

### **Du Pont Family/ Ran Abramitzky**

The Du Pont family was one of America's richest and most influential industrial dynasties in the last two centuries. Emigrating from France to the US in the beginning of the 19<sup>th</sup> century, the family established a small mill producing gunpowder that soon became the largest in the country. The founder's sons and grandsons subsequently diversified the company's operation, eventually making du Pont the largest chemical corporation in the US.

The father of the family, **Pierre S. Du Pont de Nemours (1739-1817)**, was a French economist and politician. He served as Inspector General of Commerce and was granted by Louis the sixteenth a patent of nobility for his efforts to achieve freer trade among France, Britain and the US. Pierre was active in the French Revolution before he immigrated to America in 1800, planning to establish a self-sufficient colony. Once in the US, he advised President Jefferson to purchase the Louisiana territory from France instead of fighting over it, contributing to the conclusion of a Franco-American treaty in 1803.

His Son, **Eleuthere Irenee (1771-1834)**, who apprenticed in France under the famous chemist Lavoisier, soon discovered that the gunpowder market in the US was underdeveloped and founded a powder plant on the Brandywine River in Delaware. Although the new company grew rapidly, it soon found itself in large debts. Sales increased during the war of 1812, as du Pont was a major supplier of gunpowder to the US. Ironically, this was not the last time a war saved the company. Irenee later served as a director of the Bank of the United States.

Upon Irenee's death, his son-in-law led the company for three years before the founder's children took control and managed the family business as a partnership. Between 1837 and 1850, **Alfred Victor**, Irenee's eldest son, was the manager in

practice. His younger brother, **Henry du Pont (1812-1889)**, succeeded him and led the company from 1850 to 1889. Boss Henry, as he was nicknamed, and his chemist nephew **Lammont du Pont (1831-1884)**, were both in charge of the company's remarkable success in the second half of the 19<sup>th</sup> century. The Civil war in America, which created huge demand for gunpowder, together with the development of railroads in the Middle West, were external events that sparked du Pont's growth. But growth also came from within. In 1857, Lammont patented the "soda powder", making the production of powder cheaper and more reliable. In 1880, he founded Repauno, a chemical company designed to produce the powerful explosive dynamite, which was invented by the Swedish Alfred Nobel. By that time, du Pont was dominating the explosives industry. Upon Henry's death, **Eugene du Pont (1840-1902)** became the head of the family business. Under him, the company did relatively well, but didn't grow much. He lacked the energy and power of his uncle and was unable to rule the business and the family as Henry did.

The beginning of the 20<sup>th</sup> Century saw a decline of the du Pont Empire. The board of directors had decided to sell the company when **Alfred Du Pont**, together with his cousins **Thomas Coleman** and **Pierre Du Pont (1870-1954)**, all under forty, purchased it for a low price. Complementing each other in skills, the three cousins turned the family partnership into a corporation and further centralized the explosives industry. This led to the first, albeit not the last, antitrust suit for violation of the Sherman Act. In 1913, an agreement was reached, under which the company was to split into three. Nevertheless, this traumatic experience, together with the recognition that the war-created demand for explosives was short-lived, revealed the company's need for diversification. By 1919, when Pierre resigned as president, du Pont had transformed itself from an explosives company to a diversified chemical enterprise.

Based on existing materials (e.g. Nitrocellulose) that could be used both in production of explosives and in other non-military chemicals, the company moved into the fields of solvents and paints, celluloid film, artificial leather and automobiles. In 1917, acquiring the basic technology from a British company, du Pont entered the dyestuff field and became the largest company in the industry a decade later, reducing US dependence on European production. The two factors making the diversification strategy possible were the huge profits from the First World War, during which du Pont was the largest supplier of military explosives, and the successful investment of the company in General Motors.

After resigning, Pierre engaged in philanthropic activities and headed a reform in Delaware's public system to improve attendance in state's schools. He spent \$5,000,000 on Delaware schools and \$2,000,000 on the local college, which later became the University of Delaware. Pierre's brother and successor, **Irenee du Pont**, contributed generously to relief programs for War victims such as the Red Cross. He also made contributions to medical research and to hospitals.

The 1920s witnessed growth and expansion of the du Pont Company. In 1923, du Pont, together with two French firms, began producing cellophane and artificial silk. The company further developed (through GM head of research Charles F. Kettering) quick-drying lacquers for automobiles and tetraethyl lead, which reduced the "engine knock" in automobile engines. By the mid-1920s, du Pont had penetrated the photographic, glass and US Rubber industries. When entering a new field, du Pont's strategy was to approach the leading firm in the industry, and then integrate with it or buy its partner. Irenee's younger brother, **Lammont Du Pont**, became president in 1925 and headed a policy of basic internal research. By the mid-1930s, du Pont's own scientists had developed a synthetic rubber, the neoprene, and a synthetic fiber, the

Nylon, which had both civilian and military uses. In 1943, Teflon, a heat resistant plastic, was invented and was used in raincoats, exhaust systems of airplanes and autos, pots and pans, and coating metals. The 1950s and 1960s saw the beginning of heavy foreign investment by the company as well as the development of polyester, wrinkle-resistant synthetics, flame-resistant fabric and other materials.

The role of the du Pont family in the Corporation diminished over time. In the mid-1970s, a director not from the family was appointed for the first time, and family members represented only 20% of the board. Once a company controlled by the family, it is now an ordinary corporation.

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