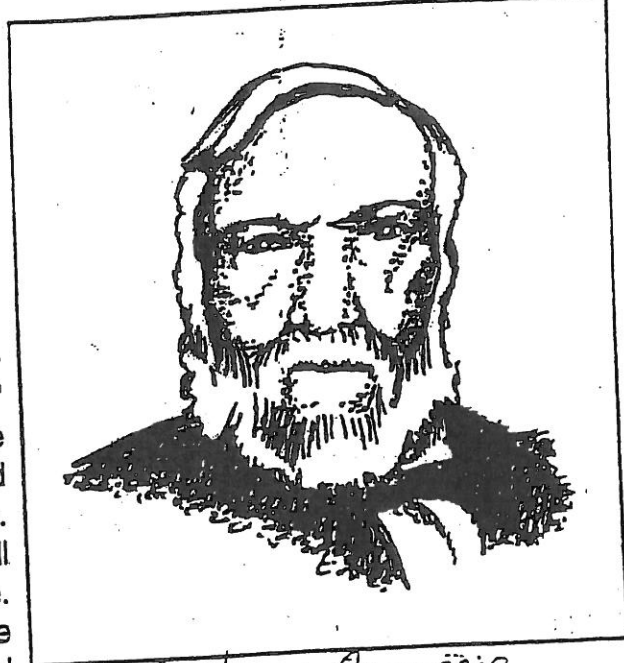


"CAPTAINS OF INDUSTRY" OR "ROBBER BARONS"
QUESTIONS

1. What was the economic status of the fathers of these men?
2. What business were the following men involved with?
 - A. John D. Rockefeller
 - B. Cornelius Vanderbilt and Jay Gould
 - C. Andrew Carnegie
 - D. Gustavus Swift and Philip Armour
3. How would you describe their view of spending money to run their business?
4. If Vanderbilt went after your business, what could you expect to happen?
5. What were some things they did that hurt their workers?
6. What were some things they did that hurt the American legal system?
7. Match the quotes to the listed philosophy which it seems to fit. Write the name of philosophy under the quote next to photo of who said it
8. What statement by Charles Darwin became the basis of "Social Darwinism"?
9. What was the idea of the "Gospel of Wealth"?
10. Did any of these men consider themselves above the rules or restraints of ordinary people?
Who and how?
11. From the quotations given, which of the men believed in giving to charity? With which philosophy did charity or philanthropy agree?
12. Are any of these four philosophies still accepted or practiced by Americans today? Which ones?
13. Can individuals today gain wealth and power to the same extent that Rockefeller, Carnegie, or Morgan did?
Why or why not?

"CAPTAINS OF INDUSTRY" OR "ROBBER BARONS?"

Lord Acton wrote that "power tends to corrupt and absolute power corrupts absolutely." In post-Civil War America, power was not in the hands of the man on the street or even elected officials, but in the hands of business leaders. Jay Gould went to Albany with a black bag full of money to bribe the New York legislature. Cornelius Vanderbilt said: "What do I care about the law? Hain't I got the power?" Rich and powerful "captains of industry" (if one admired them) or "robber barons" (if one opposed them) were targets of both great admiration and strong opposition.



Andrew Carnegie

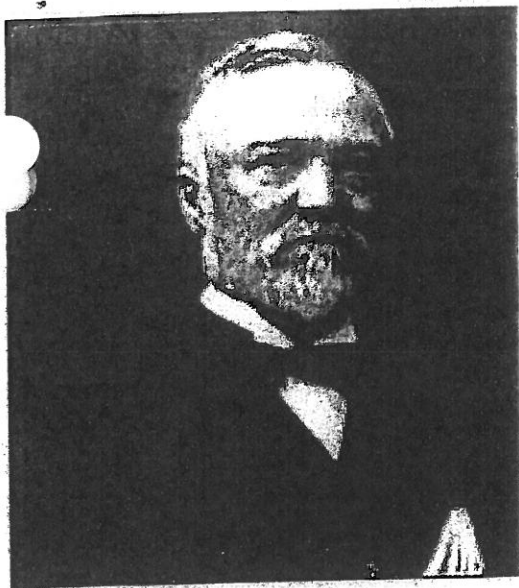
Most of these men started out very poor. Cornelius Vanderbilt's father eked out a living farming and running a small boat between Staten Island and New York City. Jay Gould's father was a poor farmer. John D. Rockefeller's father was a traveling salesman, and Andrew Carnegie's parents were poor Scottish immigrants who sent him to work in a textile mill for \$1.25 a week. Gustavus Swift started in business at the age of 16 with \$20 in borrowed money. Eventually, Vanderbilt and Gould became multi-millionaires in railroad-ing, Rockefeller with Standard Oil, and Carnegie in steel.

As a group, they seemed to enjoy their new wealth less than they enjoyed business itself. In many ways, they were very frugal and did not waste money. Vanderbilt decided that painting locomotives in bright colors was too costly, so New York Central painted theirs black. Rockefeller watched every step of the oil refining process (down to counting the number of welds on Standard Oil barrels). Philip Armour's meat packing plants used all of the cow's carcass except hooves. Carnegie controlled every aspect of steel making from mining the ore to selling the finished product.

Their goal was to create a monopoly (eliminating all competition). Rockefeller told his salesmen: "Sell *all* the oil in your district." Vanderbilt loved a fight, and he wanted total victory—an opponent beaten into the dust and his property wearing the Vanderbilt label. Sometimes these battles were fierce.

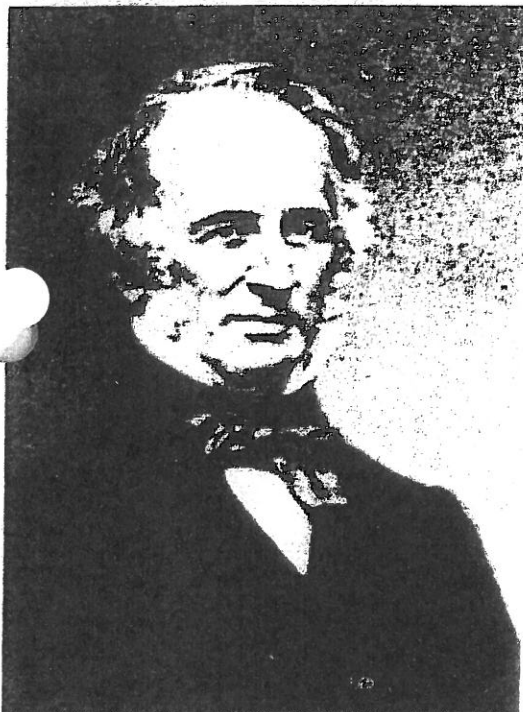
Business was a rough game, and at first, there were few rules to control it. They did many things that would later become illegal. They paid very low wages, disregarded worker safety, bribed judges and legislatures, and bought elections.

Despite their hard-hitting business tactics, many of them lived by a totally different standard away from work. In their minds, they justified their great wealth in two ways. One was "social Darwinism" and its survival of the fittest. Rockefeller compared business to the American Beauty rose: in order to achieve the most beautiful flower at the top, other blooms had to be cut off. The other was the "gospel of wealth," which Carnegie supported. It said rich people should use their wealth for the public good. Many good causes were endowed by these very rich Americans.

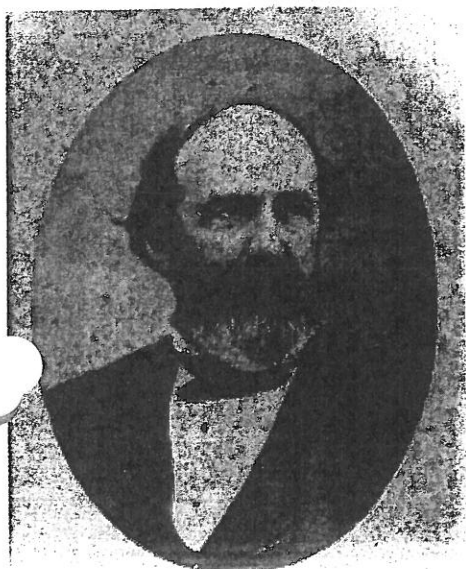


"[Competition is] here; we can not evade it; no substitutes for it have been found; and while the law may be sometimes hard on the individual, it is best for the race, because it insures the survival of the fittest in every department."—Andrew Carnegie, steel industrialist

"Surplus wealth is a sacred trust which its possessor is bound to administer in his lifetime for the good of the community."—Andrew Carnegie



"What do I care about the law? 'Hain't I got the power?"—Commodore Vanderbilt, shipping magnate



"I believe with \$200,000 we can pass our bill."
—Collis Huntington, railroad owner



WILLIAM D. VANDERBILT

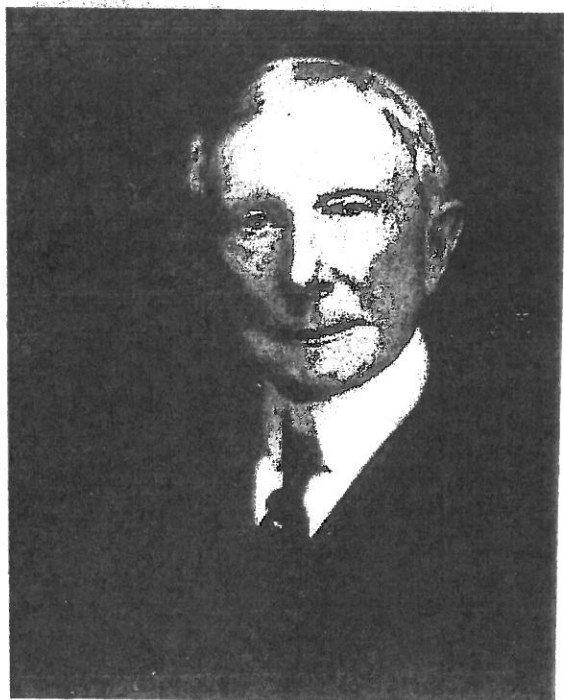
"The public be damned. I am working for my stockholders."—William Vanderbilt, railroad tycoon



"At this season of the year, I get up at half-past seven . . . go into the counting room and there am busy as a bee until three o'clock, when the banks close. . . After dinner I am busy until six o'clock. . . "—Jay Cooke, banker and financier



"Well, I don't know as I want a lawyer to tell me what I cannot do. I hire him to tell me how to do what I want to do."—J. Pierpont Morgan, banker and financier

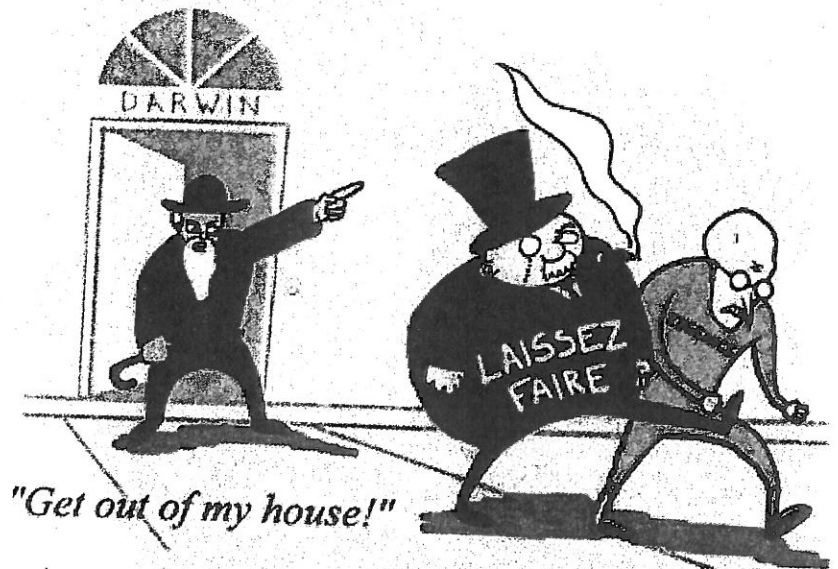


"The growth of a large business is merely a survival of the fittest."—John D. Rockefeller, founder, Standard Oil

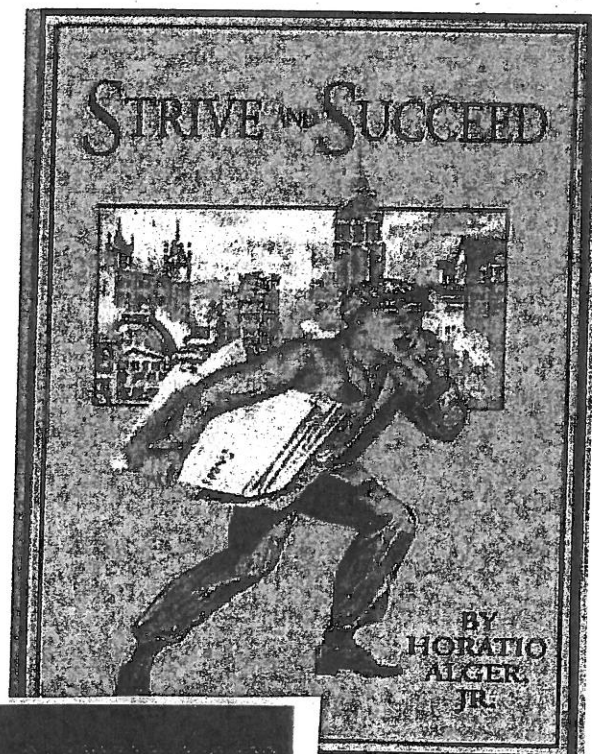
"There is a great responsibility resting upon the possessors of wealth, and I believe there is on the part of many a growing appreciation of that responsibility."—John D. Rockefeller

The following ideas were popular with industrial capitalists during the post-Civil War period. Study these; then read the quotations and answer the questions that follow.

- **Social Darwinism:** Idea that economic competition is a natural law. It argues that the fittest businesses will survive, and that the businessperson's struggle to survive is a normal activity which should not be artificially restrained. The weak go under; the strong survive.



- **Materialism:** idea that material things, especially in the form of goods and wealth, offer the highest values to be pursued in life.



- **How-to-succeed (Horatio Algerism):** idea that an ambitious person can succeed financially if he or she works hard, is thrifty, practices integrity, follows the rules, and has a little bit of luck.

- **Gospel of Wealth:** idea that economically successful people have the responsibility to combine their economic power with Christian charity—to use their money for worthwhile social purposes.

