	6	2	15	16	19	33	20	10	12	16	16	3	14	14	14
Under General Law									1	8	15	24	15	33	46	1	1		1					7	3		15	4	5	1	4	11	3	12	6	7	13	6	6	4	8	7		1		1
Public utilities	5	11	13	8	12	26	25	10	33	16	25	12	12	4	40	19	10	5	4	23	8	3	6	23	23	10	10	8	10	23	2	8	39	20	6	12	20	17	15	4	5	12	6	6	17	13
Transportation							1		1	1	1	22	22	2	16	16	19	21	19	1	2	1	12	5	6	24	17	20	37			21	30	28	14	18	76	36	6	17	12	10	2	1	1	15
Railroad																	2									8	5	5	20	9	9	6	7	4	10	4	46	21	6	10	2			2	1	6
Steamboat															1	3		1	1										6	2	7	2					43	14	4	4			1			4
Canal																					2				3	5	1	1	3	3	2	2	4		1				1			1			1	
Ferry							1							1	1	1				1		1		4	2	2	1	2	7	4	1			1	1	2	4	4	1	4					1	1
Misc.											1			1	1	2	2	1	1					1	1	2	1		2		3	1		1	3	1	1	1	1		2				1	1
Communication																		1		1		1				1	1	2				1		1	3								1			
Telegraph																																														
Misc.						1											2			1	2			4	1	1				4	3	1	4	1	1	1	1	4	1	1	2					1
Others	5	11	13	8	12	26	24	10	32	15	24	22	22	12	15	13	17	20	18	22	6	2	12	18	17	16	12	15	17	14	9	15	9	13	14	14	30	15	9	7	7	10	4	4	16	9
Gas																															1		1	1			2	2	1	1	10	1				1
Water	1	1	4	1	4	8	3	1	6	1	2	2	1	1	1	1	1	8	2	1	2	1	5	9	9		2	5	5	2	2	2	3	2	1	1	1	2	1	3	4	3	2	1	4	
Bridge	2	2	2	4	2		4	2		15	3		3	4		12	2	12	16	3	2	1	7	8	8	3	3	1	3	2	5	2	3	3	1	2	9	5	1	4	4	3	2	1	3	1
Turnpike	5	8	7	3	6	18	17	7	26		19	20	18	7	14		14			18	2					8	7	8	12	10	8	8	4	7	11	11	17	8	7	4	6	6	2	3	9	7
Misc.									1																				1		1					1	1									1
Trade												1		1										2					1																	
Service																																														
Hotel																																														
Amusement																																														
Misc.																																						1								
Finance																																														
Banking	2	2		1		2	2	2	1	1	3	7	3	4	4	2	3	6	6	5	1	4	5	4	14	24				13	12	12	15	19	12		26	2	4	9	2	2	2			
Bldg. & Loan	1	1		1		1	1	1	1		1	5	2	4			2	5	3	1	1	2	7	2	2	6				12	10	15	7	9	9	1	13	4	1	1	1	1	2			
Insurance			1		1	1		1		1	2	2	1		4	2	1	1	3	4	2	2	5	2	12	18	1			1	2	4	8	8	10	1	13	2	4	8	2	1			1	
Real Estate																																		3							1					
Misc.																																							2							
Construction																															1	1	2													
Agriculture	1																																	3												
Miscellaneous																																		1												

Compiled from state laws. See text.

17

TABLE 10
Ohio Business Incorporations
A By Special Acts, 1803–1851

	1803	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	'25	'26	'27	'28	'29	'30	'31	'32	'33	'34	'35	'36	'37	'38	'39	'40	'41	'42	'43	'44	'45	'46	'47	'48	'49	'50	'51
Total number	2					2	3	1	1	2	1	3	1	18	18	3	2	2		1		2	3	8	7	8	12	17	8	37	14	31	38	71	92	55	67	10	9	11	10	29	53	49	22	80	103	192	170
Mining																								1					1	1	1	3	3		9	3		2		2	1	2	4	1	1	1	1	1	1
Manufacturing							2	1				1	1	5	12	1	1	1		1		2	3	5	6	8	7	6	4	5	11	3	11	26	26	11	16	2	9	8	3	22	42	38	19	73	94	176	137
Public utilities												2	1	1		1	1	1						1	2	3		9	29	13	13	22	55	38	55	23	4	8	1	2	3	3	8	13	4	18	13	20	22
Transportation												2																																					
Railroad																													1	1	1	8	7	23	32	20	4	3	1	2	1	3	8	11	4	15	12	19	21
Steamboat																													1	2		10	32	10	10	4	4	1				3	8	11	15	37	48	19	
Canal														1								1			2		2	2	1	2	5	7	5	2	4	1			1					1					1
Ferry																																		5	8	1	1			6				1		2	1	1	
Misc.												1	1							1		1		1	2	2		1		2	1	1	2	1	1		1	1			1	3		1		1	1	1	3
Communication																																																1	3
Telegraph																																		1													1	1	3
Misc.																											1	1						1										1		1	1	1	
Others						2		1						4	4	1	1	1		1		1	3	4	4	5	7	4	16	16	10	5	12	17	32	34	43	5	8	6	2	19	34	25	15	55	80	155	112
Gas																												1					3	4	1	1		1	1				1			2	2	1	1
Water														1	1									1		2	1	1	1	6	2		9	5	1	9	5					2	2	4	1	1		1	1
Bridge								1						2	1								1	2	3	3	2	2	2	9	6	7	6	5	6	20	5	4	7		2	2	2	4	1	12	4	3	5
Turnpike						2	2							1	1	1	1					1	1		1	3	3	1			6	4	11	11	19	34	34	7		6	17	17	30	12	14	37	73	148	103
Misc.																		1						2			1	1	1	1		4	4		5	4	4	1	1	6		1	1	7	3	3	1	2	2
Trade																																														1	1	1	
Service																																1	1	1	1										1	1		1	8
Hotel																																1	1	1	1	1									1	1		1	8
Amusement																																																	
Misc.																																																	
Finance						2	1		1	2	1			12	5	1	1							2	1	3	3	2	3	3	2	14	4	5	8	2	4		1	1	6	5	7	5	2	5	8	14	17
Banking						2	1		1	2	1			12	5	1	1							2	1	2	2	3	3	1	1	14	1	1	8	1	1				3	1	1	1	1	1	4	1	
Bldg. & Loan																															2	1																	
Insurance			1				1	1							5	1	1	1				1		2	1		1	2		2	2		4	4	8	1	2	3		1	2	4	1	1	1	2	3	5	14
Real Estate	1						1																																		1		5	4	1	2	1	8	2
Misc.																																																
Construction																																																	
Agriculture	1															1	1																	1	1	1													
Miscellaneous	1													1																					1														1

B Under General Laws, 1856-1899

	1856	'57	'58	'59	'60	'61	'62	'63	'64	'65	'66	'67	'68	'69	'70	'71	'72	'73	'74	'75	'76	'77	'78	'79	'80	'81	'82	'83	'84	'85	'86	'87	'88	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99
Total number	64	47	49	97	36	25	26	51	191	358	281	266	295	333	304	336	401	360	208	333	266	237	227	286	391	508	598	612	477	515	626	832	661	725	768	834	854	713	835	872	763	714	701	1005
Mining	6	7	3	1	5	9	2	4	36	245	106	25	28	47	32	25	56	35	35	30	17	6	13	24	34	29	42	30	29	38	72	163	49	44	51	55	51	37	62	70	94	66	37	116
Manufacturing	13	17	10	15	6	2	10	12	14	29	64	70	74	88	106	128	149	159	107	92	72	79	75	119	185	206	299	300	220	237	254	295	313	337	387	427	451	379	418	399	353	330	335	425
Public utilities	38	17	31	72	21	14	10	26	22	42	62	74	74	76	80	85	98	60	48	62	53	61	63	64	76	154	89	89	69	80	123	164	96	123	106	94	89	83	104	116	69	90	106	163
Transportation																																												
Railroad	7	3	4	26	6	3	6	8	13	21	27	27	46	45	61	74	84	49	28	52	35	46	42	45	48	102	71	47	35	31	64	77	48	67	67	58	61	67	48	71	40	46	42	78
Steamboat	7	2	3	7	6	3	5	2	8	10	14	17	29	30	48	58	56	30	18	27	25	36	33	32	34		44	37	37	20	32	44	22	28	35	17	25	26	15	25	13	13	10	17
Canal																																												
Ferry																																												
Misc.										2	5	3	4	4	3	1	7	1	1		1	3	2	5		1	5	2	3	1	5	4	3	6	5	8	5		3	5	7	2	5	5
Communication																																												
Telegraph	1	1	1	19	6		1	6	5	9	7	7	13	11	10	15	21	16	9	25		7	7	7	12	17	22	8	12	10	27	30	23	33	27	33	31	36	30	41	20	31	27	55
Misc.			1					2	4		2			1	1		3	2	1	3	8	5	2	12	12	13	6	10	7	4	5	5	3	2	2	5	4	2	26	29	15	28	40	52
Others																																												
Gas	31	14	26	46	15	11	4	16	5	21	33	47	28	30	18	11	11	9	19	7	14	10	19	7	18	13	12	32	27	45	54	82	45	54	37	31	24	14	30	28	15	26	38	49
Water	8	6	1	3	4	4	6	1	1	2	3	7	6	6	4	3	4	4	7	6	4	2	9	3	9	8	5	10	11	34	28	44	13	9	9	9	8	3	4	16	5	16	24	33
Bridge	1	1	1	1	1			1	1	3	2	2	3	2	2	1	1	1		1	1	2	4	3	2	8	2	2			4	11	1	3	3	2	2	3	2	5	5	5	8	11
Turnpike	4			3	3	1		1	1		2			2	12	5	6	4	1		9	4	4	2	3	2	2				4	2	4	1	1	2	8	2	4	2	2	1	2	3
Misc.	17		1	42	7	6	14	14	3	16	28	38	19	22	12		1	4	1	1	9	1	5		1	23	2	1			3	2		1	1	1	2		2	4	2	5	2	1
Trade	1				1	1	1	1	1	1	1	5	5	5	9	2	4	3	4	1	29	12	4	1	1	2	2	1	16	2	15	25	28	41	23	22	14	8	24	12	7	10	14	18
Service				1							5	6	8	10	3	6	20	10	29	12	34	36	27	4	3	23	21	19	22	9	35	54	35	46	46	65	77	87	86	88	87	58	79	96
Hotel										4	3	2	2	5	3		3	3	1	32	2	36	18	24	9	14	32	17	60	19	47	40	47	46	38	60	78	35	59	81	69	66	50	75
Amusement											2	3	5	2	4	4		7			2		8	16	16	7	4	3	6	1	3	6	6			3	9	20	2	3	8	2	2	3
Misc.	3	2	3	8	3			6	13	3		1	1	2	1	1	3		18	23	1	23	18	8	16	14	20	26	36	34	26	24	30	31	26	35	25	20	34	46	37	43	24	30
Finance										28	15	53	91	85	64	89	66	90	9	8	11	11	35	47	4	7	8	16	22	9	18	16	11	13	11	22	25	12	23	32	24	21	24	42
Banking			8							1	1	1	3	1	1			21	71	95	57	41	35	2	60	63	94	115	65	65	79	102	109	111	115	112	89	55	75	90	69	70	59	89
Bldg. & Loan															56	82	60	21	13	20	10	5		2	1	2	5	10	2	2	10	9	6	18	26	25	24	15	11	12	9	12	18	21
Insurance			2	4	3		2	5	13	26	11	42	86	81	1	4	2	58	53	64	35	31	28	41	49	50	84	91	53	58	63	80	99	84	77	75	52	31	27	37	20	21	20	21
Real Estate		1		3				1		2	2	10	1	2	1	3	4	5	2	6	10	5	4	3	1	4	2	6	2	1	4	9	1	18	26	25	52	31	27	37	20	21	18	21
Misc.	3	1	1						5		1			1	1		2	6	3	5	8	3	1	1	6	4	5	5	3	4	4	4	2	6	6	7	11	8	5	12	35	31	18	3
Construction				4	3			5					4	1	1		2	1	2		3			1	1	3	4	6	1	1	3	7	1	6	6	6	8	16	5	3	3	4	1	39
Agriculture	4	4	2	1			2	3	6	10	2	6	1	1	6	1	2	1	2	4	3		8	2	2	2	10	7	9	5	7	3	2	8	11	9	4	12	6	8	5	18	3	5
Miscellaneous								1				27	10	20	7	1	4	1	2	6	1	1	2	1	2	6	7	7	2	23	6	7	3	4	8	6	7	9	9	8	5	11	8	9

Compiled from sources cited in the Ohio section of Appendix 3.   For complete data, see Appendix 4.

19

adopted a constitutional provision requiring the incorporation of business enterprises under general laws. The first general comprehensive business incorporation law, however, was not passed until May 1, 1852.[16] Unfortunately no data have been published on Ohio incorporations for 1852–55. But from 1855 through 1936, information on corporations chartered under general

TABLE 11
Incorporations Classified Industrially, Four States
Percentage Distribution by Decades, 1790–99 to 1890–99
Percentages of Total Incorporations Computed from Tables 7–10

INDUSTRIAL CATEGORIES	1790–1799	1800–1809	1810–1819	1820–1829	1830–1839	1840–1849	1850–1859	1860–1869	1870–1879	1880–1889	1890–1899
Maryland — Incorporations by Special Acts											
Mining & mfg.	.0	5.0	16.7	31.9	39.9	48.0	27.0a				
Banks	18.8	20.0	19.8	4.2	24.2	6.5	11.2a				
Public utilities	62.5	55.0	55.2	54.2	24.7	39.8	41.6a				
All others	18.8	20.0	8.3	9.7	11.2	5.7	20.2a				
New Jersey — Incorporations under Special and General Laws											
Mining & mfg.	9.1	4.7	19.0	41.9	41.6	41.5	25.5	38.7	36.5	58.1	58.9
Banks	.0	7.0	17.5	16.2	9.6	3.1	13.4	5.1	6.8	.8	.1
Public utilities	81.8	83.7	63.5	28.4	38.2	44.0	51.2	35.5	24.8	15.3	9.8
All others	9.1	4.7	.0	13.5	10.7	11.3	10.0	20.7	31.9	25.9	31.1
New York — Incorporations under Special and General Laws											
Mining & mfg.	9.5	5.0	43.2	26.8	28.3	42.5b					
Banks	14.3	2.8	5.4	7.1	10.5	2.4b					
Public utilities	66.7	88.8	46.2	53.7	49.9	52.0b					
All others	9.5	3.4	5.2	12.4	11.3	3.1b					
Ohio — Incorporations: by Special Acts, 1803–51; under General Laws, 1856–99											
Mining & mfg.		.0c	6.0	9.3	21.6	5.3	2.5d / 28.0e	49.7	44.6	53.4	56.4
Banks		42.9c	42.0	4.7	4.4	2.9	.3d / .4e	.3	2.4	1.1	2.1
Public utilities		28.6c	46.0	76.7	65.8	84.1	86.5d / 61.5e	23.9	22.1	17.9	12.6
All others		28.6c	6.0	9.3	8.1	7.7	10.8d / 10.1e	26.0	30.9	27.6	28.8

a For 1850–52.
b For 1840–45.
c For 1803–09.
d For 1850 and 1851. The break in the data makes two figures for the 1850's desirable.
e For 1856–59. See note d.

1837, which was put in the Miscellaneous group, and 9 Gas companies, which were set up as a separate group under Public Utilities—Others, were accepted as listed.
k) The Navigation group, except 1 company of 1803, which was put in the Miscellaneous group, and 1 company of 1846, which was put in the Miscellaneous Transportation group, was put in the Steamboat group.
l) The Railroad, Road, Telegraph, and Water Company groups were accepted as listed.
m) Savings Associations, except 2, which were transferred to the Miscellaneous Finance group—1 of 1843 and 1 of 1851—were put with Banks.
16 50 *Ohio Laws* 274.

laws has been published (Table 10B).[17] Like the New Jersey figures in Table 8B, the data cover a longer period than that with which this chapter is concerned, but here also the purpose was to provide a longer series for use in Table 11.

The industrial classification of the 1800–75 incorporations of Maryland, New Jersey, New York, and Ohio was supplemented in various ways. The pre-1800 data published by Joseph S. Davis, some of the post-1875 material of this volume (as indicated above), and a portion of the information on early Pennsylvania incorporations prepared by William Miller and published in the *Quarterly Journal of Economics* were used.[18] The combined data reveal much about early incorporations. Many of them were tinged with public interest—utilities and banks. Such incorporations gradually formed a smaller and smaller percentage of the total as manufacturing and mining incorporations increased. Of course, the initial manufacturing corporations were not without public interest—witness *The Society for Establishing Useful Manufactures*[19]—but the public character soon gave way to private interest. Table 11, prepared to bring out the movements, utilizes decade (and partial decade) figures derived from Tables 7–10. Joseph S. Davis' published material, after mutual insurance companies had been excluded,[20] was used for 1790–99 in calculating the percentages for Maryland, New Jersey, and New York.

A general incorporation act passed in New York in 1811 stimulated manufacturing incorporations. Ohio incorporations, in sharp contrast to New York, were dominated by turnpike companies in the early part of the 19th century; manufacturing corporations constituted a small percentage of the total until the last four decades of the century, when the turnpike company was disappearing.

17 The Ohio documents containing data on newly chartered corporations 1855–1936 are described in the Ohio section of Appendix 3. For 1855–71 the information on Ohio incorporations is similiar to that for the earlier period. Beginning in 1872, the office of the Secretary of State published a brief statement concerning the object of each newly formed corporation.
18 A Note on the History of Business Corporations in Pennsylvania, 1800–1860, *Quarterly Journal of Economics*, LV, 1 (Nov. 1940), pp. 150–60. Of the Miller figures only those for total incorporations, turnpikes, and banks could be used because of differences in classification and the impossibility of rearranging the Miller material to parallel that set forth here. The Miller totals include mutual insurance companies, which, as mentioned above, were excluded from the business incorporation series of this study.
19 Davis, I, 349–522.
20 *Ibid.*, II, 22, 23. The three mutual insurance companies excluded from the percentage calculations were incorporated as follows: in Maryland, 1 in 1794 and 1 in 1798; in New York, 1 in 1798 (references to these companies will be found in Davis, II, Ch. 5).

The character of the early corporations may reflect a contemporary belief that the corporate form should not be resorted to unless the public interest was involved.[21] This link between the corporation and the numerous enterprises of a public nature that a large and rapidly developing country needed may in part explain the early growth of the corporation in this country, which appears phenomenal when compared with British and continental European experience. As more manufacturing enterprises were chartered and it became easier to get charters without demonstrating that the public interest was involved, the corporate form was adjusted to the new circumstances.

The long waves of incorporation mentioned above resulted largely from fluctuations in the number of charters granted turnpike and manufacturing enterprises. Turnpike undertakings bulked large in the total picture in every decade under consideration except the 'thirties (see Tables 7–10). Chart 2 was constructed from moving averages of data in Tables 7–10, supplemented by William Miller's Pennsylvania figures, to show the long waves in the turnpike incorporation series,[22] which extend roughly from 1792 to 1822, 1822 to 1842, 1842 to 1862, and from 1862 to 1884.[23] The dates of these waves, except the terminal date of the fourth wave, almost coincide with those of waves in total incorpora-

tions. The turnpike data are presented as five-item moving averages, plotted at the central item.[24] (The period for the moving averages is longer than for some of the series in this chapter because the object was to concentrate attention on the long waves.) To avoid confusion concerning a point that will arise later in discussing the chartering of manufacturing enterprises, it should be noted that each unbroken curve on Chart 2 represents charters granted under *either* general laws *or* special acts. The Ohio material is, however, in two parts: the first is for charters under special laws; the second, dealing with the period following the constitutional provision of 1851, gives incorporations under general law.

For about a century turnpikes served as an outlet for private funds (Chart 2, supplemented by data in App. 4). Davis gives 1792 as the date of the first incorporation of a turnpike company.[25] After 1880 few turnpike companies were incorporated as private business enterprises, at least in Ohio, New Jersey, and Pennsylvania.

Incorporations of manufacturing enterprises were numerous and moved in long waves resembling those of turnpike concerns. The annual data, upon which the 5-item moving averages of Chart 3 were calculated, include incorporations under both general and special laws. During certain periods it was possible in many states to procure a charter for a manufacturing company under either type of law. The first long wave of incorporations for manufacturing purposes can scarcely be said to have begun before 1805 (at which time the first turnpike incorporation wave was well developed), but it ended about 1820, only slightly before the termination of the first turnpike wave. The trough of the second wave, 1842, coincided with that of turnpikes, while the third long wave probably ended in 1861 for manufacturing and in 1862 for turnpike incorporations. The end of the fourth wave in manufacturing incorporations was 1876, while 1884 appears to have been the end of the last wave in turnpike chartering.[26] Agreement on these two terminal dates could scarcely be expected, as almost no turnpikes were incorporated by the end of the period.

Long waves in the number of charters granted are to be observed sometimes in other industrial fields, but they are not as striking as the brief episodes. The railroad data, like the figures for turnpike and manufacturing companies, show long waves, but in the 1825–42 wave two, perhaps three, periods of intense chartering

[21] The phraseology of the preamble of many an early business charter suggests that a claim of public usefulness for a projected enterprise was important. See, for example, the charters in *Laws of Maryland, 1783*, Nov. Session, Ch. 23; *ibid.*, *1784*, Ch. 33; *ibid.*, *1804*, Ch. 41, 61, 63. The first two charters cited are for canals, the third for an insurance company, the fourth for a bank, and the fifth for a bridge company.

[22] Pennsylvania Turnpike Incorporations, 1800–1860:

	No.		No.		No.		No.		No.		No.
1800	0	1810	7	1820	3	1830	9	1840	5	1850	54
1801	1	1811	11	1821	2	1831	12	1841	7	1851	72
1802	0	1812	7	1822	3	1832	7	1842	7	1852	47
1803	4	1813	10	1823	4	1833	16	1843	8	1853	78
1804	8	1814	17	1824	1	1834	10	1844	7	1854	50
1805	3	1815	5	1825	6	1835	9	1845	8	1855	23
1806	4	1816	10	1826	11	1836	8	1846	6	1856	24
1807	5	1817	12	1827	5	1837	4	1847	9	1857	20
1808	2	1818	8	1828	10	1838	19	1848	26	1858	15
1809	5	1819	18	1829	8	1839	11	1849	46	1859	24
										1860	13

William Miller, pp. 158–9.

[23] The *annual* data indicate that 1821 would be a more appropriate date for the end of the first wave. The end of the second wave is not quite as clear in the annual figures. A low in the Pennsylvania annual figures occurred in 1840; in the New York annual figures in 1842; and in the Ohio annual figures in 1843. The year 1842 is thus fairly satisfactory. The end of the third wave is based upon only a few figures. The low point for the Ohio annual series, upon which the moving averages were constructed, occurred in 1862; the low point in the New Jersey annual series, however, was in 1861. From the little evidence there is, the fourth wave seems to have ended in the early 'eighties.

[24] Moving averages are omitted from this volume, for they are bulky and can be calculated easily from the basic data, which are given in full.

[25] Davis, II, 22–3.

[26] The original annual data for manufacturing incorporations (Tables 7–10) confirm the selection of 1820, 1861, and 1876 as troughs. On the basis of the original figures, 1843 would be slightly better than 1842.

Number of incorporations

CHART 2
Turnpike Incorporations, Five States
1800 - 1877

5 - item Moving Averages of Annual Data

——————— Maryland
×——×——× New Jersey
·—·—·—· New York
◄◄◄◄◄ Ohio
················ Pennsylvania

Number of incorporations
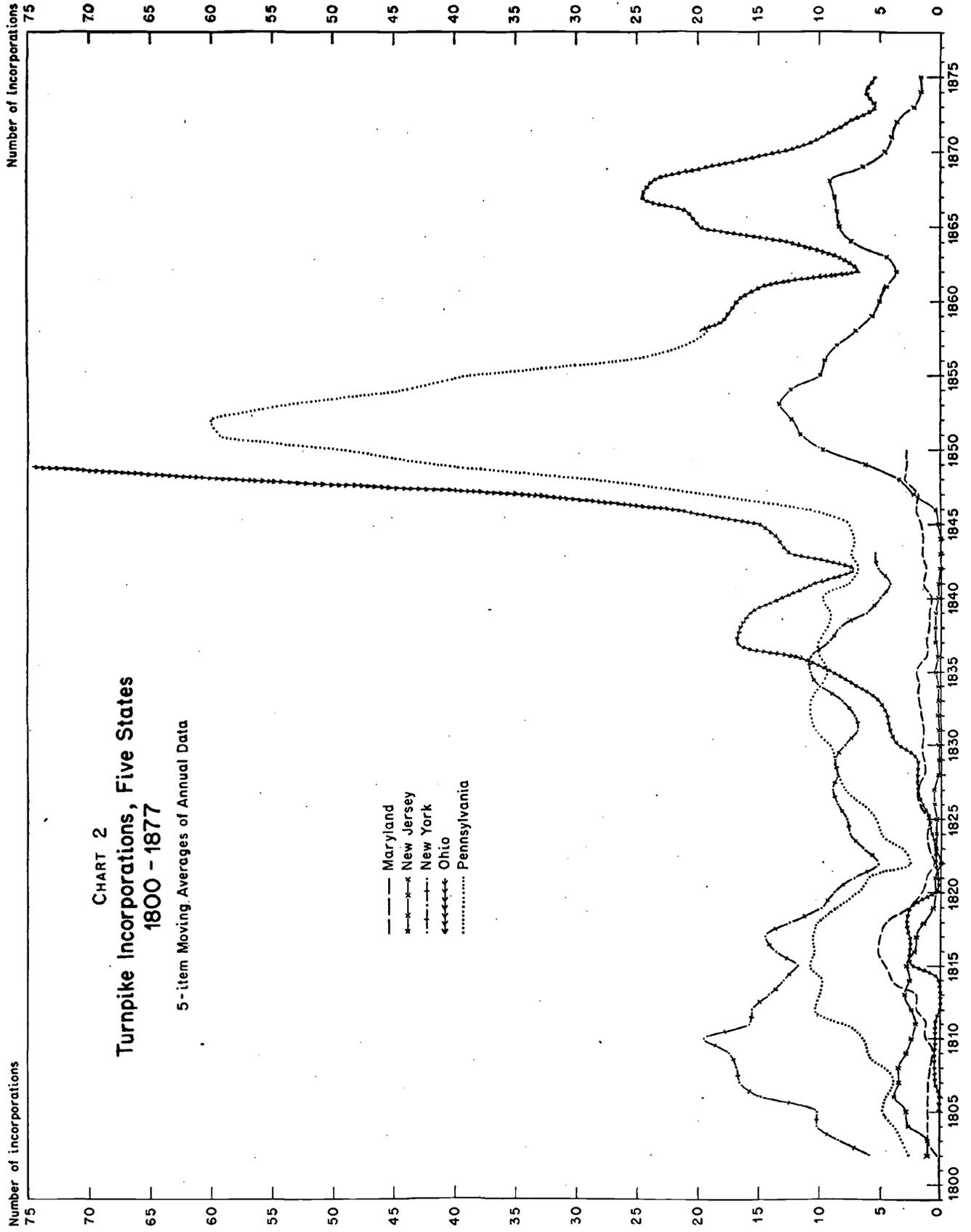
Source of annual data: Tables 7 to 10 and note 22.

CHART 3

Manufacturing Incorporations, Four States
1800 – 1877

5-item Moving Averages of Annual Data

——— Maryland
×—×—× New Jersey
·—·—· New York
‹‹‹‹ Ohio

Number of incorporations
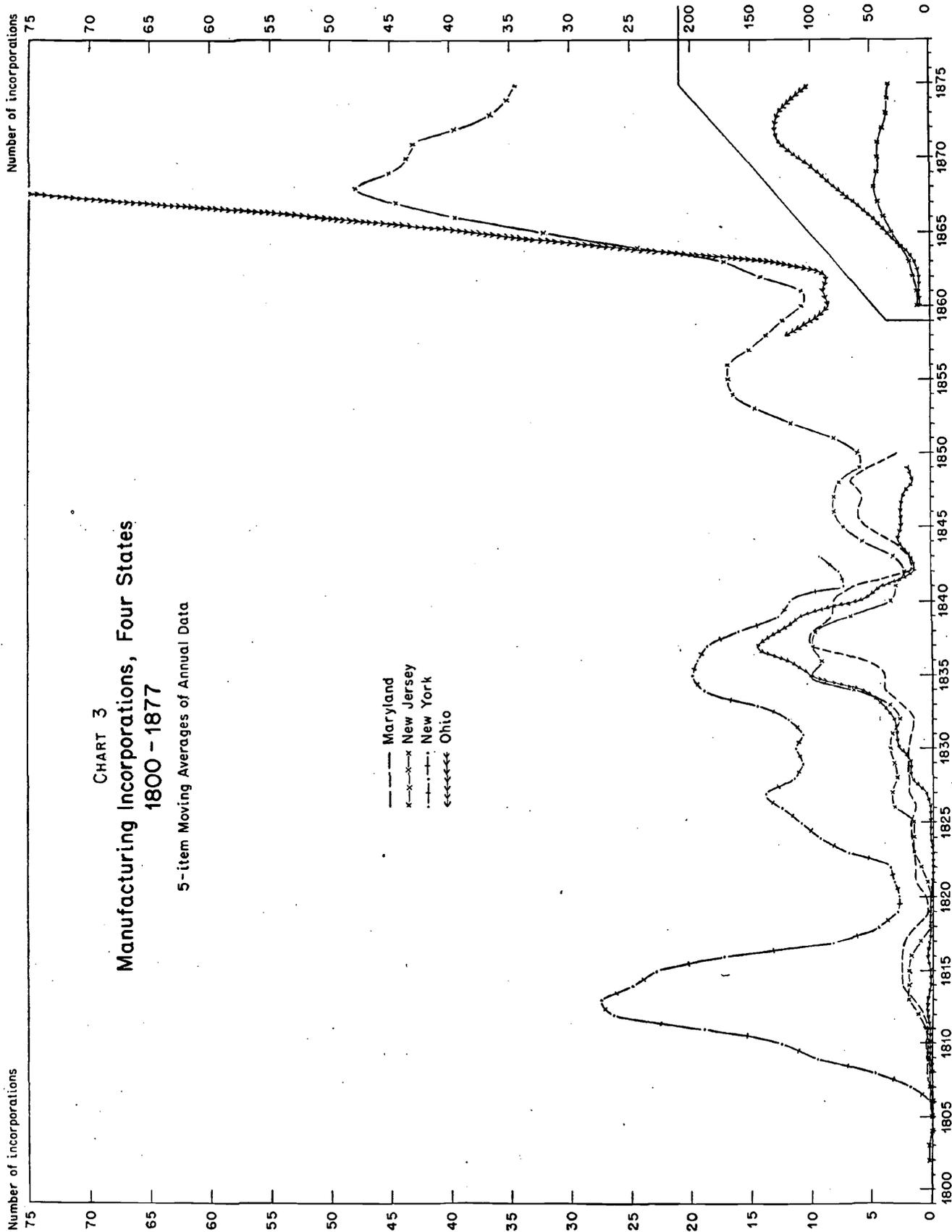
Source of annual data: Tables 7 to 10.

stand out more clearly. The series representing the number of charters granted for mining enterprises, banks, and insurance companies show chartering episodes rather than long waves.

Though New Jersey and Maryland early granted railroad charters—in 1815 and 1817—the first surge of railroad chartering did not begin until about 1828 (Chart 4).[27] A big movement centered in 1832, and a still bigger one in 1836. Consequently, railroad charters constituted a very large percentage of total charters granted in the 'thirties by New Jersey, New York, and Ohio; in fact, New Jersey and New York granted more charters to railroads than to turnpikes. During the same decade in Maryland, railroad charters constituted a substantial part of the total, but relatively they were more important in the 'twenties. The early short-lived and intense periods of railroad incorporation coincide fairly well with cycles in business.[28] There seems also to be a long wave in incorporations from 1825 to 1842, but the shorter movement is more striking. After 1842 the long wave dominates the picture just as it did those for turnpike and manufacturing companies.

From 1800 to 1875, outbursts of chartering characterize mining incorporations. Maine figures reflect a

MAINE MINING INCORPORATIONS, 1820–1876

No.		No.		No.		No.		No.		No.
1820	0	1830	0	1840	0	1850	1	1860	1	1870	5
1821	0	1831	1	1841	1	1851	0	1861	0	1871	2
1822	0	1832	2	1842	0	1852	1	1862	0	1872	1
1823	0	1833	2	1843	0	1853	4	1863	0	1873	5
1824	0	1834	3	1844	0	1854	6	1864	2	1874	14
1825	1	1835	2	1845	0	1855	1	1865	3	1875	13
1826	0	1836	22	1846	0	1856	3	1866	12	1876	1
1827	0	1837	36	1847	0	1857	2	1867	6		
1828	0	1838	5	1848	0	1858	0	1868	5		
1829	0	1839	1	1849	2	1859	2	1869	2		

On the basis of company name, these figures were built up from *Business Corporations, Incorporated by Special Acts and Organized under General Law, . . . 1820 to 1892* (Augusta, 1891), pp. 3–71; or *Public Documents of Maine: 1892*, Vol. 1, No. 9. For comment on this source, see the Maine section of Appendix 3.

speculative flurry in 1836–37, touched off in the summer of 1835 when "the throng of wild speculators, who

crowded the State . . . injured public confidence in the real valuable resources of the State."[29] As far as charters granted are concerned, this movement was very important. In 1836 mining company charters were 16.8 percent of Maine incorporations and in 1837, 34.6 percent; in both years many corporations were organized to quarry granite. During the middle 'sixties a mining boom occurred in Ohio, and an even bigger portion of total charters went to mining enterprises (Table 10). In 1865, for example, mining incorporations were 68.4 percent of all Ohio incorporations. The boom centered largely in the oil industry. Of the movement the *Merchants' Magazine and Commercial Review* wrote in February 1866: "The large amount of capital attracted [into the petroleum industry] through brilliant promises during 1864, and the early part of 1865, has received but a poor return. Not only is this seen in diminished exports, but the total receipts have fallen off, showing a diminished production."[30] New Jersey too had an oil boom in 1865 (App. 4).

While in the states here under consideration relatively few charters were granted to banks and insurance companies, they deserve special comment. Chartering episodes were numerous; long waves are difficult if not impossible to discover (Tables 7–10 and note 31).[31] The most striking episode in bank chartering was in Pennsyl-

---

[27] Anyone calculating the moving average for New Jersey should note that the annual data for 1873 and subsequent years must be taken from both sections of Table 8. A general incorporation act for railroad companies was passed in 1873, but incorporation by special act was not then prohibited.

A five-item moving average of the data of Chart 4 obscures the episodes referred to here. This fact raises the question whether a two-item centered moving average would have been more appropriate for Charts 2 and 3. Moving averages of a shorter period were run on the turnpike and manufacturing data, and chartering episodes such as those in the railroad figures for 1825–42 did not appear. Since episodes were not important in turnpike and manufacturing incorporations, the five-item moving average was used to bring out the long waves.

[28] The statement is true of both the annual data and the 2-item centered moving averages.

For the peaks and troughs of business, see Wesley C. Mitchell, *Business Cycles: The Problem and Its Setting*, (National

Bureau of Economic Research, 1927), p. 426; and Willard L. Thorp, *Business Annals* (National Bureau of Economic Research, 1926), pp. 120–3. See also Arthur F. Burns and Wesley C. Mitchell, *Measuring Business Cycles* (National Bureau of Economic Research, 1946), Ch. 4. The business chronology in the third source was used extensively in the later portions of this book; here it is usable only in connection with the 1836 peak, since the annual chronology begins with the business trough in 1834.

[29] Charles T. Jackson, *First Report on the Geology of the State of Maine* (Augusta, 1837), p. viii; see also p. vii. The report is dated December 31, 1836 (p. 116).

[30] LIV, 122. For other minor references to the episode, see *ibid.*, LI, 415 (Nov. 1864); LII, 119 (Feb. 1865); and LIII, 205 (Sept. 1865).

[31] Pennsylvania Banking Incorporations, 1800–1860:

No.		No.		No.		No.		No.		No.
1800	0	1810	0	1820	0	1830	0	1840	0	1850	3
1801	0	1811	0	1821	0	1831	1	1841	1	1851	3
1802	0	1812	0	1822	0	1832	6	1842	0	1852	1
1803	0	1813	0	1823	0	1833	4	1843	0	1853	6
1804	1	1814	41	1824	0	1834	8	1844	1	1854	5
1805	0	1815	0	1825	2	1835	5	1845	3	1855	14
1806	0	1816	0	1826	2	1836	8	1846	1	1856	1
1807	0	1817	0	1827	1	1837	2	1847	2	1857	28
1808	0	1818	0	1828	2	1838	0	1848	0	1858	2
1809	1	1819	1	1829	1	1839	0	1849	3	1859	1
										1860	6

William Miller, pp. 156–8. Miller's count of insurance incorporations had to be omitted from this study because mutual companies could not be excluded from his figures.

Number of incorporations

CHART 4

Railroad Incorporations, Four States, 1800–1876

2-item Centered Moving Averages of Annual Data

Maryland
New Jersey
New York
Ohio

Number of incorporations

Source of annual data: Tables 7 to 10.

CHAPTER 3
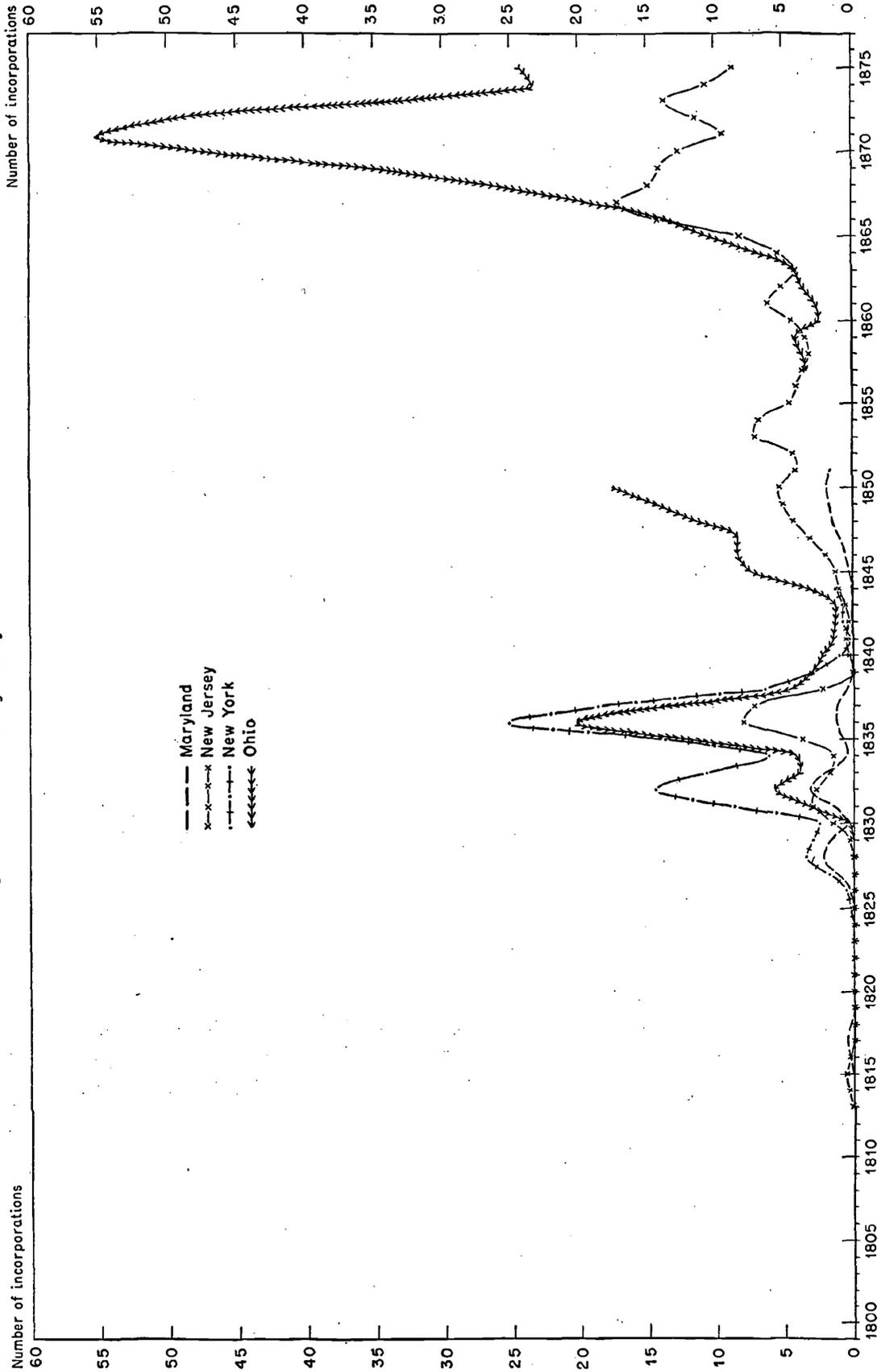
vania in 1814, when forty-one concerns were incorporated; during the four years preceding and following, not a single bank charter was issued. A few of the other outstanding chartering episodes in banking are those in Maryland in 1833 and 1836, in New York in 1836, and in Ohio in 1834. Toward the end of the period something in the nature of a long wave may be apparent in the data for New Jersey and Ohio. In insurance the outstanding brief periods of incorporating activity occurred in New York in 1824–25, 1833, and 1836, and in New Jersey in 1868 and 1871 (see Tables 7–10). A rather extended chartering movement in Ohio culminated in a peak in 1865.

and telegraph companies deserve little attention since they were granted infrequently before 1875. Maryland created a corporation to manufacture gas as early as 1817 and the first charter granted a telegraph company by the states here under consideration was issued by New Jersey in 1845. The real estate company charter appeared as early as 1803, though it was some time before the real estate corporation was regularly included among the chartered enterprises of each year.

Charts 5–8 were constructed to show in what industries, if any, a relatively large number of incorporations appeared outside the turnpike and manufacturing fields. Unless incorporations formed one-fifth of *total* incorpora-

CHART 5

Maryland Business Incorporations by Special Acts, 1800–1852

Excluding Turnpike and Manufacturing

Source: Table 7.
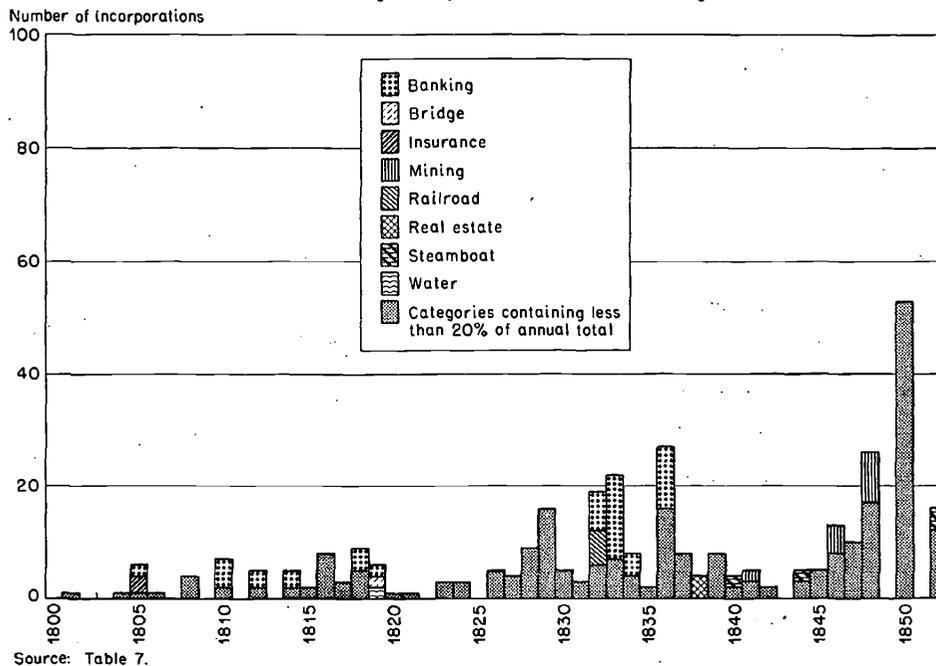
Categories that contain only a few items—Ferries, Bridges, Trade Companies, Hotels, Amusement Companies, Building and Loan Associations (but see Ch. 3, note 3), and Agricultural Companies—are not commented upon (Tables 7–10). Some others, however, are worthy of notice. Canal incorporations were never very numerous, though in almost every year between 1800 and 1850 one canal charter was granted. After the middle of the century they were negligible. Before 1875 water company incorporations were relatively few except in New York around the beginning of the 19th century. The incorporation of steamboat companies was begun in 1813. Not many, however, were incorporated in the period under consideration, but the trend rose until the middle of the century. Charters for gas

tions of a state in a given year, they are not separately recorded (the other categories constitute what is called the 'residuum'—represented by gray areas). For example, in New York eighteen charters were issued to insurance enterprises in 1825; over and above those in the manufacturing and turnpike fields, forty charters were issued (Chart 7). The fact that the number of insurance company incorporations is registered on Chart 7 on the bar for 1825 indicates that the number (18) is at least 20 percent of *total* (66, including manufacturing and turnpike) incorporations in that year (Table 9). The absence of any other single category from the 1825 bar indicates that in no other (except perhaps the manufacturing or turnpike category) did the number of New York incorporations equal 20 percent of all charters

granted that year.[32] Nothing is indicated in the chart about manufacturing and turnpike incorporations.

When Charts 5–8 are considered separately, the New York chart is the most interesting, particularly for 1821–43. Superimposed ón the long wave in the chartering of turnpike and manufacturing undertakings are three important episodes: in insurance in 1824 and 1825, in banking about 1830, and in the railroad industry during the 'thirties. If any other one chart in the state

which few charters were issued (namely, all categories except turnpikes, manufacturing enterprises, and those industrial categories in which for the given year the charters granted equaled or exceeded one-fifth of total incorporations) are combined and plotted, the result is characterized roughly by the same long waves as those found in turnpike and manufacturing incorporations. Long waves in incorporations are thus noticeable not only in certain fields but in business generally.

CHART 6

New Jersey Business Incorporations by Special Acts, 1800–1845, and under Special and General Laws, 1846–1875

Excluding Turnpike and Manufacturing
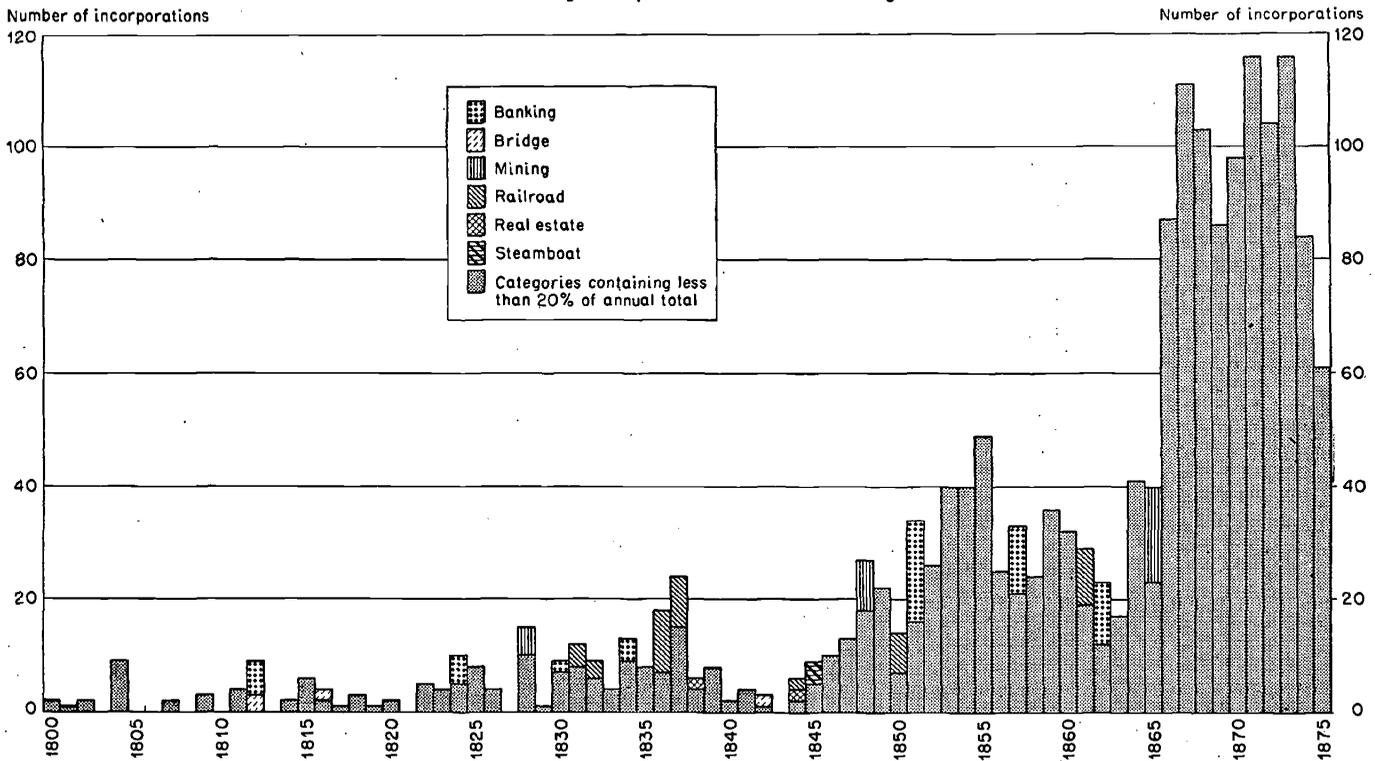
Source: Table 8.

series is to be singled out for comment, it should be that for Ohio (Chart 8). The boom in mining incorporations from 1864 to 1866, and the building and loan association charters of 1868–71 are outstanding features.

When Charts 5–8 are considered together, the importance of the railroad charter in the 'thirties is clear. Episodes in bank incorporations are many, but they occur at different times in the different states. Another feature is the long waves that appear in the residuum. That is, when for each year all industrial categories in

Long cycles and episodic movements in incorporation may perhaps be explained by differences in the rate a which some entrepreneurs copy the ideas of other entre preneurs. Imitation is as characteristic of entrepre neurial activity as innovation.[33] But it is easier for one group to imitate the ideas of another in a slightly modified version in some fields than in others. Whenever the rate of imitation is high and of short duration, an episode occurs; whenever it tends to be lower and sustained, a long wave appears. In turnpike enterprises, the latter situation might be expected. Of course, the promotion of a turnpike from X to Y doubtless started

[32] Whenever total incorporations in a state were five or fewer in any one year, the percentages in the industrial categories were not calculated. No good purpose would have been served by making it possible for a single incorporation to be represented on Charts 5–8.

[33] See G. H. Evans, Jr., A Theory of Entrepreneurship, Journal of Economic History (Supplemental Issue, The Tasks of Economic History) Dec. 1942, pp. 142–6, particularly p. 144.

thinking about a road from X to Z. A community, how-
ever, does not need many turnpikes radiating from it.
Certainly the idea of turnpike promotion spread from
locality to locality, but the process was not as rapid as
it would have been if one specific group of promoters
had been interested.

For manufacturing also the hypothesis can be ven-
tured that its very nature favors a low rate of imitation.

seem to be conducive to widespread imitations within
a short period when the spirit of enterprise is expanding
in a community. Competition among the members of
each community for the distinction of being associated
with a public enterprise together with the relatively
small amount of capital needed to start business favored
the creation of many banks when the fever was on.
Moreover, bank promoters might be as willing to sup-

CHART 7

New York Business Incorporations
under Special and General Laws, 1800-1845
Excluding Turnpike and Manufacturing
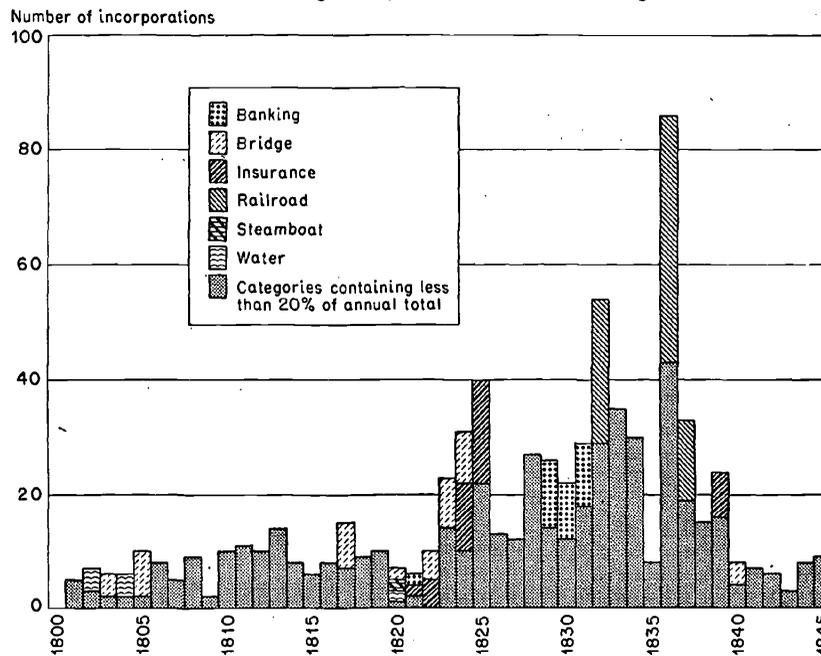
Source: Table 9.

Perhaps the readiness with which innovations have been
taken up and adapted has been obscured in the present
data by a lack of details for specific industries. As is well
known, however, within each manufacturing industry
businessmen strive to keep their processes secret and to
differentiate their products—factors that work against
quick imitation. It is highly probable too that many an
early manufacturing corporation had formerly operated
as a proprietorship or partnership. In the early period
incorporation of manufacturing plants would thus be
more closely associated with the general spread of the
corporation idea than with the ups and downs of busi-
ness cycles. Consequently, again, long waves rather than
episodes are to be expected in manufacturing incorpo-
rations.

In both banking and insurance the nature of the busi-
ness and the character of the promoting group would

port one bank as another. Each turnpike, in contrast,
probably had many supporters who would not be among
the promoters of another turnpike, and a large amount
of capital was usually needed to complete a road. Banks
and insurance companies are generalized projects; turn-
pikes and railroads are specialized. Moreover, changes
in legislation and court decisions were more likely to
affect the rate of imitation in the banking field than in
turnpike construction and operation, since regulation
was more minute and changes in the law more far-
reaching. Finally, there were no obvious and precise
limits to the number of banks a community could sup-
port, but there were for turnpikes.

In view of the similarities between railroads and turn-
pikes, the early episodes in railroad incorporations (the
late 1820's and the 1830's) may seem difficult to explain.

Number of incorporations

Number of incorporations

CHART 8
Ohio Business Incorporations by Special Acts, 1803–1851,
and under General Laws, 1856–1875
Excluding Turnpike and Manufacturing

Banking
Bridge
Building and loan
Canal
Insurance
Mining
Railroad
Real estate
Categories containing less
than 20% of annual total

313

no data
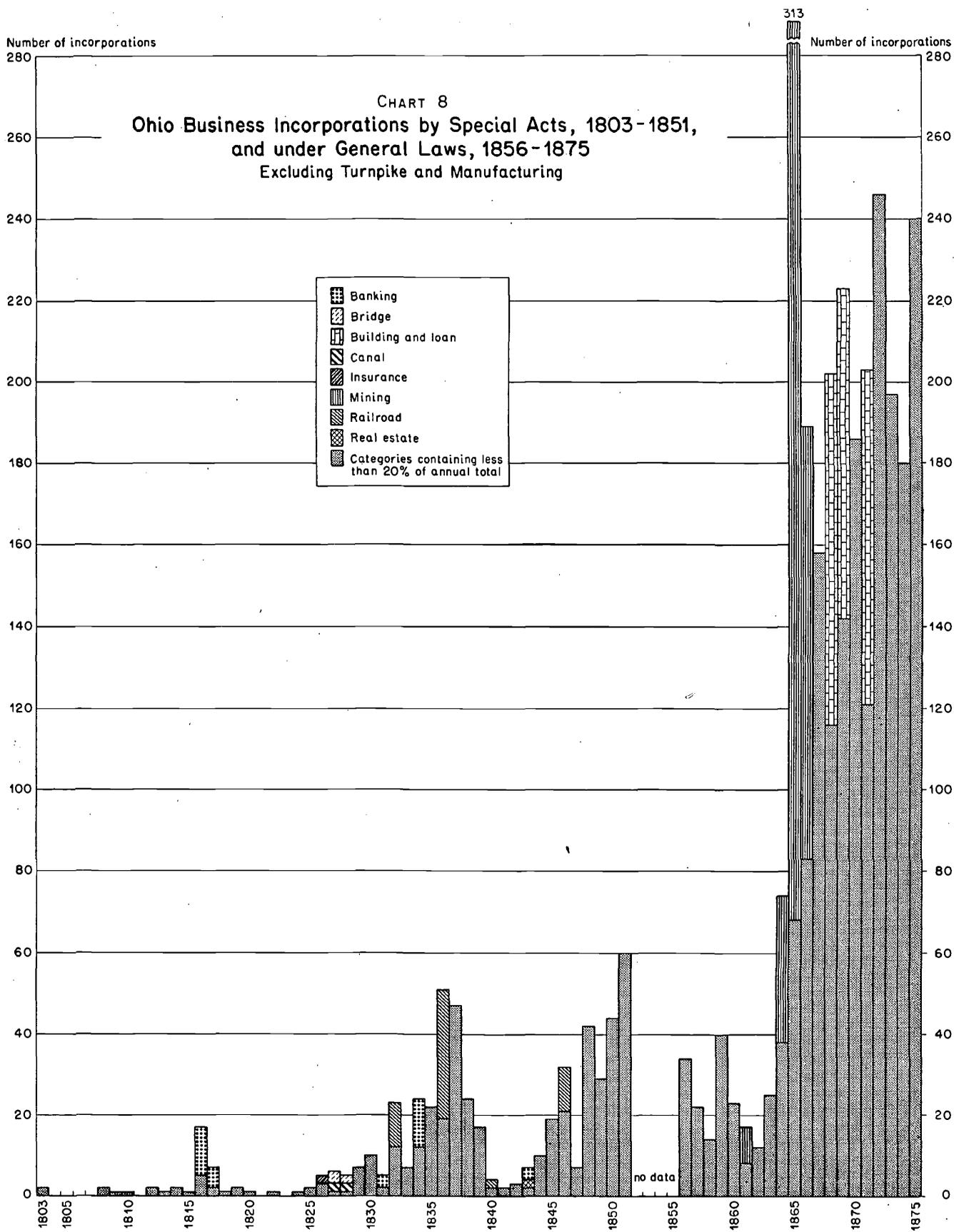
Source: Table 10.

But it must be remembered that the railroad industry was new and the roads were short; moreover, promoters in this field resembled in many ways those who initiated banks and insurance enterprises. After construction in the railroad industry was well started, the nature of the project changed and became the dominant factor in incorporations. Long waves were thereby favored.

The secular trend in the use of the corporate form is also shown on Chart 1. But growth, except toward the end of 1800–75, was not the dominant feature of the early era; it was rather the long waves. After 1875 the trend factor predominates. Long waves occurred in some industrial series, but these movements—perhaps because of the more diversified use of the corporate form —do not seem to synchronize as in the early period. Consequently, as well as because of more widespread use of the corporate form, trend movements stand out after 1875.