

Captains of Industry or Robber Barons

Part A

Directions: Examine the two definitions below – Captain of Industry and Robber Baron. Then read the list of activities practiced by businessmen of the Gilded Age. In the blank provided write a “C” if the activity describes an activity practiced by someone who fits the definition of Captain of Industry or a “R” if the activity describes an activity practiced by someone who fits the definition of Robber Baron.

Captain of Industry – a term originally used to describe a business leader whose means of amassing a personal fortune contributes positively to the country in some way. This may have been through increased productivity, expansion of markets, providing more jobs, or acts of philanthropy.

Robber Baron – a disparaging term used to describe a powerful 19th century businessman or banker who used questionable or unethical business practices to become powerful or wealthy.

_____ 1. After his retirement, Andrew Carnegie donated most of his money (over \$350 million) to establish libraries, schools, and universities as well as a pension fund for former employees.

_____ 2. In 1901 J.P. Morgan’s U.S. Steel was the first billion-dollar company in the world with an authorized capitalization of \$1.2 billion. The size and productivity of U.S. Steel allowed the U.S. to compete globally against countries such as Britain and Germany.

_____ 3. In response to a strike at Andrew Carnegie’s Homestead, Pennsylvania steel plant in 1892, Carnegie and Henry Clay Frick hired Pinkerton detectives to protect strikebreakers brought in to work in the place of striking workers. Ten men were killed and hundreds injured in an attempt to strike.

_____ 4. In 1895, at the depths of the Panic of 1893, J.P. Morgan loaned the U.S. Treasury \$65 million in gold to safeguard the collapse of the U.S. government.

_____ 5. The steamboat and railroad tycoon, Cornelius Vanderbilt continuously cut shipping rates to the point that other steamboat and railroad companies could not compete and were forced out of business.

_____ 6. The entrepreneur James J. Hill often donated seed, grain, and cattle to farmers who had been affected by drought and depression.

_____ 7. John D. Rockefeller often resorted to using spies and extortion to influence railroads to work in his favor by offering him kickbacks and rebates that were denied to his competitors.

_____ 8. In 1869, Jay Gould and James Fisk cornered the gold market by bribing the U.S. Treasury Secretary into not releasing gold into circulation - driving up the price of gold which Gould and Fisk were hoarding.

_____ 9. By 1890, the richest 9% of Americans held 75% of the nation’s wealth. The average yearly income for a worker was \$380. Andrew Carnegie had a yearly income of \$25 million by 1900.

