**Is he a Robber Baron OR Captain of Industry?**

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**What is a Robber Baron?**
During the Industrial Revolution, the term Robber Baron, was used to describe a person who made, what some considered, excessive amounts of money in business. It was an insulting term used for a person who was thought to have used unfair business practices and showed little empathy for the common factory worker. If this industrialist used his political and corporate influence for his own selfish ends, he could be described as a robber baron.

**What is a Captain of Industry?**
The men that used ingenious business methods to create monopolies and vast wealth were also known as Captains of Industry because they exhibited leadership in their field and commanded the respect of the business world. Often times these Captains of Industry gave back their communities by participating in philanthropy. Men like Carnegie, were often known for their large contributions for projects of public benefit like libraries.

Today you are going to read primary and secondary source documents about four of America’s main industrialists: Cornelius Vanderbilt, John D. Rockefeller, Andrew Carnegie, and JP Morgan. For each source you will need to decide if each man is Robber Baron or a Captain of Industry, and use evidence from the document to support your choice.
Is he a Robber Baron OR Captain of Industry?

Now that you are done reviewing these four men, please check if you think that they are a Robber Baron or a Captain of Industry?

Vanderbilt
- Robber Baron [ ]
- Philanthropist [ ]

Rockefeller
- Robber Baron [ ]
- Philanthropist [ ]

Carnage
- Robber Baron [ ]
- Philanthropist [ ]

JP Morgan
- Robber Baron [ ]
- Philanthropist [ ]

Of these four, who do you think was the worst Robber Baron? Why?
_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________
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Of these four, who do you think was the best philanthropist? Why?
_____________________________________________________________________
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Inferencing: What can we infer about working conditions for the average laborer during the Gilded Age based upon these documents?
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“Your Money or Your Line”

“...If there was a man who has made his own way in the world, it is Mr. Cornelius Vanderbilt. He has made his own way and nobody’s else. He has made his way as the reckless truckman makes his, when he dashes headlong with his heavy vehicle into a throng of carriages, and, with an equal disregard of the wheels and of the rights of other people, as well as the decencies of the highway, hurries onward to his destination. If the one object which a man in a civilized country is to keep in view be the doing of his own business, and the making of his own fortune, then Mr. Cornelius Vanderbilt is a model man. He seems, very early in his career to have acquired [enough money to surpass his competition]...He has devoted himself to the study of the steam navigation of his country—not with the object of extending its development, but the purpose of [making money and ruining his competitors].”

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1 without thinking or caring about the consequences of an action
2 crowd
3 to obtain, to get, to earn
“The Modern Colossus of Railroads” – This political cartoon was illustrated by Joseph Keppler in 1879, which features the railroad “giants”, William Vanderbilt, Jay Gould, and Cyrus W. Fields. Vanderbilt, a wealthy railroad tycoon, was viewed as a tyrannous man of excessive corporate power, which is clearly shown in this cartoon. The reigns held by the railroad magnates attach not only to the trains, but also to the tracks and the railroad station, which conveys their power and control over railroad operations. The three powerful leaders formed a railroad trust out of their Union Pacific, New York Central, and Lake Shore & Dependence lines. However, with the interstate Commerce Act in 1887, the government began to weaken the magnates’ grip over the nation’s transportation system.
“The Tournament of Today—A Set to Between Labor and Monopoly” Friedrich Graetz’s 1883 cartoon depicts a one-sided jousting match. The golden knight is the assumed victor. His horse’s armor is labeled “monopoly,” his helmet’s plume “arrogance,” his shield “corruption of the legislature,” and his lance “subsidized press.” His armored horse (which resembles a train) is a clear reference to his benefactor, railroad magnate Cornelius Vanderbilt, who sits with fellow monopolists in the box seats behind the knight. The presumed loser of the match is a ragged man named “Labor,” who wields a useless sledgehammer labeled “strike” and rides a dying horse named “Poverty.”
To know every detail of the oil trade, to be able to reach at any moment its remotest point, to control its weakest factor—this was John D Rockefeller’s ideal of doing business. It seemed to be a to an intellectual necessity for him to be able to direct the course of any particular gallon of oil from the moment it gushed from the earth until it went into the lamp of a housewife. There must be nothing—nothing in his great machine he did not know to be working right. It was to complete this ideal, to satisfy this necessity, that he undertook, late in the [1870s], to organize the oil markets of the world, as he had already organized oil refining and oil transporting [in the United States]. Mr. Rockefeller was driven to this new task of organizing not only by his own [curiosities]; he was driven to it by that thing so abhorrent to his mind—competition. If, as he claimed, the oil business belonged to him, and if, as he had announced, he was prepared to refine all the oil that men would consume, it followed as a corollary that the markets of the world belonged to him...

But the Standard Oil agents were not sent into a territory back in the [1870s] simply to sell all the oil they could by efficient service and aggressive pushing; they were sent there to sell all the oil that was bought up amount the country. “The coal-oil business belongs to us,” was Mr. Rockefeller’s motto, and from the beginning of his campaign in the markets his agents accepted and acted on that principle. If a dealer bought but one barrel of oil a year, it must be from Mr. Rockefeller.
Both of these ideas resulted in the Sherman Anti-Trust Act

Sherman Anti-Trust Act Excerpt:
An act to protect trade and commerce against unlawful restraints and monopolies.
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Sec. 2. Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and, on conviction thereof; shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

Right: The Standard Oil Octopus (Rockefeller)
Source: From J. Ottmann Lith, Co., 1904 Sept. 7. Udo Keppler
Artist. Courtesy of the Library of Congress

Below: President Teddy Roosevelt being a trust-buster to the beer, oil and railroad industries. As well as “everything in general”
Trust = Monopoly
Possessor of one of the world's greatest individual fortunes, John D. Rockefeller was beset with pleas for help. His benefactions were huge, $530,853,632 to various institutions. He had a theory about giving that he once expressed as "to solve the problem of giving money away without making paupers of those who receive it." Explaining his method of scientific giving, he said:

"I investigated and worked myself almost to a nervous breakdown in groping my way, without sufficient guide or chart, through the ever-widening field of philanthropic endeavor. It was forced upon me to organize and plan this department upon as distinct lines of progress as our other business affairs.

"I have always indulged the hope that during my life I should be able to establish efficiency in giving, so that wealth may be of greater use to the present and future generations. If the people can be educated to help themselves, we strike at the root of many of the evils of the world."

Created Great Foundations: Mr. Rockefeller's benefactions from 1855 to 1934 totaled $550,853,632, of which the greater amount went to the four great foundations he established for the purpose of handling his charities. They were the Rockefeller Institute for Medical Research, the Rockefeller Foundation, the Laura Spelman Rockefeller Memorial, in memory of his wife, and the General Education Board. The University of Chicago was another large beneficiary.

In accordance with his philosophy of charity on a business basis he used the same system of selecting good men for the particular job at hand and then giving them free rein. His gifts were free from restrictions and the trustees were empowered to use the principal as well as the interest to further the projects they were supporting.

The Rockefeller system of philanthropy was not to undertake directly the alleviation of a situation or condition that seemed to need correcting, but to provide the funds for a research group to carry out the work.

His charity system was not without its critics. There were those who said that his benevolent trusts served to entrench privileged interests and promote class education. His gifts were denounced as being made with tainted money, an indirect slap at his business methods.

Interested in Education: A list of Mr. Rockefellers organized charities shows that he was chiefly interested in education, scientific research, the Baptist Church and other religious or social organizations. His chief agency of distribution was the Rockefeller Foundation, established in 1913 with a $100,000,000 capital fund, later increased by $25,000,000 in 1917. It received up to 1934 from Mr. Rockefeller $182,851,480.90. This organization was formed "to promote the well-being of mankind throughout the world."

World-wide in scope, its activities were largely directed to medical research in recent years. The 1936 annual report declared it to be devoted to the "advancement of knowledge with research as the chief tool." It financed work in the natural sciences, social sciences, medical science, the humanities, public health. It does no research of its own.

The Laura Spelman Rockefeller Memorial, founded in 1918, concerned itself with public administration of government activities through the clearance of information promotion of experiences among officials and government units the demonstration of innovation and installation of improved administration methods and devices.

In 1929 the Spelman Memorial was merged with the foundation and the activities were carried on jointly, with the announcement that its aim was "primarily the advancement of knowledge."

Supported Health Board: The foundation, throughout its existence, has supported the International Health Board, an independent organization engaged in cooperation with government agencies in demonstrations for the control of hookworm disease in fourteen Southern States of this country and in twenty-two foreign countries, of yellow fever in five South and Central American countries and of malaria in ten Southern States in this country. The Rockefeller Foundation provided the funds in 1917, partly as a war measure, for the organization by the International Health Board of the Commission for Prevention of Tuberculosis in France, which conducted campaigns of public education in hygiene and provided for the training of French women as health visitors.

In 1914 the Rockefeller Foundation established the China Medical Board to encourage the study of medicine and hygiene in Chinese medical schools, hospitals and training schools for nurses. In 1919 it opened the Peking Union Medical College, together with pre-medical schools.

... See full article: http://www.nytimes.com/books/98/05/17/specials/rockefeller-gifts.html?mcubz=0
Do not make riches, but usefulness, your first aim; and let your chief pride be that your daily occupation is in the line of progress and development; that your work, in whatever capacity it may be, is useful work, honestly conducted, and as such ennobling to your life.

To sum up, do not drink, do not smoke, do not indorse, do not speculate. Concentrate, perform more than your prescribed duties; be strictly honest in word and deed. And may all who read these words be just as happy and prosperous and long lived as I wish them all to be. And let this great fact always cheer them: It is impossible for any one to be cheated out of an honorable career unless he cheats himself.

Source: How to succeed in Life by Andrew Carnegie
CARNegie WILL LAY THE CORNERstoneS TODAY
In 1892 Andrew Carnegie’s steel mill in Homestead, PA was threatened to grind to a halt over a workers strike. Workers wanted to unionize over incredibly unsafe working conditions, and Carnegie didn’t want this because it meant shorter hours for the workers, which would result in less steel being produced, and would cost him money. As a result he sent his most trusted assistant to Homestead to deal with the situation.

Mr. Frick decided to hire Pinkertons to protect the plant from any strikers who may destroy the factory. Pinkertons were armed guards who were mostly former soldiers, and were viewed as a paid military force. They were known to be tough for anyone who hired them.

Below are the letters between Mr. Frick and Mr. Carnegie regarding the strike in Homestead.

Paraphrased

My Dear Mr. Carnegie,

I have arrived in Homestead in investigate the labor strike, and things are as good as they could be right now. I have hired 300 Pinkerton to protect the plant against any striking workers who may damage it. They will arrive on Tuesday, and should quell any unrest. The local newspaper is not reporting the current labor situation favorably, and seem shocked that we would attempt to guard and protect our property! In response I had an article published in all of this evenings papers alerting them of our response to the strike, and I think that our position within the community is well defined. We shall, of course, keep within the law, and do nothing that is not entirely legal.

Yours Truly,
Mr. Frick

Exact Quote

Frick,

Cable just received. All anxiety gone since know you stand firm. Never employ one of these rioters. Let grass grow over work. Must not fail now. You will win easily. Next trial only stand firm. Law and order work. I could support you in any form.

(Western Union Cable Message from Scotland)

With the arrival of the Pinkertons on July 6, violence immediately broke out. Strikers were throwing rocks at the armed Pinkertons, and they fired back into the crowd with their guns. In response 5,000 men from a neighboring mill arrived to Homestead to help defend the fallen workers. This event turned so chaotic that the state militia had to be called the following day to try to end the violence. By July 18 the entire town was placed under martial law.

In the end 12 were killed, 23 wounded, and the Homestead plant remained without a union.

http://pitt.libguides.com/c.php?g=12523&p=66317
During the late 19th century, a period when the U.S. railroad industry experienced rapid overexpansion and heated competition (the nation’s first transcontinental rail line was completed in 1869), Morgan was heavily involved in reorganizing and consolidating a number of financially troubled railroads. In the process, he gained control of significant portions of these railroads’ stock and eventually controlled an estimated one-sixth of America’s rail lines.

During Morgan’s era, the United States had no central bank so he used his influence to help save the nation from disaster during several economic crises. In 1895, Morgan assisted in rescuing America’s gold standard when he headed a banking syndicate that loaned the federal government more than $60 million. In another instance, the financial panic of 1907, Morgan held a meeting of the country’s top financiers at his New York City home and convinced them to bail out various faltering financial institutions in order to stabilize the markets.

Morgan initially was widely commended for leading Wall Street out of the 1907 financial crisis; however, in the ensuing years the portly banker with the handlebar mustache and gruff manner faced increasing criticism from muckraking journalists, progressive politicians and others that he had too much power and could manipulate the financial system for his own gain. In 1912, Morgan was called to testify before a congressional committee chaired by U.S. Representative Arsene Pujo (1861-1939) of Louisiana that was investigating the existence of a “money trust,” a small cabal of elite Wall Street financiers, including Morgan, who allegedly colluded to control American banking and industry. The Pujo Committee hearings helped bring about the creation of the Federal Reserve System in December 1913 and spurred passage of the Clayton Antitrust Act of 1914.

The famous financier died at age 75 on March 31, 1913, in Rome, Italy. On April 14, the day of his funeral, the New York Stock Exchange closed in his honor until noon. He was buried in the Morgan family mausoleum at a Hartford cemetery. (History.com)