

Captains of Industry or Robber Barons?



HISTORY REPEATS ITSELF. — THE ROBBER BARONS OF THE MIDDLE AGES, AND THE ROBBER BARONS OF TO-DAY.

The Gilded Age

1870 - 1900

- An era of economic growth, industrial expansion, unstable politics and high immigration.
 - Marked by advances in **technology, transportation, communications** and **energy**.
 - A few individuals became wealthy while many Americans lived in poverty and were overtaken by the corporate world.
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Social Darwinism:

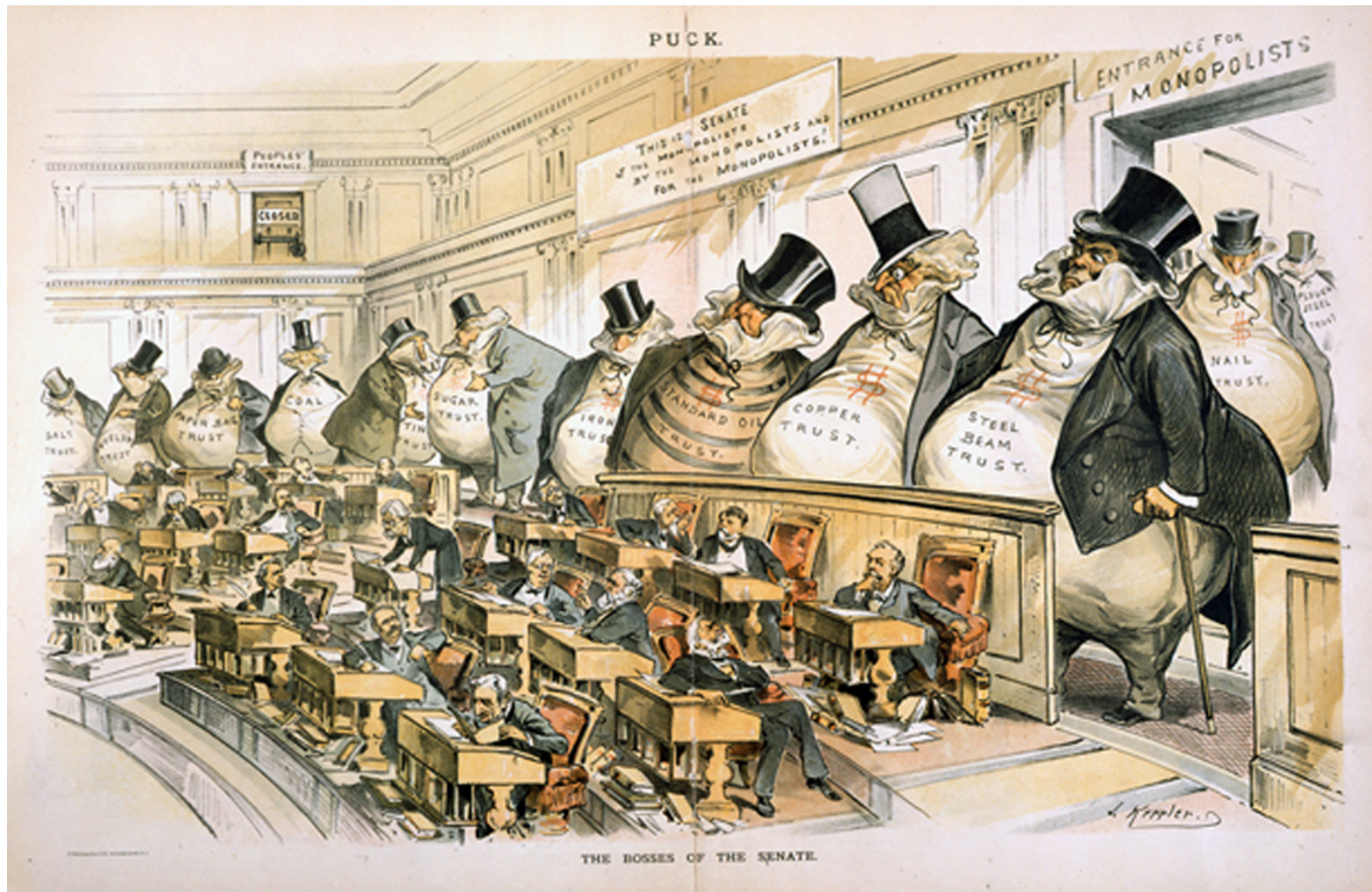
Refers to Darwin's theory that **“only the strong survive”**

Used by Big Business men to *justify* what they did.



Laissez-faire Policies:

The Government's **“hands off”** policy of business practices & people - **no government regulations.**



Capitalism:

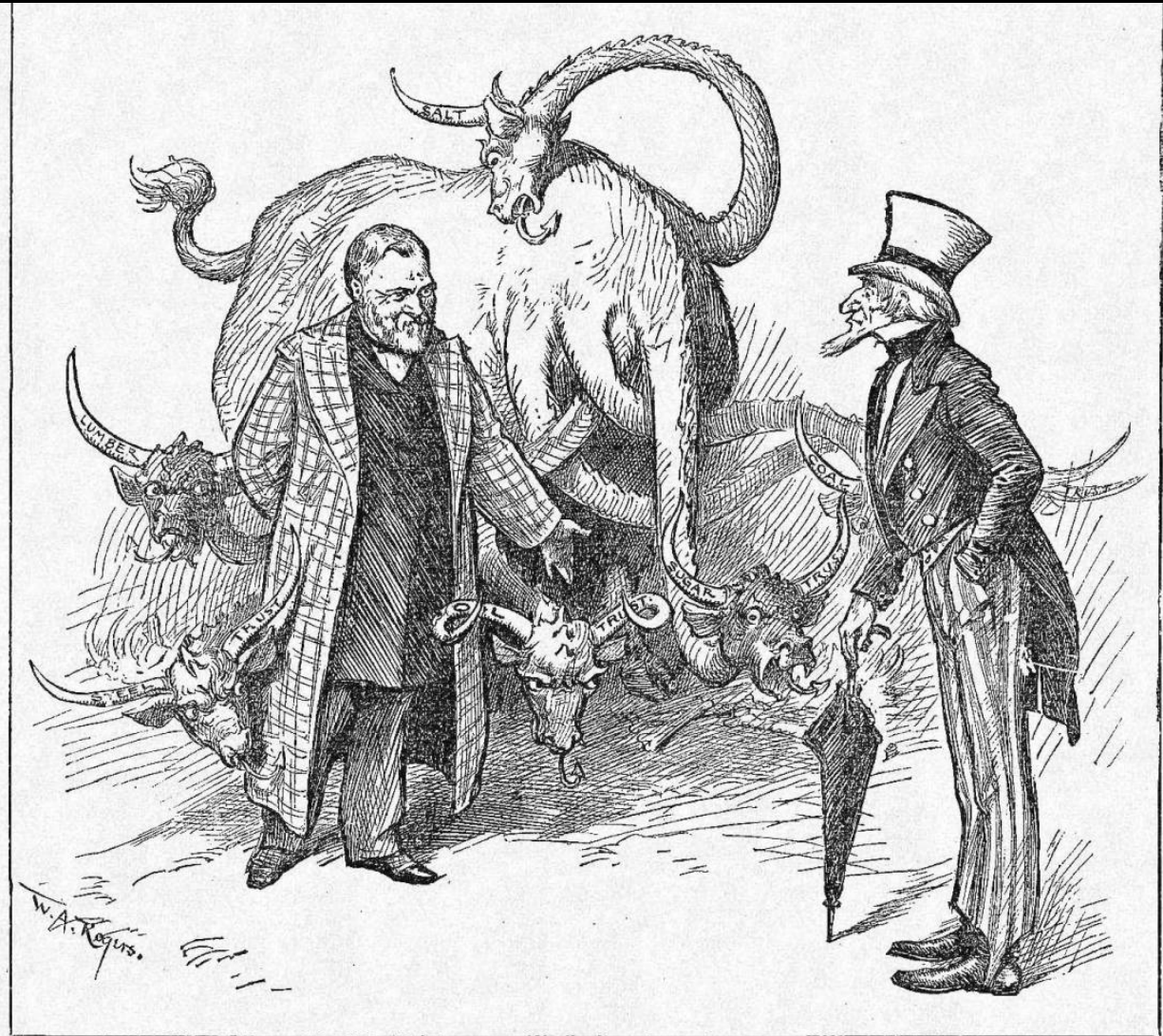
- An **economic system** in which industries are **privately owned**, and the prices, production, and distribution of goods are determined by **competition on a free market**.

Capitalism is the astounding belief that the most wickedest of men will do the most wickedest of things for the greatest good of everyone.

John M. Keynes – British Economist

Trust:

- An **alliance of companies**, run by a board of trustees, that **function as one company**.



A TRUSTWORTHY BEAST.

The public may regard trusts or combinations with serene confidence."—ANDREW CARNEGIE, in an interview in *N. Y. Times*, Oct. 9.

Monopoly:

- A situation in which **one** company has **eliminated its competition** and controls the market.



Captains of Industry vs. Robber Barons?

CAPTAIN OF INDUSTRY

- Increases availability of goods by building factories
- Raises productivity
- Expands markets
- Creates more jobs
- Funds many of the nation's public institutions and practices
philanthropy *(giving generously to charitable causes)*

ROBBER BARON

- Drains the country of its natural resources.
- Corrupts public officials to interpret laws in their favor.
- Drives competitors to ruin
- Pays poor wages
- Forces workers to toil under dangerous and unhealthy conditions

Big Business Industrialists

- **Henry Ford – Transportation**

Net worth: \$199 billion

Business: Ford Motor Company (*Ford is the second-largest U.S.-based automaker and the fifth-largest in the world*).

- **John D. Rockefeller – Oil**

Net worth: \$340 billion

Business: Standard Oil (*at its peak, controlled 90% of all oil companies*)

- **Andrew Carnegie – Steel**

Net worth: \$310 billion

Business: Carnegie Steel Company (*controlled raw materials, manufacturing, storage, and distribution for steel*).

- **Cornelius Vanderbilt – Transportation**

Net worth: \$185 billion

Business: New York Central Railroad

- **J.P. Morgan – Finance**

Net worth: \$41.5 billion

Business: J.P. Morgan & Co. (*financed railroads and helped organize U.S. Steel, General Electric and other major corporations*).