



Famous Industrialists and the Growth of Big Business

ERA 6: DEVELOPMENT OF THE INDUSTRIAL US (1870 TO 1900)

Discussion Topics

- What inventions may have contributed to the Big Business Era?
- What methods or modes of operation may have characterized business during the Big Business Era?
- What part do you think labor unions played during the Big Business Era?

Setting the Scene

The United States saw its industrial base expand rapidly after the Civil War, particularly from the late 1800s to the early 1900s. This expansion of industry completely changed the economic, political, and social landscape of the nation. The individuals responsible for this transformation were a group of powerful businessmen called “industrialists.” Some historians have mockingly referred to them as “robber barons,” implying that they made their fortunes by engaging in questionable business practices. On the other hand, some have looked at them as captains of industry, suggesting that these business leaders served their nation in a positive manner. No matter which viewpoint one endorses, it is undeniable that these men left an indelible mark on U.S. history. The effects of their actions are still being felt today, and they are responsible for shaping modern America as we know it.

Key Terms

assembly line
capital
economy
entrepreneur
industrialist
monopoly
philanthropist
reform
robber baron
trust/trustee
tycoon
unionization

Meet the Participants

HISTORICAL FIGURES

Andrew Carnegie: Scottish-born industrialist who made his fortune in the steel industry. Spent the last years of his life as a philanthropist preaching an idea he called the “gospel of wealth.” By the time he died in 1919, he had donated an estimated \$350 million for the construction of public libraries and research institutes. In keeping with his Scottish heritage, Mr. Carnegie has shown up for today’s chat wearing a kilt and carrying a bagpipe.

Henry Ford: Founded the Ford Motor Company in 1903. Revolutionized the auto industry and industrial production by using moving assembly lines to mass-produce automobiles. His Model T was the first truly affordable car.

Samuel Gompers: Although not an industrialist, Gompers played an important role in the industrialization of the United States. He was a union leader who formed the American Federation of Labor (AFL) in 1886. Gompers and the AFL organized workers, or unionized them, so that collectively they could negotiate for shorter hours, better wages, and improved working conditions.

J. P. Morgan: Wealthy American financier and banker who had a knack for consolidating smaller companies into larger ones (e.g., U.S. Steel, General Electric). He founded his own firm in 1871, called, not surprisingly, J. P. Morgan & Co. He suffered from a chronic skin disorder called rosacea, which left his nose deformed and purple. Because of this condition, he hated publicity and being photographed.

John D. Rockefeller: American industrialist and oil tycoon. Still regarded as the wealthiest man in history because of the profits he raked in from his company, Standard Oil, which he founded in 1870. By the end of his life, he had donated more than \$500 million to establish or improve organizations that would benefit humanity.

PRESENT-DAY FIGURES

Donald Trump: Wealthy American real-estate investor and television personality. Known for his distinctive comb-over hairdo and crusty attitude, “The Donald” is also one of world’s most-successful businessmen. Currently he serves as the host and executive producer of his own reality TV show, *The Apprentice*®.

Narrator



Narrator: The setting for today’s discussion is the infamous boardroom of Donald Trump’s reality TV show, *The Apprentice*®. In this episode, Mr. Trump has invited some of the most prominent industrialists from the Big Business Era of American history to New York City. The contestants have been made aware that the show will deviate from its normal routine—all the activity will take place in the boardroom. Contestants will recount their knowledge of and contributions to the Big Business Era of American history. Whoever impresses Mr. Trump the most will be offered a partnership in “The Donald’s” next business venture. He’s decided to parlay his successes and enter uncharted territory—the fast-food industry. He wants to open 10,000 restaurants across the United States that specialize in serving a wide array of traditional English specialties, like ox heart and roast pigeon. Mr. Trump has appropriately dubbed his new fast-food chain “Trump Manor.”

Back to the chat: Please keep in mind that the industrialists in this group have made vast fortunes over their lifetimes and can, at times, be uncommonly “self confident,” not to mention cantankerous. Also, be aware that most “robber barons” did not see eye-to-eye with labor unions and their leaders, so best of luck to Mr. Gompers.

The contestants have yet to meet Mr. Trump, who is just about to enter the boardroom, dressed to the nines in a pin-striped Armani suit with matching waistcoat and a very stern look on his face. Unknowingly, Mr. Trump sits on a *whoopee* cushion placed on his chair by one of the contestants. Pandemonium ensues from everyone in the room, except for Mr. Trump, obviously.

J. P. Morgan: Well, I never! Gratuitous flatulence in the boardroom was never acceptable behavior in my time!

(Everyone except Trump laughs. Trump never laughs.)

H. Ford: That sounded like one of my Model Ts backfiring!

(More laughter from everyone except Trump.)

D. Trump: *(Pounding his fists on table and throwing his hands in the air)* You’re fired! You’re all fired!

A. Carnegie: Don’t be getting your knickers in a bunch; we’re just having a laugh. Nearly blew my *tam-o’-shanter* off!

D. Trump: Sure, it’s all fun and games until someone gets fired. I’ll be watching you, all of you. Best NOT pull any more stunts like that. I can assure you, I’m all too happy to hand each of you a pink slip. Makes for good television. Consider yourselves warned, NOBODY messes with The Donald *(fixing his comb-over)*!

Rockefeller: Sure thing, Donald, whatever you say.

H. Ford: *(Leaning toward Carnegie and whispering)* What a suck-up.

A. Carnegie: *(Leaning toward Ford and whispering)* I know. A real butt kisser.

D. Trump: I don’t have to explain that I’m a very busy man and will not tolerate any more monkeyshines. And also, let me remind you of something else: it’s *Mr. Trump* to all of you.

Now, shall we begin? Gentlemen, it is no coincidence that I have assembled, in my humble opinion, the greatest industrialists from the Big Business Era of American history. Each of you represents success in a particular industry that I have long admired.

- H. Ford:** (*Rudely interrupting Trump*) Well, why is this guy here then? (*Points at Samuel Gompers*) He wasn't an industrialist. He's not one of us at all. I say we all autograph a free T-shirt for him and send him on his way. I'll even throw in a \$500 rebate voucher good towards the purchase of a second new car of equal value.
- D. Trump:** Easy there, Hank. As a matter of fact, Samuel did play an important role in the Big Business Era. I mean, they do reserve a section in most history books for him. He just played a different role than you industrialists did.
- S. Gompers:** (*Scowling*) That's right, and I will certainly remind everyone here of the part I played.
- D. Trump:** Yes, you will, Sam. But first I would like to begin our discussion on this important era of American history by highlighting some of the differences in the way business was conducted during this time as compared to earlier times. You've been awful quiet so far, Mr. Rockefeller. Why don't you start us off?
- Rockefeller:** Yes, sir, I will. The most striking thing about the Big Business Era was how really big businesses got.
- A. Carnegie:** Impressive insight, John. Impressive. Thanks for the info, Admiral Obvious.
- J. P. Morgan:** I think what John was trying to say is that business during the late 1800s went through a revolution of sorts. They grew to immense proportions, beyond anything before or since.
- H. Ford:** Yes. In fact, to give you an analogy, you could say they expanded like a pimple the night before prom.
- A. Carnegie:** Boy. That is growth.
- H. Ford:** It's those darn cafeteria French fries.
- D. Trump:** I want "Trump Manor" to be just like that pimple.
- S. Gompers:** (*Speaking to Donald Trump*) They have medication for people like you.
- A. Carnegie:** Back to what J. P. was saying. Beginning in the late 1800s, American businesses definitely got bigger. They saw everything increase—from the amount of capital they had at their disposal to the number of workers they employed.
- D. Trump:** So it was big. We got that. What else made the Big Business Era unique?
- Rockefeller:** Me, of course! According to *Forbes* magazine, I am the richest man ever! As in, like, all of history. Anybody need a loan? (*He flashes a wad of money.*)
- S. Gompers:** Lies! That's just a stack of \$1 bills wrapped in a Ben Franklin.
- Rockefeller:** On a more serious note, during this time, we saw business expand across the nation thanks to the advent of railroads and the telegraph. Big businesses often had factories and sales offices throughout different parts of the nation.
- J. P. Morgan:** Another example of how big business differed from previous forms was that a new method of organizational structure came into existence. Businesses became so big that they needed to create different departments, like accounting and production. Companies of this size couldn't function without this new organizational structure.
- H. Ford:** And let's not forget about the trend of the owner to be less hands-on with his own business. Owners became less connected because of how big things got. In most cases, owners would simply hire a manager to run their business. Except me. I stuck with it until the end, causing all kinds of trouble for my company.
- A. Carnegie:** Most importantly, though, the Big Business Era saw businesses become less specialized; they would often combine multiple operations under one roof. This meant that all stages of production would generally become the responsibility of one company. My business was a perfect example of this.

- J. P. Morgan:** And what did you do again? Was it skirt making? Like the one you've got on now? *(He grins and puffs on a cigar.)*
- A. Carnegie:** Actually, this is called a kilt. It has a rich history among the Scots—one of which, I am proud to say, I am. Besides, it shows off my custom Vans®.
- (Some laugh. Trump sits stone-faced.)*
- J. P. Morgan:** Good one, Andy!
- D. Trump:** I already warned you, no more shenanigans! I'm not going to tell you again.
- A. Carnegie:** As I was saying, ... my business, Carnegie Steel Company, was an example of an organization performing all phases of production. I was in control of every step of the steel-producing process—from mining the iron ore to forging the steel in the blast furnaces. I even bought the shipping and railroads that transported my goods to market. This process, where a company controls every aspect of production, is called “vertical integration.” It allowed me to sell steel at very low prices, getting me more and more business.
- S. Gompers:** That was a luxury that smaller companies didn't have, often going bankrupt and/or being bought out by you.
- A. Carnegie:** Very true. As I became richer and richer, I bought out all the other steel companies, eliminating the competition.
- S. Gompers:** Mr. Rockefeller and his Standard Oil Company perfected the practice. He grew his business into one MASSIVE company with no real competitors. He was free to charge as much as he wanted, ... much to the chagrin of his customers. This was a carefully calculated plan that many industrialists followed in order to create their own monopolies.
- H. Ford:** Oooh! Oooh! Monopoly*! Did you say Monopoly*? I want to play. I get to be the top hat!
- D. Trump:** I don't think so—I'm the top hat. You be the wheelbarrow.
- Rockefeller:** I would like to offer up a scientific explanation concerning the existence of industrialists, if I may. In his famous theory of evolution, Charles Darwin stated that all animal life had evolved by a process called natural selection: in the animal kingdom, only the fittest survived. Those who were weak would die off and become extinct. I feel, like many others, that this same philosophy can be applied to business.
- A. Carnegie:** Exactly right, J. R. As a matter of fact, natural selection was later extended to human society as well in a philosophy called Social Darwinism. Social Darwinists argue that government should avoid getting involved in the affairs of business. By doing this, a natural-selection process for the business world would be created. Only those who were business savvy would survive.
- J. P. Morgan:** And Rock definitely flexed his muscles when he devised a way to circumvent a law that was in most states at the time, which prohibited people from owning stock in companies they were buying out. He did this by setting up what came to be known as a trust. Go on, John. I don't want to steal your thunder.
- Rockefeller:** In 1882, I combined the operations of Standard Oil with all the other companies I had bought. Then we turned our assets over to a board of trustees, which I controlled and to which I paid a share of the profits. They managed my forty or so companies as a single entity that was called the Standard Oil Trust. Luckily for us, since these companies never officially merged, we violated no laws. Pretty clever, huh?
- S. Gompers:** And these trusts became yet another kind of monopoly, ready to stomp down the workingman. *(Pointing at Rockefeller)* What money bags over there failed to tell you is that many Americans became fearful of trusts and other large companies because they were so powerful.

J. P. Morgan: (*Pointing at Gompers*) This coming from a former cigar maker. I bet you probably made this one (*he lights up another cigar*). What YOU failed to mention is that many of the industrialists sitting at this table did more than just line their own pockets. We increased the availability of goods, we increased productivity, and we expanded markets. The industries we created provided well-paying jobs for many Americans, allowing them to improve their standard of living.

Do we need to get into the philanthropic efforts of some of these industrialists? Ever heard of the famed concert venue right here in New York City called Carnegie Hall (*pointing toward Andrew Carnegie*)?

When this country suffered through the Panic of 1893, I personally supplied the U.S. Treasury with \$62 million in gold to restore the Treasury's surplus.

S. Gompers: You didn't profit from it? (*Disbelieving*) Not one cent? You're telling me it was just a random act of kindness?

J. P. Morgan: Well, maybe just a small profit. But, it was more about being a good citizen.

D. Trump: I recognize a man after my own heart.

S. Gompers: Heart? Money-grubbing tycoons. (*Sticks his tongue out at Trump.*)
(*Silence, then everyone laughs out loud. Even Trump, this time.*)

D. Trump: Good one; that's hilarious!!!

S. Gompers: That wasn't a joke, and it is not funny!

H. Ford: (*Wiping tears of laughter from his eyes*) Nonetheless, by 1900, there were several other huge companies that made their way to the forefront of America's industrial landscape—like U.S. Steel, General Electric, Dupont, and Westinghouse, to name a few.

J. P. Morgan: The first two you named are excellent companies, if I do say so myself.

D. Trump: (*Sarcastically*) Your humility, J. P., is astounding.

S. Gompers: Your fun wouldn't last forever. Either because the government didn't want the trusts to out-power them or someone genuinely had the public in mind, Congress passed the Sherman Antitrust Act in 1890. It was an attempt to limit the influence a single business could exert over an entire industry. This legislation outlawed any collection of companies that restricted interstate trade or commerce. Unfortunately, the act didn't prove very effective. It was often left up to the courts to enforce the law and, since the courts were mostly pro-business, they didn't do much.

A. Carnegie: Right you are, Sammy Boy! As a matter of fact, the law ended up helping big businesses—especially when applied against labor unions. The government contended that labor unions restricted trade because workers were uniting to gain an advantage. I have been quoted often for saying "Surplus wealth is a sacred trust, which its possessor is bound to administer in his lifetime for the good of the community."

S. Gompers: I am very glad to hear that one of you has brought up my favorite topic in the Big Business Era. (*Speaking in a serious yet mocking voice*) Alex, I'll take labor unions for a thousand! (*Laughs—alone.*)

D. Trump: Now that was NOT funny.

Rockefeller: Mr. Trump, it's lunchtime. Can we adjourn? I have reservations at a fine Fifth Avenue restaurant.

D. Trump: Well, we wouldn't you to starve you, Johnny; you're already so emaciated you can read a newspaper through your skin. Don't worry. I've made some special arrangements. We're going to have a working lunch right here in the boardroom.

H. Ford: I assume something scrumptious will be on the menu. Caviar perhaps? Escargot?

- D. Trump:** Better than that, Henry! We're having SPAM sandwiches! With ketchup of course. (*Smacking his lips*) Yummy! My fave.
- Rockefeller:** Are you kidding me? You're going to serve millionaires and billionaires mystery meat from a tin can?!
- J. P. Morgan:** Mr. Trump, I think I speak for all of us when I say that it would be best to skip lunch and work straight through, and I am sure on this we are unanimous.
(*Heads nodding in agreement.*)
- D. Trump:** Excellent idea! I've been trying to lose a few pounds. Let's continue our discussion on labor unions. Sam ...
- S. Gompers:** Very well, I would like to continue by saying that I respect all of you and your accomplishments. Without a doubt, the industrialization of this country would not have been possible without the risk-taking entrepreneurial spirit all of you exhibited. Having said that, would you now agree that the unsung heroes of industrial growth are the millions who labored so your companies could succeed?
- A. Carnegie:** I do agree with your assessment, Sam. Without our workers, none of us would have succeeded. Instead of a chauffeur-driven Rolls Royce, I might be stuck in an Accent Hatchback, or even a Nissan.
- H. Ford:** (*Cringing*) Perish the thought! You know, another interesting thing about the Big Business Era was the effect it had on our society. We saw nearly 14 million people immigrate to this country from around 1860 to, say, 1900. They had hopes of securing employment in one of the various industries and building better lives for themselves.
- J. P. Morgan:** There were big population shifts within our country as well. While immigrants were flowing into the country, country folk were moving into the cities. Roughly 8.5 million people moved from rural to urban areas. They were attracted by the abundance of factory jobs, the promise of a regular stable income, and the opportunity to experience city life.
- D. Trump:** What would I see if I visited a typical factory during the Big Business Era? What was it like?
- Rockefeller:** To be honest, Mr. Trump, maybe it wasn't all sunshine and roses. Conditions were tough. Some claimed that the factories were sweatshops.
- S. Gompers:** Claimed? The employees worked many hours under dangerous conditions and received very low wages. Machines were deafeningly loud and dangerous because they did not have safety features and were not always well-maintained. This led to injuries, and the injured often were fired. Government regulations did not exist to protect workers.
- A. Carnegie:** Due to an innovation called "division of labor," factory workers were forced to perform the same menial task over and over and over again, causing its own set of disadvantages to the laborer.
- H. Ford:** I think I can top that one. I would say the saddest part of the Big Business Era was the use of child labor. It's estimated that at least five percent of the work force in factories were children. Such a shame—so many children were deprived of their youth and sometimes their lives. It wasn't until the late 1800s and early 1900s that states began to put an end to child labor.
- S. Gompers:** And, of course, all of the conditions mentioned prompted the rise of labor unions. A union became a collective mouthpiece through which workers could convey their needs to employers. Unions made it possible to demand things like safer working conditions, more pay, and shorter workdays. Being a former factory worker myself, I felt compelled to assist workers in their need to unite, so I formed the American Federation of Labor, known as the AFL, in 1886.
- J. P. Morgan:** (*Pointing to Samuel Gompers*) Mr. Gompers, you didn't mention that you excluded minorities and women from your federation.

- S. Gompers:** Well, I had to start somewhere.
- J. P. Morgan:** You utilized strikes and boycotts to put economic pressure on employers.
- S. Gompers:** It's called leverage. What other options did we have to gain fair treatment? By joining together, workers force employers to collectively bargain.
- H. Ford:** In essence, the unions ganged up on employers to get what they wanted. The AFL also lobbied for a "closed-shop" policy—only allowing union members to work in a given factory. This excluded lots of people.
- D. Trump:** I guess it's pretty easy to figure out that most employers didn't care for unions very much.
- S. Gompers:** So easy a caveman could do it! There would always be a palpable sense of friction between the two sides. The power of the unions was a serious threat to company profits. It would often manifest in strikes, such as The Pullman Strike of 1894, where the federal government was called in to end a work stoppage. It involved some 260,000 railway workers supported by the American Railway Union and its leader, Eugene V. Debs.
- J. P. Morgan:** Debs? Wasn't he the guy who supported socialism, or the idea that the government should own all means of production?
- H. Ford:** That's right, J. P. Under socialism, individuals don't own businesses; the government does. The idea is that a nation's wealth is equally distributed among all its citizens. I find that a disgusting idea and can't imagine not being filthy, stinking rich! Fortunately, most Americans were, and still are, opposed to socialism. This is a capitalist democracy. Isn't that right, John?
- Rockefeller:** (*Snoring, he wakes up confused*) BINGO! Huh? What? Oh. Sorry, guys, it's just getting late in the day, and I still haven't eaten. I am usually taking my afternoon nap at this time.
- D. Trump:** Well, not today, old-timer. You are on the clock. I've heard enough; it's time to announce the winner of this installment of *The Apprentice*®. (*Speaking to Samuel Gompers*) Sam.
- S. Gompers:** Yes, Mr. Trump?
- D. Trump:** If you were me ... If you were I—me—whichever, whom would you fire first?
- S. Gompers:** Well, I think I'd—
- D. Trump:** Never mind, I've already made up my mind. Although I did appreciate your input today, you're all fired. None of you impressed me as much as the man that I have waiting outside in the lobby. (*He talks into the intercom*) Tracy, send him in.
- Narrator:** For those of you listening in, a petite—say, three-foot-tall—man has just entered the boardroom. He bears a striking resemblance to The Donald, right down to the comb-over.
- J. P. Morgan:** (*Pointing at the little Donald*) What the ...? Who is this?
(*All grumble and look on in astonishment at the little figure.*)
- A. Carnegie:** I'm scared!
- D. Trump:** It's my Mini-D! Mini-D is the winner of this installment of *The Apprentice*®. Isn't he wonderful?!?!

Chat 6: Q&A Script

For Andrew Carnegie: What advice would you give to up-and-coming entrepreneurs wanting to make it big like you did?

Possible Answer: Diligence would be my first suggestion. Life has its ups and downs and, while the downs can be very painful, you cannot let them prevent you from moving forward and doing what it takes to be successful. And I have been quoted as having said, “Concentrate your energies, your thoughts, and your capital. The wise man puts all his eggs in one basket and watches the basket.”

For Henry Ford: Were there any other reasons why you were opposed to labor unions, besides the fact that they cut into your profits?

Possible Answer: Yes, I felt that their leaders heavily influenced labor unions, and that oftentimes members were being misled. For example, union leaders wanted to limit productivity to foster employment. I totally disagree with this. I feel we must increase production so that the whole American economy can prosper. And me, too, of course.

For Samuel Gompers: Why didn't you include minorities and women in the AFL?

Possible Answer: It was a viewpoint that society had adopted at the time, that those people were not as important as the majority. Or should I say: man-jority? Women in the workplace posed a threat to my goal of increased wages for my union brethren, and they were non-voting citizens.

For J. P. Morgan: How were you able to be such a success in more than one industry?

Possible Answer: By surrounding myself with good help. I hired the best people money could buy. Not surprisingly, it takes money to make money. A person can't have too much money, you know. My motto has always been, “If you have to ask how much it costs, you probably can't afford it.”

For John D. Rockefeller: What does it feel like to be the richest person in the history of mankind?







Possible Answer: Well, I tell you what, you'll never catch me standing in a long checkout line at Walmart®. I pay people to do that for me. Matter of fact, I pretty much have somebody do everything for me. But keep in mind that my success wasn't handed to me. I earned it ... well, most of it.

For Donald Trump: Do you think you would've been as successful in the Big Business Era, during the industrial boom, as you are today?

Possible Answer: Are you kidding me? I'm The Donald, and, when The Donald starts something, he usually succeeds. I think it would have been difficult to compete with the GIGANTIC businesses that existed back then. You can survive if you know yourself and know your competition.

Chat 6: Audience Question Cards

Cut out and distribute randomly to audience members.

 <p>Question for Andrew Carnegie</p> <hr/> <p>What advice would you give to up-and-coming entrepreneurs wanting to make it big like you did?</p>	 <p>Question for J. P. Morgan</p> <hr/> <p>How were you able to be such a success in more than one industry?</p>
 <p>Question for Henry Ford</p> <hr/> <p>Were there any other reasons why you were opposed to labor unions, besides the fact that they cut into your profits?</p>	 <p>Question for John D. Rockefeller</p> <hr/> <p>What does it feel like to be the richest person in the history of mankind?</p>
 <p>Question for Samuel Gompers</p> <hr/> <p>Why didn't you include minorities and women in the AFL?</p>	 <p>Question for Donald Trump</p> <hr/> <p>Do you think you would've been as successful in the Big Business Era, during the industrial boom, as you are today?</p>

Chat 6: Comprehensive Quiz

Name: _____

Date: _____

Score: _____ /15 possible points

FILL-IN-THE-BLANK

5 points



Instructions: Fill in the blanks.

1. J. P. _____ was the American financier and banker renowned for his ability to turn small companies into large ones.
2. The Era of Big _____ in the late 1800s saw immense expansions in U.S. industry.
3. Samuel Gompers founded the American Federation of _____, which was a union that sought to improve working conditions for its members.
4. Congress passed the _____ Anti-Trust Act in 1890 to prevent companies from becoming too large and too powerful.
5. Labor union leader Eugene V. Debs supported a political philosophy known as _____, which allows the government to control property.

TRUE/FALSE

5 points



Instructions: Read the statement and mark true or false. Revise any false statement to make it correct.

- _____ 1. Most employers supported the existence of labor unions in the late 1800s.
- _____ 2. The Big Business Era took place largely during the late 1700s.
- _____ 3. At the time, workers generally faced harsh conditions in factories.
- _____ 4. Industrialists like Andrew Carnegie and John D. Rockefeller often bought out their competition, creating monopolies for themselves within their industries.
- _____ 5. One feature of the Big Business Era was that it took a relatively small amount of capital to compete with other large businesses.

CRITICAL THINKING QUESTION

5 points



What influences do you think the Big Business Era has had on businesses of today?

Chat 6: Comprehensive Quiz

Name: _____

Date: _____

Score: _____ /15 possible points

FILL-IN-THE-BLANK

5 points



Instructions: Fill in the blanks.

1. J. P. _____ was the American financier and banker renowned for his ability to turn small companies into large ones.
2. The Era of Big _____ in the late 1800s saw immense expansions in U.S. industry.
3. Samuel Gompers founded the American Federation of _____, which was a union that sought to improve working conditions for its members.
4. Congress passed the _____ Anti-Trust Act in 1890 to prevent companies from becoming too large and too powerful.
5. Labor union leader Eugene V. Debs supported a political philosophy known as _____, which allows the government to control property.

TRUE/FALSE

5 points



Instructions: Read the statement and mark true or false. Revise any false statement to make it correct.

- _____ 1. Most employers supported the existence of labor unions in the late 1800s.
- _____ 2. The Big Business Era took place largely during the late 1700s.
- _____ 3. At the time, workers generally faced harsh conditions in factories.
- _____ 4. Industrialists like Andrew Carnegie and John D. Rockefeller often bought out their competition, creating monopolies for themselves within their industries.
- _____ 5. One feature of the Big Business Era was that it took a relatively small amount of capital to compete with other large businesses.

CRITICAL THINKING QUESTION

5 points



What influences do you think the Big Business Era has had on businesses of today?

ANSWER KEY

Fold this portion back along the line before photocopying.

Fill-in-the-Blanks:

1. Morgan
2. Business
3. Labor
4. Sherman
5. socialism

True/False: 1. False—Most employers did not support labor unions in the late 1800s. 2. False—The Big Business Era took place during the late 1800s. 3. True. 4. True. 5. False—It took a large amount of capital.

Critical Thinking:

Answers will vary.

Possible answer: Legislation is continually passed to prevent companies from becoming too strong, thus preventing them from exerting too much influence within a particular industry. And labor unions would certainly be an outgrowth of that time period as well. The Big Business Era is what probably also led to today's huge, multinational corporations, like Walmart® and Starbucks®.