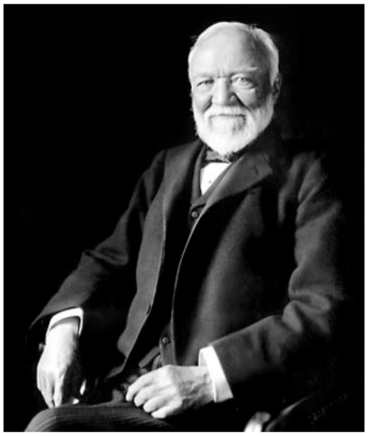
Mr. Sacculllo Mr. Meehan 8th Grade Social Studies	Case Study: Robber Barons or Captains of Industry?	Name: __________ Period __________

Historical Contest: Though a century has passed since the heyday of the great industrialists and financiers, debate continues: *were these men **captains of industry**, without whom this country could not have taken its place as a great industrial power, or were they **robber barons**, limiting healthy competition and robbing from the poor to benefit the rich?* Where do we draw the line between unfair business practices and competition that leads to innovation, investment, and improvement in the standard of living for everyone? Would the industrial economy have succeeded without entrepreneurs willing to take competition to its extremes?

Directions: Using the case study of John D. Rockefeller and the reading on the last page fill out the charts below.

Was *John D. Rockefeller* a Robber Baron or a Captain of Industry?

How did Rockefeller acquire his wealth?	
How did Rockefeller (or his related industries) treat his workers?	
How did Rockefeller spend his money?	
How did Rockefeller donate his money?	
Are there any positive or negative quotes from others about Rockefeller?	
Was Rockefeller a Robber Baron or a Captain of Industry? Why?	



Was ***Andrew Carnegie***
a Robber Baron or a Captain of Industry?

How did Carnegie acquire his wealth?	
How did Carnegie (or his related industries) treat his workers?	
How did Carnegie spend his money?	
How did Carnegie donate his money?	
Are there any positive or negative quotes from others about Carnegie?	
Was Carnegie a Robber Baron or a Captain of Industry? Why?	

Andrew Carnegie was a “captain of industry” for his generous philanthropic contributions and business practices that revolutionized the steel industry. Carnegie asserted his belief of the need for philanthropic contributions in his 1889 essay, “The Gospel of Wealth.” He stated that the accumulation of wealth by a few was inevitable in a capitalistic society. However, he believed that it was the obligation of the wealthy entrepreneurs to distribute their fortunes responsibly, rather than frivolously wasting it. Carnegie practiced his philosophy by dedicating the rest of his life to distributing the large fortune he had accumulated. Carnegie provided funds to establish libraries across the nation. These “Carnegie libraries” were part of his vision of a society based on merit, where any citizen of any class could better himself with hard work and the right resources. He also wanted the libraries to serve as an affordable means of knowledge for immigrants because he empathized with these new citizens. Carnegie built New York City’s Carnegie Hall, one of the most famous venues in the nation for classical and popular music. He provided financing to establish Pittsburgh’s Carnegie Institute of Technology, which would later become part of the prestigious Carnegie Mellon University. Furthermore, he advocated improved educational opportunities for blacks, as shown when he generously donated capital to establish the Tuskegee Institute in Alabama. After retiring, Carnegie also established large pension funds for his employees and college professors. The latter program would eventually evolve into TIAA-CREF, one of the country’s largest financial services companies. Although most of the major industrialists found ways to give back to society, Carnegie was unique in that he was very specific in the programs he donated to. By contributing to programs or institutions involved in social and educational advancement, Carnegie afforded the citizens the necessary tools to become successful, without actually giving them the money.

With regard to his business practices, Andrew Carnegie was a “captain of industry,” with his shrewd, yet innovative policies. To begin with, Carnegie was not a monopolist and disliked monopolistic trusts. Rather than overtaking his competitors like Rockefeller did, Carnegie chose to merge every phase of the steel-making operation into his business with a revolutionary system known as “vertical integration.” When the finished product left the factory, only Carnegie’s hands had touched it. This system resulted in a reliable product because Carnegie was able to monitor the quality and efficiency of each phase. In addition, many “robber barons” took advantage of railroad and shipping businesses, the middlemen, by demanding lower rates. However, Carnegie used his own middlemen businesses, thus eliminating these unjust practices. Carnegie expanded the steel industry because although others had used the Bessemer Process to manufacture a stronger steel, he was the first to utilize it on such a grand scale. The Carnegie Steel Company lifted the nation to the status of a global industrial giant. Also, his factories in western Pennsylvania provided jobs for many, and although the wages were often low, it was a modest beginning for many immigrants and freshmen to the new industrial world. After he made his fortune, this “captain of industry” attempted to indirectly assist the citizens of the new working class with his charitable donations, as he gave them the power to shape their future.