Fortunes and Power

Weigh the gains and costs of industrial growth.

USH.C.2.1.C "Analyze the impact of capitalism and laissez-faire policy on business practices, such as monopolies, the characterization of "robber barons" and the role of industrialists in economic growth, as well as philanthropy (e.g...."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline two ways industrialists supported economic growth, circle two risks of concentrated business power, and write 1 beside Carnegie's proposed use of wealth.

Who Benefited from Big Business?

1. In the late 1800s, capitalism let Americans own businesses and compete for profits. Under *laissez-faire* policies, federal officials often placed few limits on business growth. Cornelius Vanderbilt linked rail lines, helping goods reach distant markets. Andrew Carnegie expanded steel production for rails and bridges. Such growth also gave owners power over workers and prices.

2. John D. Rockefeller bought rival oil refineries; his Standard Oil trust controlled most U.S. oil refining. Its size could lower costs, but rivals struggled to compete. Banker J.P. Morgan organized U.S. Steel in 1901 by merging companies. His financing supported industrial growth, while the merger concentrated power. Critics called owners who gained power this way "robber barons."

BUSINESS MOVES AND EFFECTS

Move	Effect
Link rail lines	Goods could reach distant markets
Merge steel companies	Financing supported growth; control became concentrated

3. In his 1889 essay "The Gospel of Wealth," Carnegie argued that wealthy people should use their fortunes to benefit society during their lifetimes. He funded public libraries, widening access to books. Supporters praised these gifts and industrial jobs. Critics argued that gifts did not erase poor working conditions or the harm concentrated business power could cause.

2 ANSWER WITH EVIDENCE

Use the passage

1. How did laissez-faire policy help owners such as Vanderbilt and Carnegie expand their businesses?

2. What was one possible gain and one risk from Rockefeller's control of oil refining?

3. Use the passage and table to explain two different effects of Morgan's steel merger.

4. Why might a critic praise Carnegie's libraries but still object to the power of industrialists?

3 YOUR TURN

Your own words

Imagine that one owner buys every streetcar line in an 1890s city, then funds a public library. In four sentences, judge the owner's impact on the city. Explain a possible economic gain, a possible cost, and whether the library changes your judgment, using at least two ideas from the passage.

ANSWER KEY

Fortunes and Power

HIGH SCHOOL · USH.C.2.1.C

PART 1 · READ AND MARK

Underline two ways industrialists supported economic growth, circle two risks of concentrated business power, and write 1 beside Carnegie's proposed use of wealth. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How did laissez-faire policy help owners such as Vanderbilt and Carnegie expand their businesses?	**Federal officials often placed few limits on business growth, allowing owners to link rail lines or expand steel production.**
2	What was one possible gain and one risk from Rockefeller's control of oil refining?	**Standard Oil's size could lower costs, but its control made it hard for rival refiners to compete.**
3	Use the passage and table to explain two different effects of Morgan's steel merger.	**Morgan's financing supported industrial growth, while the merger concentrated business power.**
4	Why might a critic praise Carnegie's libraries but still object to the power of industrialists?	**The libraries widened access to books, but gifts did not erase poor working conditions or the harm concentrated power could cause.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Combining the streetcar lines could help the owner coordinate routes so workers can travel across the city. With no rival lines, riders might have fewer choices and less protection from high fares. The public library would give residents access to books, as Carnegie's libraries did. I would value that gift, but it would not erase the risk of concentrated business power.

Accept other passage-supported gains and costs. For Part 3, look for a judgment that weighs the library against a specific effect of owning every streetcar line.