



**Brooklyn Preparatory High School  
Spring 2015 Curriculum Unit**

**Title: Industrialization**

**Teacher: Chessa Gross**

**Timeline: February 3 – 24**

<b>Desired Results</b>	<p><b>Essential Questions:</b> What intriguing questions will foster inquiry and motivate the learning? What questions will lead students to uncovering the enduring understandings?          What impact does industry have on class, gender, and race relations in society?          Is capitalism fair?</p>
	<p><b>Enduring Understandings:</b> What are the most important ideas you want the students to finish the unit with? What do you want students to forever understand about the topic?</p> <ul style="list-style-type: none"> <li>- Students should understand origins of conflict between industrialists and labor</li> <li>- Students should consider the human cost of capitalism</li> <li>- Students should know about key players in developing monopolies</li> <li>- Students should understand the origins of anti-trust laws</li> </ul>
	<p><b>Knowledge and Skills:</b> What will students know and be able to do at the end of this unit?</p> <ul style="list-style-type: none"> <li>- Students will be able to see various angles on labor disputes</li> <li>- Students will be able to write a well-informed essay evaluating the necessity of the Sherman Anti-Trust laws</li> </ul>
<b>Assessment Evidence</b>	<p><b>Performance Task Assessment:</b> How does this Common Core aligned task assess desired results (Essential Questions, Enduring Understandings)? How does this task demonstrate performance of aforementioned knowledge and skills?          Students will need to draw on their knowledge of monopolies, industrial interests, labor interests, and government interests in breaking up monopolies in order to speak about Roosevelt’s Sherman Anti-Trust law.</p>
	<p><b>Other Assessments:</b> How do periodic, continual assessments connect to desired results?</p>

<b>Learning Plan</b>	<p><b>Levels of Rigor:</b> Use the <a href="#">Rigor Matrices</a> to create high level tasks. What are the levels of rigor of the tasks given to students within this unit?</p> <p>Level 4 reading – students will have a variety of complex primary source texts to analyze and compare when trying to compose arguments about the role of labor vs. capitalism and the legacy of Robber Barons</p> <p>Level 2/3 discussion – students will discuss their ideas regarding industrial needs and labor rights</p> <p>Level 4 writing –</p>
	<p><b>Day to Day:</b> What lessons and activities will teach the knowledge and skills necessary for students to succeed with assessments/performance tasks?</p> <p>Check calendar attached.</p>
	<p><b>Resources:</b> <i>The Men Who Built America</i>. History Channel. Stanford History Education Group lessons DBQ Project: “Was Andrew Carnegie a Hero?”</p>

<span style="float: left;">◀ January</span> <span style="float: right;">March ▶</span> ~ February 2015 ~						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
<b>1</b>	<b>2</b> Chancellor's Day – No school	<b>3</b> Introduction to unit – mini lecture – profiles of Carnegie, Rockefeller, Vanderbilt, Ford (assembly line, monopoly), unions AFL-CIO	<b>4</b> Struggle btw labor & capital: Homestead Strike - Men who built America film (25 mins) discussion and writing response – who do you think was at fault?	<b>5</b> Homestead Strike lesson SHEG – <i>what side should we take in workers vs. Carnegie/Frick?</i>	<b>6</b> Extra lesson: <i>Was Andrew Carnegie A Hero?</i> DBQ	<b>7</b>

◀ January		~ February 2015 ~					March ▶
Sun	Mon	Tue	Wed	Thu	Fri	Sat	
<b>8</b>	<b>9</b> <i>What is a sweatshop?</i> Triangle Shirtwaist fire America story of us – Bangladesh factory collapse - Unions in U.S. fought for 8hr workday, safe working conditions, weekends	<b>10</b> <i>Where did workers come from? Why were quotas passed against Southern &amp; Eastern Europeans?</i> Immigrant labor Tenement Museum lesson – census records	<b>11</b> <i>How does the other half – workers - live?</i> Gap btw rich vs. poor - Jacob Riis and photo analysis then vs. now gentrification in NYC rising cost of living <b>Tenement Museum trip</b>	<b>12</b> <i>Were Rockefeller, Vanderbilt &amp; Carnegie Captains of industry or robber barons?</i> Political cartoons. Is a monopoly a bad idea? <b>Young lawyer's club trip</b>	<b>13</b>	<b>14</b>	
<b>15</b>	<b>16</b> Winter Break	<b>17</b> Winter Break	<b>18</b> Winter Break	<b>19</b> Winter Break	<b>20</b> Winter Break	<b>21</b>	
<b>22</b>	<b>23</b> Performance task – Roosevelt passed Sherman Anti-Trust Act – was it necessary? Was industry too big? How do we balance the needs of workers and productive economy?	<b>24</b> Performance task – argumentative essay – was Sherman Anti- Trust Act Necessary? Give evidence from what we studied about monopolies and labor interests	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>	

## Industrialization Performance Task

### *Was the Sherman Anti-Trust Act Necessary?*

**Task:** Give evidence from what we studied about business monopolies, the “laissez-faire” economic model of capitalism, and labor union interests to evaluate the Sherman Anti-Trust Act.

**1. You will choose ONE of these perspectives, and write this essay from this viewpoint – Take a side, and make it believable!!**

- “Robber Baron”/Captain of Industry (Carnegie, Rockefeller, or Vanderbilt)

**OR**

- Worker who is a union member

**2. Answer your essay question:** Was the Sherman Anti-Trust law necessary?

In your answer, I suggest you address the following ideas in your body paragraphs:

- Are monopolies harmful to the economy? Why or why not?
- How do big industrial businesses help or hurt the lives of workers? (use examples from cases we studied)
- Why would President Roosevelt want to pass the Sherman Anti-Trust Act?
- Do you (as your character) agree or disagree with this law? Why?

**3. USE EVIDENCE AND CITE ALL SOURCES USED!!!**

# Industrialization (Sherman Anti-Trust Act) Performance Task

Name: \_\_\_\_\_

	Logically Organized	Supports Thesis	Incorporating Docs & Outside Information	Analysis	Writing Mechanics
<b>Score of 5 (Advanced)</b>	*Demonstrates a logical & clear plan of organization; includes an introduction & conclusion that are beyond a restatement of the theme.	*Richly supports the thesis with many relevant facts, examples, & details.	*Incorporates information from <i>at least</i> 75% of documents and includes relevant outside information from independent research.	*Is more analytical than descriptive (applies, analyzes, evaluates, & creates information).	*Sentences are well constructed. Very few to no errors in grammar and/or spelling.
<b>Score of 4 (Proficient)</b>	*Demonstrates a satisfactory plan of organization; includes an introduction & a conclusion that are beyond a restatement of the theme.	*Supports the thesis with relevant facts, examples, & details.	*Incorporates relevant and persuasive information from <i>several</i> documents.	*Is both descriptive & analytical (applies, analyzes, evaluates, and/or creates information).	*Almost all sentences are well constructed. Very few errors in grammar and/or spelling.
<b>Score of 3 (Bridging)</b>	*Demonstrates a satisfactory plan of organization; includes an introduction & a conclusion that may be a restatement of the theme.	*Includes some relevant facts, examples, & details; may include some minor inaccuracies.	*Incorporates relevant information for <i>some of the</i> documents.	*Is more descriptive than analytical (applies, may analyze and/or evaluate information).	*Most sentences are well constructed. Few errors in grammar and/or spelling.
<b>Score of 2 (Capable)</b>	*Demonstrates a general plan of organization; may lack focus; may contain digressions; may not clearly identify which aspect of the task is being addressed; may lack an introduction an/or a conclusion.	*Includes few relevant facts, examples, & details; may include some inaccuracies.	*Incorporates relevant information from a few documents.	*Is primarily descriptive; may include faulty, weak, or isolated application or analysis.	*Some sentences are well constructed. Several errors in grammar and/or spelling.
<b>Score of 1 (Emerging)</b>	*May demonstrate a weakness in organization; may lack focus; may contain digressions; may not clearly identify which aspect of the task is being addressed; may lack an introduction and/or a conclusion.	*Does not support thesis with evidence	*Makes vague, unclear references to the documents or consists primarily of relevant & irrelevant information copied from the documents.	*Is descriptive; may lack understanding, application, or analysis.	*Very few sentences are well constructed. Numerous errors in grammar and/or spelling.

Total Score: \_\_\_\_\_

## Was the Sherman Anti-Trust Act Necessary?

### Performance Task Outline

#### Introduction:

Background: 3-4 sentences give readers a context of the Industrial Era (time period, who were major Industrialists (Robber Barons), what is a monopoly, what were major labor conflicts, who was President when Sherman Anti-Trust Act was passed), and gives a preview about what your body paragraphs will discuss:

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Thesis Statement (main argument): Was the Sherman Anti-Trust Act necessary? State your position (ex: the Sherman Anti-Trust **was** or **was not** necessary because....) Explain **why** you took your position above (thesis should be 1 sentence – 2 max).

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#### Body Paragraphs:

Point 1 (Topic Sentence):

Evidence (Quote / Paraphrase that supports your point – CITE SOURCES):

Analyze/Explain (What does this evidence mean and why does it support your point?):

Point 2 (Topic Sentence):

Evidence (Quote / Paraphrase that supports your point - CITE SOURCES):

Analyze/Explain (What does this evidence mean and why does it support your point?):

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Point 3 (Topic Sentence):

Evidence (Quote / Paraphrase that supports your point- CITE SOURCES):

Analyze/Explain (What does this evidence mean and why does it support your point?):

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**Conclusion:**

Sum up your evidence and your position:

Relate/Connect (How has the outcome shaped modern times? How is your argument relative to current issues?)

Name (Person who is being graded): \_\_\_\_\_

### Peer Revision Checklist for Essay

#### Directions for Peer Reviewers:

1. Write "yes" or "no" in the space provided when the directions are a question.
2. Write a check mark in the space provided when the directions are a command.

**Peer Editor #1:** \_\_\_\_\_

You are looking at the structure of the essay.

\_\_\_\_\_ Does the writer have a thesis that is arguable?

\_\_\_\_\_ Write the thesis here: \_\_\_\_\_

\_\_\_\_\_ What three specific examples does the writer use to prove his/her thesis:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_ Does the writer effectively prove his or her thesis? Why or why not?

\_\_\_\_\_

**Peer Editor #2:** \_\_\_\_\_

You are looking at the structure of the body paragraphs.

\_\_\_\_\_ Does each body paragraph have an effective topic sentence?

\_\_\_\_\_ Does each paragraph have a reference to a specific source?

\_\_\_\_\_ If a paragraph is missing specific evidence, write it in the margin.

\_\_\_\_\_ Is each piece of evidence explained?

\_\_\_\_\_ **Does the writer link each body paragraph back to the thesis?**

**Peer Editor #3:** \_\_\_\_\_

You are looking to make sure all the conventions in the essay are correct.

\_\_\_\_\_ Is everything spelled correctly? Write correct spelling in the margins of the draft. **Use the dictionary!!**

\_\_\_\_\_ Is the essay free of mistakes with homophones (their, there, they're/ too, to, two/ your, you're, etc.)

\_\_\_\_\_ Are the words capitalized correctly? If not, capitalize them on the draft.

\_\_\_\_\_ Underline any grammatical errors.

\_\_\_\_\_ Do all the verbs agree with the subjects of the sentence? (I was, you were, etc.) If not, please correct.

\_\_\_\_\_ Correct any run-on sentences or fragments.





## Robber Baron Lesson

**Subject(s): US History**

**Grade: 11**

**Teacher(s): Gross**

1. **Essential Unit Question:**

2. **CCLS:**

**RH.11-12.1**

**RH.11-12.2**

**WHST.11-12.4**

**WHST.11-12.9**

3. **Relevance:** Why are the outcomes of this lesson important in the real world? Why are these outcomes essential for future learning?

Students will analyze different perspectives about historical figures that are oft lionized in historical narratives. Students will understand that historical figures, and people, make positive and negative contributions to society

4. **Knowledge/Skill:** What knowledge and what skills are the focus for today's lesson? Are these essential for the upcoming performance task?

Students will use critical reading skills and draw upon knowledge of past historical figures we have discussed. The background of industrialists will segue into the following day's DBQ/performance task on Andrew Carnegie. Students will have the appropriate background information to draw upon when writing about whether Carnegie was a hero

5. **Activities/Tasks:** What learning experiences will students engage in?

Do Now (10 minutes) – Come up with a definition for Robber Baron and Captain of Industry. Discuss  
Group Reading (20 minutes) – Students assigned to groups of 3. Read about industrialist and answer G.O.  
Discussion (10 minutes)- Roundtable discussion in which students share their industrialist and why they might be baron/captain  
Exit Ticket (10 minutes) – Students write using evidence from discussion and reading as to whether their industrialist was baron/captain

6. What **Level of Rigor/Understanding** is required *by student* to perform task?

Level 3 Discussion/Level 3 Writing/Level 2 Reading

7. **Formative Assessment:** How will you & your students know if they have successfully met lesson/task outcomes? What does success for this lesson look like?

Students will successfully engage in discussion with group members and come to a consensus as to whether their industrialist was a Robber Baron or Captain of Industry.

Students will be able to successfully justify their decision with evidence from their reading by discussing in groups. Students will also complete an exit ticket in which they cite specific evidence justifying whether their industrialist is a captain of industry or robber baron

**8. Resources/Materials:** What texts, digital resources, & materials will be used in this lesson?

Vanderbilt Information packet

Carnegie Information packet

Rockefeller Information packet

Robber Baron/Captain Graphic Organizer

Loose leaf

## Lesson Plan Mini- DBQ

By: Diane Blocker, Billy Day, Brian Givens and Brandi Harper  
Granted permission for format by The DBQ Project

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### Captains of Industry or Robber Barons?

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Alabama State Social Studies Course of Study Objective- 11<sup>th</sup> Grade U.S. History

1. Explain the transition of the United States from an agrarian society to an industrial nation prior to World War I.
  - Interpreting the impact of change from workshop to factory on workers' lives, including the New Industrial Age from 1870 to 1900, the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO), the Industrial Workers of the World (IWW), the Pullman Strike, the Haymarket Square Riot, and the impact of John D. Rockefeller, Andrew Carnegie, Samuel Gompers, Eugene V. Debs, A. Philip Randolph, and Thomas Alva Edison

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#### Day 1 (45 minutes)

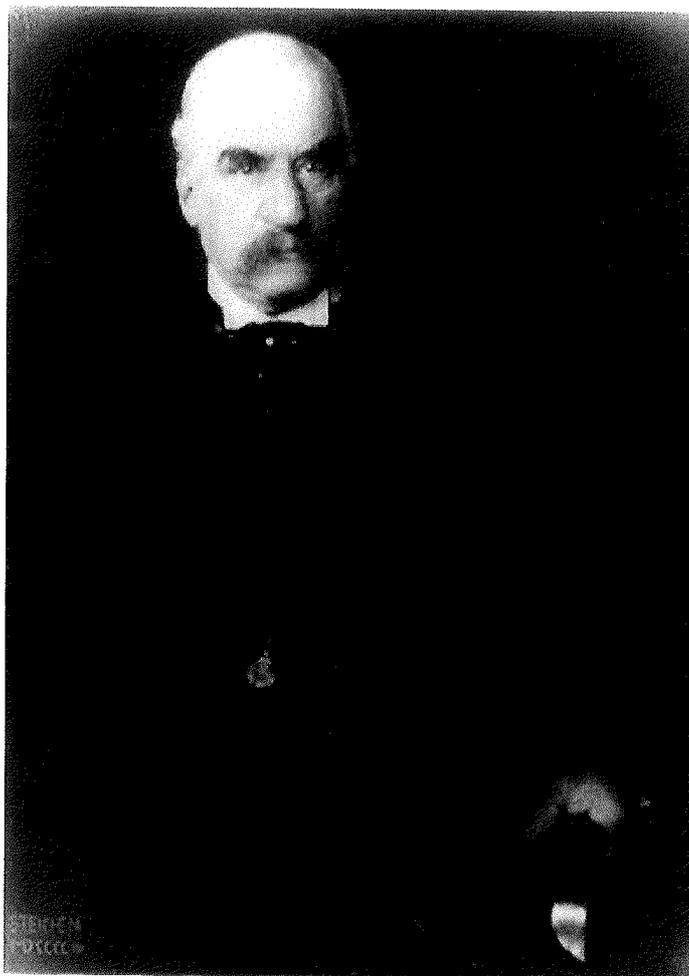
1. **Hook Activity**- Use activity to get students attention/ interest in the topic of the Mini-DBQ.
2. **Background Essay**- Have students read the background essay and answer the questions that accompany it. Then discuss the questions/ answers with the students. Clarify any terms in the essay for students who do not know the meaning of the word.
3. **Question** -Discuss the Question presented in the Background Essay: *Captains of Industry or Robber Barons?*- Define Terms- Have students to rewrite the question in their own words.  
**Pre-Bucketing**- Main Argument and Counter- Argument.
4. **Document Analysis**- Model document analysis with the class by choosing one document to analyze with the class. Answer the questions that go along with the document as a group.
5. **Homework**- Have students analyze the remaining documents and answer the questions that go with the documents.

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#### Day 2 (45 minutes)

1. **Document Analysis Continued**- Have students work in pairs to discuss the answers to the document analysis questions that they did for homework. Have them tweak their answers if necessary.
2. **Class Discussion**- Discuss the documents/ questions as a whole- class activity. (A Debate Activity is an option at this point in the lesson).
3. **Bucketing and Chickenfoot**- Have students complete bucketing and chickenfoot worksheet.
4. **Thesis** - Have students fill out the Outline Guide Sheet in preparation of writing their essay. Guide them as necessary.
5. **Homework**- Assign a multi-paragraph essay based on Outline Guide Sheet.

# Captains of Industry or Robber Barons?



Edward Steichen / NPG / Art Resource, NY

**Overview:** The thirty years plus following the end of Civil War is often referred to as the Gilded Age. This was a term coined by Mark Twain, the most renowned American writer of the period. It refers to a superficial period of intense economic growth. During this time, businessmen created large business organizations known as trusts. The ingenuity of these entrepreneurs earned them the titles of “Captains of Industry.” Yet, their ruthlessness in building wealth at the expense of their competitors, workers, and consumers often earned them the titles “Robber Barons.” This Mini- Q asks you to decide whether these businessmen were truly “Captains of Industry” or assuredly “Robber Barons?”

## Captains of Industry or Robber Barons?

During the post- Civil War period, an era commonly referred to as the **Gilded Age**, the economy of the United States grew at a fantastic rate. With the exception of a **recession** during the mid-1870s and another during the mid- 1890s, the economic growth was unprecedented in United States history. Manufacturing output increased by 180 percent. Railroads, an important **catalyst** of growth, increased in miles by 113 percent. Steel production grew to over 10,000,000 tons per year by 1900. Every aspect of the American economy expanded from traditional activities to new enterprises brought about by the huge influx of cutting-edge technological inventions. The **gross national product** almost doubled during the period and the per capita GNP increased by 35 percent. Wages matured by 20 percent and a new American middle class emerged for the first time in the history of the United States.

Cities grew during this period as people moved from rural areas and immigrants arrived from around the world to work in the ever expanding factories. The population of Chicago for example multiplied from 30,000 people in 1850 to over 1,700,000 by 1900. The population of New York City increased during the same period from just over 500,000 to over 3,000,000. Birmingham, Alabama emerged in 1871 as a new city built upon the thriving steel industry. Electricity began to light and power the industrial cities with the patenting of the **dynamo**. Skyscrapers emerged to change the landscape of the American city.

Farsighted, shrewd, and enterprising businessmen are often credited with bringing about the economic prosperity of the period. The steelmaker Andrew Carnegie, the banker J.P. Morgan, the oilman John D. Rockefeller, and the railroad magnates Jay Gould and Cornelius

Vanderbilt top the list of a group of industrialists often identified as the “captains of industry” who had the vision and invested the time and effort to grow the economy.

Yet, not everyone at the time had a favorable view of these **entrepreneurs**. In an effort to create monopolies, corner markets, and increase profits these men often resorted to rather **unscrupulous** tactics. These methods included manipulating the stock market, bribing politicians and officeholders, cheating stockholders, and ruining competitors. Consumer prices rose as the **trusts** held by these men came to control entire industries.

Workers were treated badly by the capitalists and their management organizations. Workers were often forbidden to strike, paid very low wages, and forced to work very long hours. Working conditions in both factories and mines were deplorable. Housing for the working class was crowded and substandard. Child labor made up over 5 percent of the national labor force. These tactics soon led to the businessman being labeled as “robber barons.”

By the early twentieth century, the richest 9 percent of Americans controlled 75 percent of the national wealth. The number of millionaires increased from 300 to over 4,000. Yet, working families were forced to rely on two, three, and sometimes more, incomes to make ends meet. To the poor, the working class, reformers, and consumers, the Gilded Age was not golden.

Still, the businessmen of the period felt justified in their actions as the United States became the world’s leading industrial power with the U.S. producing as much as Germany, Britain, and France combined. Examine the documents that follow and answer the question presented in this Mini-Q: Captains of Industry or Robber Barons?

## Hook Exercise: Captains of Industry or Robber Barons?

**Directions:** Examine the two definitions below- Captain of Industry and Robber Baron. Then read the list of business activities practiced by businessmen of the Gilded Age. In the blank space following each activity 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 as 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 break the 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 Jim Fish cornered the gold market by bribing the U.S. Treasury Secretary into not releasing gold into circulation, which drove up the price of gold which Gould and Fisk were hoarding. \_\_\_\_\_
9. By 1890, the richest 9 percent of Americans held 75 percent 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. \_\_\_\_\_
10. Between 1860 and 1890, the U.S. Patent Office issued over 400,000 patents. The technological innovation and applied science promoted by entrepreneurs brought about many inventions still in use today. \_\_\_\_\_

## Background Essay Questions

1. Which industry was considered a catalyst of economic growth during the Gilded Age?
2. What was the population of the cities of Chicago and New York City in 1900?
3. What year was Birmingham, Alabama founded? On what industry was it built?
4. What were some of the methods used by businessmen to create monopolies and increase profits?
5. How were workers treated during the Gilded Age?
6. Match the businessmen listed below with the industry that they controlled.

Andrew Carnegie

Oil

Jay Gould

Banking

John D. Rockefeller

Steel

J. P. Morgan

Railroads

7. Define or explain the following terms:

Gilded Age

recession

catalyst

gross national product

dynamo

entrepreneur

unscrupulous

trust

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**1865-** Civil War ends

**1870-** Standard Oil founded

**1879-** Edison invents the light bulb

**1887-** Interstate Commerce Act passed

**1892-** Homestead Strike

## Document A

Source: Library of Congress/ Puck Magazine



### Document Analysis

1. In the cartoon above, who do the men at the top of the image represent? What are they sitting on?
2. In the same cartoon, who do the men at the bottom of the image represent? What are they trying to do?
3. What are some of the industries depicted in the cartoon?
4. What is the point that the artist is trying to make with this cartoon?

## Document B

Source: Andrew Carnegie, *Wealth and Its Uses* (1907)

“It will be a great mistake for the community to shoot the millionaires, for they are the bees that make the most honey, and contribute most to the hive even after they have gorged themselves full.” ~ Andrew Carnegie

“While the law [of competition] may be sometimes hard for the individual, it is best for the race, because it insures the survival of the fittest in every department. We accept and welcome, therefore, as conditions to which we must accommodate ourselves, great inequality of environment, the concentration of business, industrial and commercial, in the hands of the few, and the law of competition between these, as being not only beneficial, but essential for the future progress of the race.” ~ Andrew Carnegie

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Source: Andrew Carnegie, *The Gospel of Wealth* (1889)

“Thus the problem of Rich and Poor to be solved. The laws of accumulation will be left free; the laws of distribution free. Individualism will continue, but the millionaire will be a trustee for the poor; entrusted for a season with a great part of the increased wealth of the community, but administering it for the community far better than it could or would have done itself.” ~ Andrew Carnegie

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### Document Analysis

1. In the first quote from Carnegie in *Wealth and Its Uses*, what does Carnegie mean by “contribute most to the hive?”
2. In the second quote from *Wealth and Its Uses*, what does Carnegie mean by “survival of the fittest?” What concept is Carnegie promoting with this quote?
3. What do you think Carnegie means by “the problem of the Rich and Poor”?
4. In the first quote from *Wealth and Its Uses*, and in the quote from *The Gospel of Wealth*, what does Carnegie argue is the role of the millionaire in relation to the community?
5. What is the overall point that Carnegie is trying to make with these quotes?

## Document C

*This, then, is held to be the duty of the man of wealth: First, to set an example of modest, unostentatious living, shunning display or extravagance; ... and, after doing so, to consider all surplus revenues which come to him simply as trust funds, which he is called upon to administer... to produce the most beneficial results for the community—the man of wealth thus becoming the mere trustee and agent for his poorer brethren, bringing to their service his superior wisdom, experience and ability to administer, doing for them better than they would or could do for themselves."*

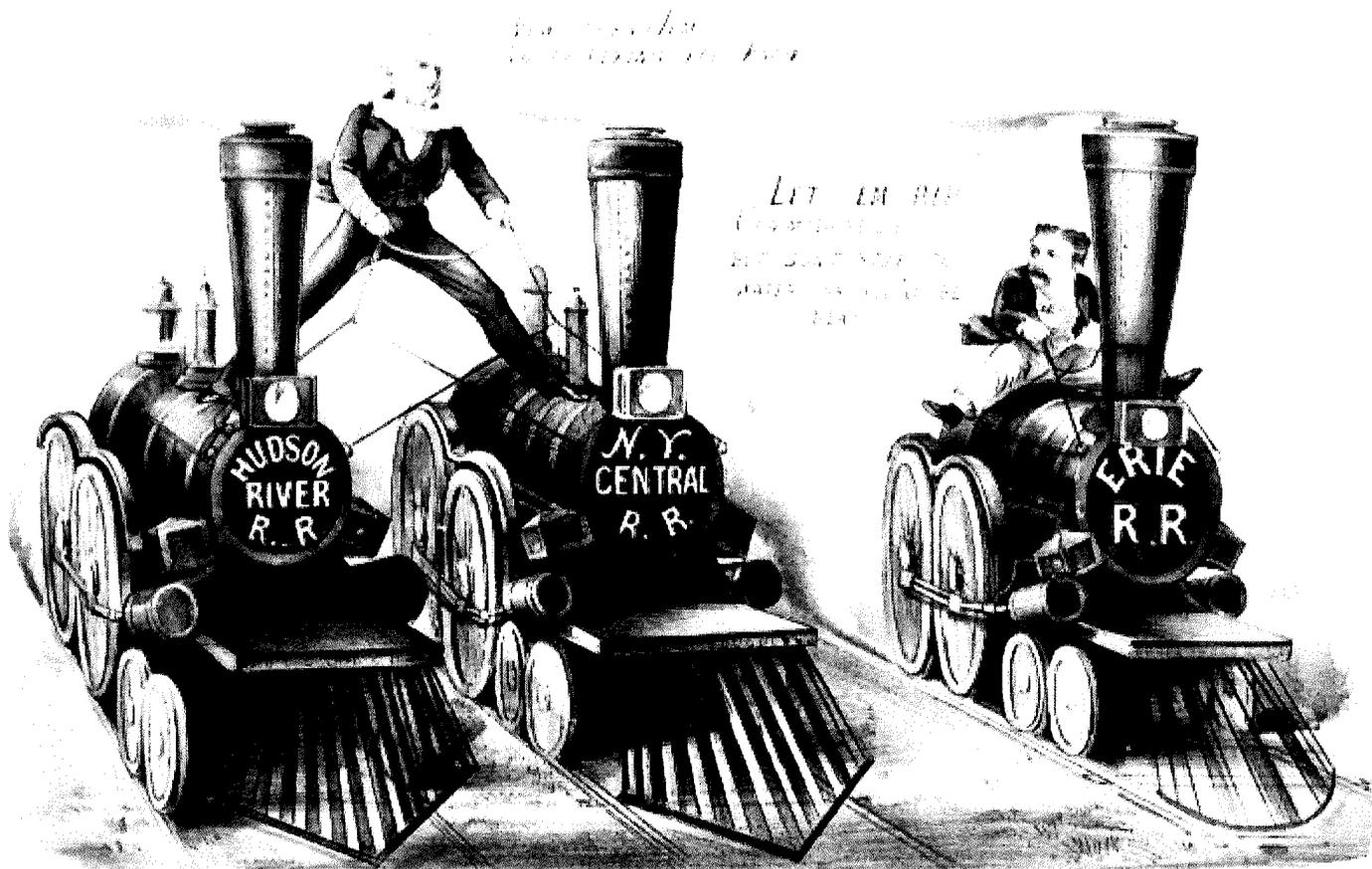
—From "Wealth," by Andrew Carnegie, *North American Review* (1889)

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### Document Analysis

1. In this quote from "Wealth," what example should the "man of wealth" set?
2. In this quote from "Wealth," how should the "man of wealth" administer the trust fund of his surplus revenues?
3. According to Carnegie, what does the man of wealth have that "his poorer brethren" doesn't (besides money)?
4. Does this quote indicate that Carnegie is a Captain of Industry or a Robber Baron?

## Document D



THE GREAT RACE FOR THE WESTERN STAKES 1870

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### Document Analysis

1. In the cartoon above, who do the two men represent? What are they doing?
2. What are the two men talking about?
3. What is the artist trying to say in the cartoon?
4. Does this cartoon indicate that Vanderbilt is a Captain of Industry or a Robber Baron?

## Document E

Source: *Horace Taylor, The Verdict, Sept. 25, 1899*



THE TRUST GIANTS POINT OF VIEW  
BY HORACE TAYLOR

*What a Funny Little Government !"*

### Document Analysis

1. According to the cartoon, who controls the national government- the American people or large corporations?
2. Who represents the trusts in this cartoon?
3. What industry did this representative dominate?
4. What are some symbols of industry represented in this cartoon?
5. The title of this cartoon is "The Trust Giants Point Of View." What is the point of view of the "trust giants?"
6. Does this cartoon identify American entrepreneurs as "Captains of Industry" or as "Robber Barons?"

## Document F

Source: [http://www.dcte.udel.edu/hlp/resources/lessons/lesson2b/2b\\_2.pdf](http://www.dcte.udel.edu/hlp/resources/lessons/lesson2b/2b_2.pdf)

Historian B 1953

“Much of the blame heaped on the captains of industry in the late 19<sup>th</sup> century is unwarranted. Although people like Rockefeller used methods that were ethically questionable, the kind of monopolistic control that they exercised was a natural response to the cutthroat competition of the period and reflected the trend toward business consolidation in all industrial nations. The captains of industry like Rockefeller were innovators, thinkers, planners, and bold entrepreneurs who imposed upon American industry a more rational and efficient pattern. They also created a model of philanthropy for all to follow. Had it not been for these captains of industry, the free world might have lost the first world war and most certainly have lost the second.”

### Document Analysis

1. What view does Historian B have of Gilded Age entrepreneurs? How does he/she describe them?
2. Does the historian admit that the methods of the businessmen of the period are unethical?
3. What does Historian B consider to be the entrepreneur's major contributions to the free world?
4. Is the quote from Historian B a primary or secondary source?
5. What is the overall message presented in the quote?

## From Thesis to Essay Writing

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### Mini- Q Essay Outline Guide

#### Working Title

#### Paragraph # 1

Grabber

Background

Stating the question with key terms defined

Thesis and roadmap

#### Paragraph # 2

Baby Thesis for bucket one

Evidence: supporting detail from documents with document citation

Argument: connecting evidence to the thesis

#### Paragraph # 3

Baby Thesis for bucket two

Evidence

Argument

#### Paragraph # 4 (if necessary)

Baby Thesis for bucket three

Evidence

Argument

#### Paragraph # 5

Conclusion: restatement of main idea along with possible insight or wrinkle

Name \_\_\_\_\_ Date \_\_\_\_\_

# Robber Baron or Captain of Industry?

Group Members:

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	Assigned Individual
How he acquired his wealth.	
How he (or his related industries) treated workers.	
How he spent his money.	
How he donated his money.	
Robber Baron or Captain of Industry?	





## BPHS Lesson Plan – Immigration & Census Lesson

**Subject(s): US History**

**Grade: 11**

**Teacher(s): Gross**

**1. Essential Unit Question:**

**Lesson Aim:**

How can we learn about Industrial era workers from census data?

**2. CCLS:**

**RH.11-12.1**

**RH.11-12.2**

**WHST.11-12.4**

**WHST.11-12.9**

**3. Relevance:** Why are the outcomes of this lesson important in the real world? Why are these outcomes essential for future learning?

1. Examining the census as a document to study the purpose and effect of categorizing race, class, and national origin
2. Critique the categories/purpose of the census (how and why is race used as a category) – for quotas

**4. Knowledge/Skill:** What knowledge and what skills are the focus for today's lesson? Are these essential for the upcoming performance task?

-Evaluate authors' differing points of view on the same historical event or issue by assessing the authors' claims, reasoning, and evidence.

-Identify connection between historical events and modern day use of race as a social category & control over racial numbers

**5. Activities/Tasks:** What learning experiences will students engage in?

**Procedure:**

**1. Do Now:** Take the 2010 census

- how do you feel, what do you notice?
- What categories stuck out to you?

(5-7 mins)

**3. Share out reactions**

How do you feel about the information you were asked to share with the government? Why? (3 mins)

**4. Slides**

- The census is a way we learn about people from the past and people today
- The government uses the census to learn about where people live, what income they make, race, gender, age data, etc.
- How was census data used in the past? Lets look at some documents.

**5. Small group work**

- 1870, 1900, 1915, 1930 as partners/small groups with guiding questions for written response

Questions:

- what categories do you see listed here?
- Do any of these categories seem out of place/strange to you?
- Why do you think the census was used?

5. Share out & segue to interactive instructed learning with slides:

Key information:

- Immigration Quotas
- Nativists & labor unions – immigrants will take jobs
- Census as a way to control numbers – race, etc.
- So why do we have racial categories on census today – for what purpose?

6. Read the argumentative article on census data and race, written response (7 mins)

7. Follow-up discussion – What is this author arguing? Do you agree with this author's argument? Disagree? Use talking piece for students to facilitate the discussion (5-8 mins)

8. exit ticket - regents questions (3 mins)

6. What **Level of Rigor/Understanding** is required *by student* to perform task?

Level 3 Reading-Analyzing competing primary sources and a secondary source – article on  
Level 3 Writing-Answering content based questions by citing a variety of primary sources from the census data. Answer and assert an opinion on an argumentative piece about race & the census.  
Level 3 or 4 discussion – student led discussion on their opinion about race and the census

7. **Formative Assessment:** How will you & your students know if they have successfully met lesson/task outcomes? What does success for this lesson look like?

Completed guided questions on census data

Teacher check for understanding on how students interpret census data

Reading article

Completed exit ticket

8. **Resources/Materials:** What texts, digital resources, & materials will be used in this lesson?

Slides

Docs

Articles

### Tenement Census Data

1. What information can you gather from comparing census data?
2. How could you describe people living at 97 Orchard Street during these time periods? (Age, nationality – where they came from, race, jobs)
3. Did you notice any changes over the years? Explain.
4. Why might racial categories/nationality have been included on the census? Are they necessary? If so, why?

## Homestead Strike Lesson Plan

**Central Historical Question:**  
*Why did the Homestead Strike turn violent?*

### Materials:

- Transparencies of Documents A and B
- Copies of Documents A and B
- Copies of Guiding Questions
- Copies of Homestead Timeline

### Plan of Instruction:

1. [NOTE: This lesson should follow a more thorough lecture on labor and industry that includes the following concepts: rise of industrialism (inc. railroad expansion, steel, oil, etc.); monopolies/trusts; unions and strikes].

Review key concepts about labor/industry relations:

- a. Workers formed labor unions to protect their rights and to give them power to collectively bargain.
- b. Business owners saw labor unions as unfair because they prevent competition.
- c. Throughout the industrial era, unions were involved in a number of strikes; often, these strikes turned violent.

Today, we're going to practice the skills of SOURCING and CLOSE READING and CORROBORATION, while looking at different accounts of one of the most violent strikes of the time: The Homestead Strike.

2. Hand out Homestead Timeline. Have students follow as you lecture on background on Homestead:
  - *Andrew Carnegie (robber baron, captain of the steel industry) owned a steel mill in Homestead, PA, near Pittsburgh.*
  - *Union at the steel mill, the Amalgamated Association (AA), formed and won a couple of early strikes.*
  - *Homestead was run by Henry Clay Frick whose goal was to break the union.*
  - *When the union's contract was up in 1892, Frick refused to negotiate a new contract and locked workers out.*
  - *Frick hired the Pinkerton Detectives to provide security and break the strike.*
  - *When the Pinkertons tried to enter the mill, there was conflict. The conflict lasted for 14 hours and left 16 people dead.*

- *The strike lasted four more months until the union gave in. Frick succeeded in breaking the union.*

3. Transition:

*Today we are going to look at two documents with different perspectives on the Homestead Strike. As we look at these documents, we are going to decide why these documents offer such different accounts of the strike and which account is more believable.*

4. Cognitive modeling/guided practice: Document A: Emma Goldman

Hand out copies of Emma Goldman document and put transparency on overhead projector.

a. Guided practice: Sourcing

- *We see here that she's an anarchist and supports labor rights. What position do you expect her to take on the strike?*
- *When was this written? How does that make you feel about the reliability of the document?*

b. Cognitive modeling: Close reading

- *Now I'm going to demonstrate close reading. I've already determined that Goldman probably supports the workers. Now I'm going to see if I am right. I'm going to circle all the words that seem particularly strong and think about what effect these words have.*
- *Read through document. Circle powerful phrases, for example:*
  - *"men of decision and grit"*
  - *"great wealth and prosperity"*
  - *"open declaration of war"*
  - *"manly"; "rebellious forebears"*
  - *"slaughter of steelworkers"*
- *Do these words make one side seem "right" or "wrong"? How do I know?*
- *I'm also going to ask: whose perspective is missing in this document?*

5. Guided practice on Document B: Henry Frick:

Hand out copies of Henry Frick document and put transparency on overhead projector.

Now we are going to look at a document written by Henry Frick.

a. Sourcing:

- *Who wrote this? What's his perspective?*
- *How might his description and his language differ from Goldman's?*
- *Date July 8—one week after the crisis—how might this effect what Frick will say?*

b. Close Reading:

- *What words stand out? ["final" "impossible" –sounds like he's talking to children].*
- *Is there any evidence that he's trying to sound reasonable and logical? Why might he want to sound reasonable?*

6. Corroboration between Goldman and Frick: Students complete Guiding Questions. (Skip to discussion if time is limited).

7. Discussion:

- Why did the Homestead Strike turn violent?
- What are the differences between Goldman's account and Frick's account?
- Which account do you find more believable? Why?
- Can we ever know what happened?
- What other materials would you want to look at in order to try to figure out what happened at Homestead?

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Citations:

Emma Goldman, *Living My Life* (New York: Alfred Knopf, Inc., 1931) 83–88.  
<http://historymatters.gmu.edu/d/99/>

Henry Frick, *Pittsburgh Post*, 8 July 1892. Reprinted in House Report 2447, 52nd Congress, 2nd Session: *Employment of Pinkerton Detectives* (Washington, D.C.: 1892).  
<http://historymatters.gmu.edu/d/5349/>

## Homestead Strike Timeline

**Where:** Homestead, Pennsylvania

**Union:** Amalgamated Association of Iron and Steel Workers

**Company:** Carnegie Steel Company

**1876:**

Amalgamated Association, union for iron and steel workers, forms.

**1881:**

Carnegie put Frick in charge of the Homestead factory.

**1882 and 1889:**

Amalgamated Association won two big strikes against the Carnegie Company. After 1889, the union became very powerful and organized. They had a very strong union contract.

**February 1892:**

Amalgamated Association asked for a wage increase. Frick responded with a wage decrease.

**June 29, 1892:**

The old contract expired without the two sides reaching an agreement. Frick locked the workers out of the plant, using a high fence topped with barbed wire.

**June 30, 1892:**

Workers decided to strike and they surrounded the plant to make sure that no strikebreakers would enter.

**July 6, 1892:**

After the local sheriff was unable to control the strikers, Frick hired guards from the National Pinkerton Detective Agency to secure the factory so that strikebreakers could enter.

The Pinkertons arrived by boat in the middle of the night, hoping to surround the factory unnoticed.

The strikers knew they were coming. Shots were fired and people killed on both sides.

## Document A: Emma Goldman (Modified)

It was May 1892. Trouble had broken out between the Carnegie Steel Company and its workers, organized in the Amalgamated Association of Iron and Steel Workers. Amalgamated Association was one of the biggest and most efficient unions in the country, consisting mostly of strong Americans, men of decision and grit, who stood up for their rights. The Carnegie Company, on the other hand, was a powerful corporation. Andrew Carnegie, its president, had turned over management to Henry Clay Frick, a man known for his hatred of unions and workers.

The Carnegie Company enjoyed great wealth and prosperity. Wages were arranged between the company and the union, according to a sliding scale based on the current market price of steel products.

Andrew Carnegie decided to abolish the sliding scale. The company would make no more agreements with the Amalgamated Association. In fact, he would not recognize the union at all. Then, he closed the mills. It was an open declaration of war.

The steel-workers declared that they were ready to take up the challenge of Frick: they would insist on their right to organize and to deal collectively with their employers. Their tone was manly, ringing with the spirit of their rebellious forebears of the Revolutionary War.

Then the news flashed across the country of the slaughter of steel-workers by Pinkertons. In the dead of night, Frick sent a boat packed with strike-breakers and heavily armed Pinkerton thugs to the mill. The workers stationed themselves along the shore, determined to drive back Frick's hirelings. When the boat got within range, the Pinkertons had opened fire, without warning, killing a number of Homestead men on the shore, among them a little boy, and wounding scores of others.

*Source: Emma Goldman was political activist and radical who fiercely supported workers' rights. The document above comes from her autobiography, written in 1931, where she remembers her reaction to the Homestead strike, thirty-nine years later.*

## Document B: Henry Frick

I can say as clearly as possible that under no circumstances will we have any further dealings with the Amalgamated Association as an organization. This is final.

The workmen in the Amalgamated Association work under what is known as a sliding scale. As the price of steel rises, the earnings of the men also rise; as the prices fall, their wages also fall. The wages are not allowed to fall below a certain amount, which is called the minimum. Until now, the minimum has been \$25 per ton of steel produced. We have recently changed the minimum to \$23 instead of \$25. We believe this is reasonable because the Carnegie Company has spent a lot of money on new machinery that allows workers to increase their daily output, and therefore increase their earnings. The Amalgamated Association was unwilling to consider a minimum below \$24, even though the improved machinery would enable workers to earn more. We found it impossible to arrive at any agreement with the Amalgamated Association, so we decided to close our works at Homestead.

The Amalgamated men surrounded our property and blocked all of the entrances and all roads leading to Homestead. We felt that for the safety of our property, it was necessary for us to hire our own guards to assist the sheriff.

We brought our guards here as quietly as possible; had them taken to Homestead at an hour of the night when we hoped to have them enter without any interference whatever and without meeting anybody. All our efforts were to prevent the possibilities of a confrontation between the Amalgamated Association and our guards.

We have investigated and learned that the Amalgamated men and their friends fired on our guards for twenty-five minutes before they reached our property, and then again after they had reached our property. Our guards did not return the fire until after the boats had touched the shore, and after three of our guards had been wounded, one fatally.

*Source: In this newspaper interview in the Pittsburgh Post on July 8, 1892, Frick explains his opposition to the union's demands.*

**Guiding Questions**

**Name** \_\_\_\_\_

1. How are Goldman and Frick's claims about the Homestead strike different?

2. Whose claim is more believable? Why?

## UNIT VII

# Was Andrew Carnegie a Hero?

A Document Based Exercise

### Introductory Note for Teachers

As with each of the document based exercises in this series, teachers have the option of using a shorter and easier version of student materials or a somewhat longer and more complex

version. Each version contains a background essay, a document list, and the documents themselves. Accompanying teacher materials provide direction and support for each version.

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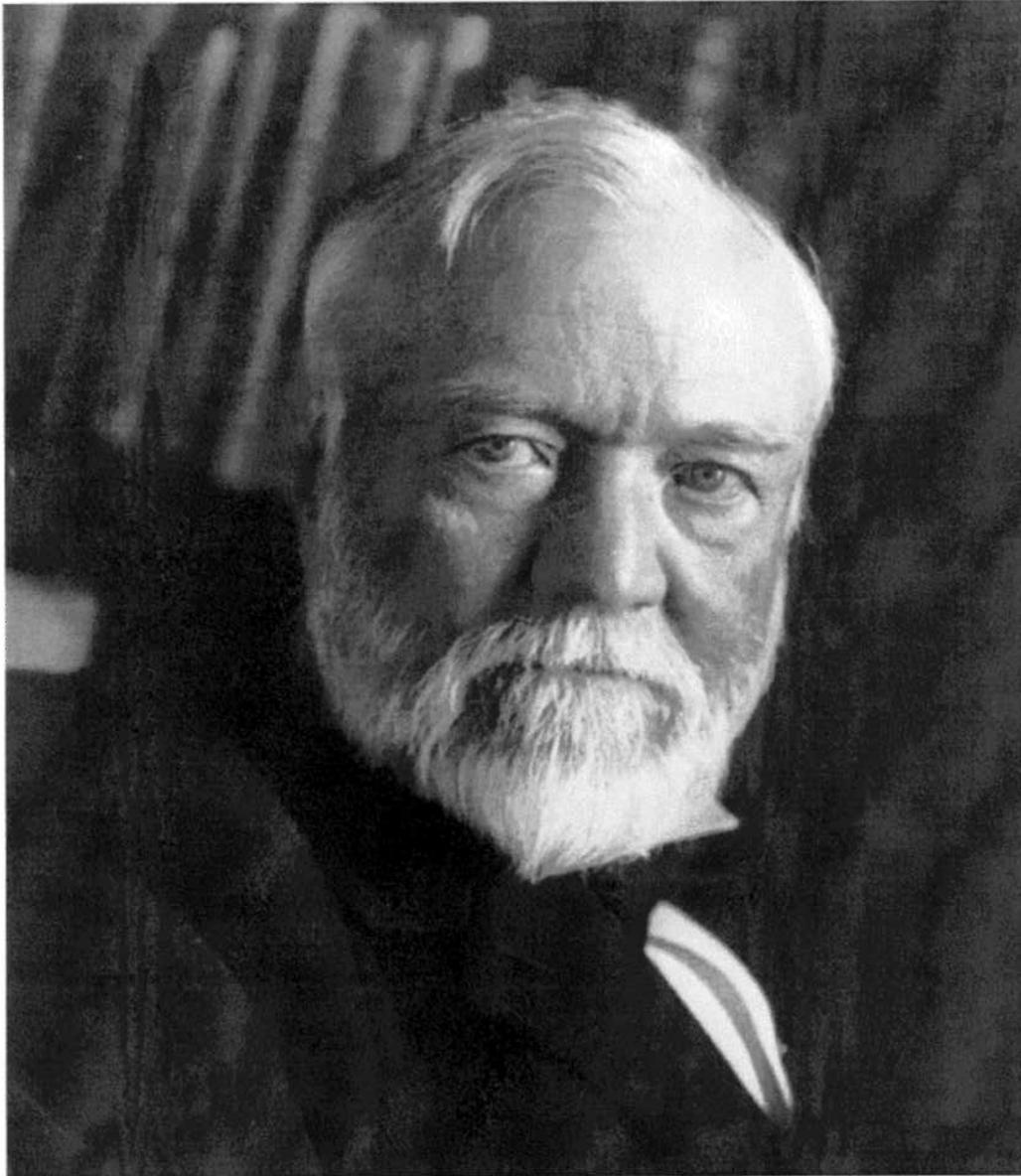
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# Was Andrew Carnegie a Hero?

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Library of Congress-Prints and Photographs: LC-USZ262-48403

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A Document Based Question (DBQ)

## STUDENT GUIDE SHEET

### Was Andrew Carnegie a Hero?

**Directions:** In the second half of the 19th century the industrial age arrived full-blown in America. It was an age of big railroads, big flour, big oil, and huge bonanza farms. But nothing caught the American imagination more than big steel; and in the field of steel, no person caught America's attention more than Andrew Carnegie. This DBQ asks whether or not Andrew Carnegie is deserving of the title "hero."

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#### It is suggested that you follow these steps:

1. Do the Hook Exercise to help you consider possible heroic traits.
2. Read the Background Essay.
3. Skim through the 16 documents to get a sense of what they are about.
4. Read the documents slowly. In the margins, or on a Document Analysis Sheet, record the main idea of each document.
5. Organize the documents by analytical category. Each category should deal with a central aspect of Carnegie's business or personal life.
6. Develop a thesis and argue whether or not Andrew Carnegie was a hero.

#### The Documents:

- Document A: Carnegie's Houses: Dunfermline Cottage and Skibo (photos)
- Document B: Carnegie on Survival of the Fittest
- Document C: Carnegie on Costs
- Document D: Cost of Making Carnegie Steel (chart)
- Document E: Overall Steel Production (chart)
- Document F: The Allegheny Steel Company
- Document G: Carnegie Properties: Vertical Integration (map)
- Document H: Hamlin Garland: Conditions at Homestead
- Document I: Wages Compared (chart)
- Document J: Homestead Strike
- Document K: Carnegie's Response to Homestead
- Document L: *St. Louis Post-Dispatch* Editorial
- Document M: "The Gospel of Wealth"
- Document N: Carnegie's Philanthropy
- Document O: Carnegie's "Great Double Role" (cartoon)
- Document P: William Jewett Tucker - Charity is not Justice

## Was Andrew Carnegie a Hero?

After the surrender of Robert E. Lee and the passing of Abraham Lincoln in 1865, where was America to find its heroes? The country was between wars, between successful reform movements, and between famous presidents. Baseball was in its infancy; basketball and football were still to be invented. There were no movie stars because there were no movies, no radio or TV personalities because there was no radio and no television. So where to look for heroes?

With a respectful nod to the Wild West, it was probably business that offered the best possibilities. Certain marquee players were becoming household names – men like oil tycoon John Rockefeller, banking giant JP Morgan, and railroad magnate James J. Hill. There were James Duke in cigarettes, Leland Stanford in railroads, Cornelius and William Vanderbilt in even more railroads – each man building his own little empire, each making the grand gesture of leaving America a university in his own name.

But no man of business drew more attention than the king of steel, Andrew Carnegie. It is possible to argue that until Teddy Roosevelt poked his head out from behind the stage curtains, much of the world regarded Carnegie as the most famous living American.

### Life Before Steel

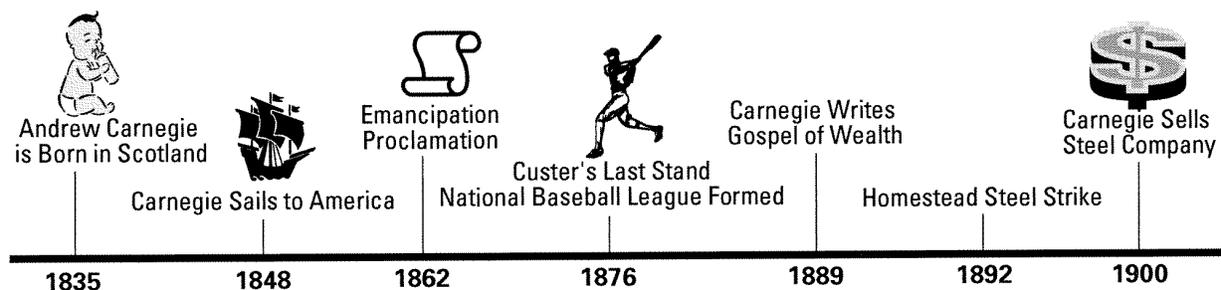
Andrew Carnegie grew up poor. He was born in November 1835, in an attic room of a weaver's cottage in Dunfermline, Scotland. At age eight, he began his limited formal education

in a one-room school crammed with 150 students. Driven out by the arrival of power looms and the fallout of the Irish potato famine, the family left Scotland for the United States in 1848. From Ellis Island in New York, it was west on the Erie Canal to Buffalo and then on to Pittsburgh.

The twelve-year-old Carnegie went to work almost immediately. His family needed \$7.50 a week to make ends meet, and to earn even that small amount wasn't easy. Andy got a job at a local textile mill setting and removing bobbins as they filled with spun yarn. He was working six 12-hour days for \$1.20 a week. A year later Andrew found a more challenging job delivering telegrams. He got to the point where he could recognize most Pittsburgh businessmen by sight and was noted for his hustle.

On the side, Andrew taught himself how to tap out Morse code telegraph messages and at sixteen he was promoted to telegraph operator. He became locally famous for being able to decode the dot-dot dash-dash messages by ear, one of only three telegraph operators in the country who could do so. Andrew was now earning \$4.00 a week!

One year later, at age seventeen, young Carnegie was noticed by the general superintendent of the Pennsylvania Railroad and was hired at \$8.00 a week. Andy's job involved setting schedules and untangling train wrecks. Within seven years he had worked himself up to supervisor of the Pennsy's entire Western Division. Andrew was just 24 and making a solid \$1,500



a year. His future with one of America's strongest railroad companies seemed set.

But for Carnegie the Pennsylvania Railroad was only a beginning. In 1855 Andrew discovered the world of investment. At considerable risk, he mortgaged the house he shared with his mother, and invested \$610 in a package delivery company that did business with the Pennsylvania Railroad. Luckily, his gamble paid off. It impressed Carnegie that money wisely invested could make more money. By 1863, and now just 28 years old, Carnegie was receiving dividends from his investments that far exceeded his salary with the railroad.

Carnegie's march to business success was not always in a straight line. In the spring of 1861 the nation was in the first weeks of civil war. Washington D.C. was in danger of being taken by Confederate troops. Andy's boss at the Pennsylvania Railroad, Tom Scott, was asked to supervise rail transport of materials and troops in the D.C. area. Scott asked Andy to join him. Andrew played a key role in the evacuation of wounded and retreating Union soldiers from Bull Run, riding the last locomotive out from the besieged pickup station.

Carnegie's next brush with Civil War combat took place in the safety of his Pittsburgh office. Three years into the war, Carnegie received a draft notice from the Union army. Carnegie followed the practice of many wealthy Northern draftees and hired a Pittsburgh draft agent to find a replacement. For \$850 Carnegie bought his way out of military service. It was a legal transaction. An Irish immigrant took the money and served in Carnegie's place.

As the Civil War came to a close, Carnegie decided to leave Pennsylvania Railroad. After a five month trip to Europe, Carnegie moved to New York City with his mother. He loved the idea of living in the business power center of America. But Carnegie had conflicting thoughts. In the Christmas season of 1868, he sat down in his plush room at the St. Nicholas Hotel and wrote himself a letter:

*Dec. '68  
St. Nicholas Hotel  
N York*

*Thirty three and an income of \$50,000 per annum. By this time two years I can so arrange all my business as to secure at least \$50,000 per annum. Beyond this never earn – make no effort to increase fortune, but spend the surplus each year for benevolent purposes. Cast aside business forever except for others.*

The letter went on but his intention was clear – he had enough money and would soon devote himself to higher purposes. Or would he?

### Life With Steel

In 1872, at just the time he had planned to get out of business, Carnegie made a trip to England. There he met Henry Bessemer. Some 20 years before, Bessemer had developed a special technique for converting iron into the purer, stronger material we call steel. Carnegie was aware of the steel-making process – one of his business properties back in Pittsburgh was the Union Iron Mills – but now he saw it up close and he was excited. As Carnegie put it, he “got the flash.” He would adopt the Bessemer system and build a steel mill in America. So much for retirement!

There were several steps in the steel-making process:

1. Iron ore was removed from giant open-pit mines.
2. The ore was transported by rail and ore boat to a large blast furnace.
3. The iron ore was mixed with limestone, heated with a coal-based fuel called coke and then subjected to powerful blasts of air.
4. The molten iron was poured off and cooled.

5. The resulting iron ingot was then transported from the blast furnace to the steel mill where it was reheated and the impure carbon burned off in a Bessemer furnace.
6. The iron ingot was now a steel ingot and was rolled into a heavy steel bar called a bloom.
7. These huge bars could then be shaped into rails for railroads, into I-beams for bridge or building construction, or rolled into plate for cladding a battleship.

Carnegie was good at making things happen. Within months of his return to the States, he had acquired 107 acres of land outside of Pittsburgh. He raised \$700,000 in investment capital, \$250,000 of it his own. Within twelve months of meeting with Bessemer, construction of a large steel mill was under way. The mill would be called the J. Edgar Thomson Works.

Carnegie was on the march. With the Union Iron Mills and the Thomson Steel Works under his wing, in 1883 Carnegie and partners bought a second steel mill at Homestead. This was followed by a range of other acquisitions which are part of the document story that follows.

### Life After Steel

By the end of the century Carnegie was finally ready to put the world of steel behind him. Carnegie had married late in life, and he and his wife Louise had a four-year-old daughter. Carnegie was sixty-five. When the famous banker J.P. Morgan indicated he and his partners were interested in buying the Carnegie Steel Company and all of its holdings, Carnegie wrote down a price on scrap of paper – \$480,000,000 – and had it shuttled downtown to Wall Street. Morgan gave it a glance and said, “I accept this price.” The world’s most famous businessman

was about to become the world’s richest ex-businessman. In March 1901, Carnegie sailed with his small family to the Mediterranean, a happy man.

Carnegie’s share of the sale was \$225,000,000. For much of the next two decades Carnegie’s primary concern was how to give this money away. The story of Carnegie’s philanthropy we will leave largely to the documents.

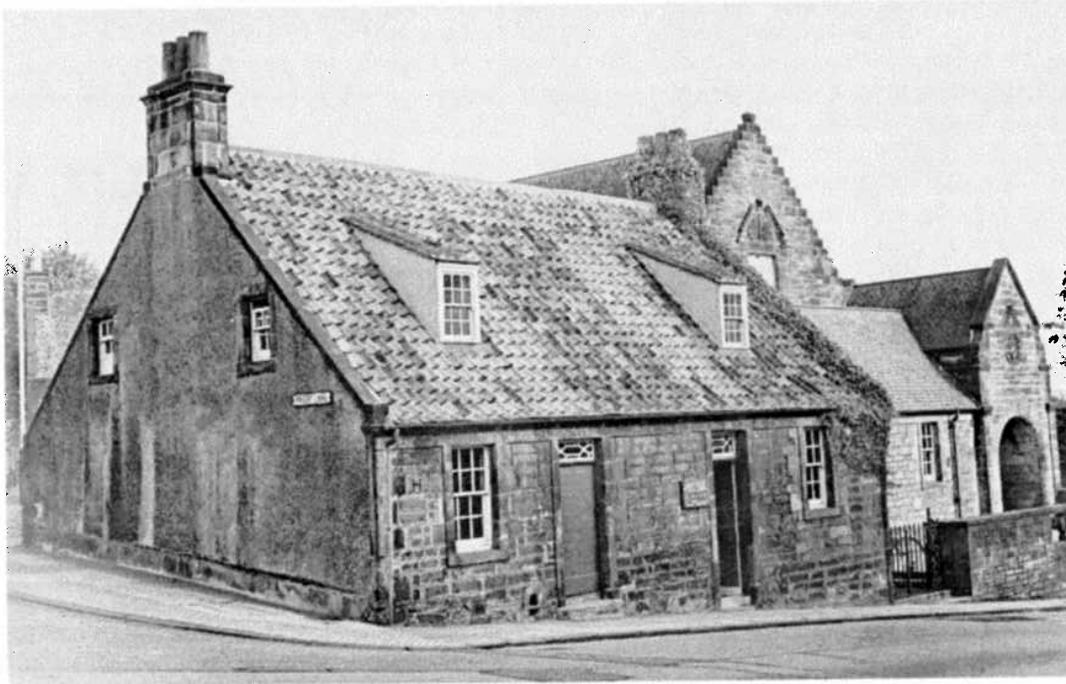
Andrew Carnegie died in 1919, one year after the end of World War I. The war had been hard for Carnegie. He had hoped that the new dawn of big business, transatlantic travels, international cable – all of this would tie the world together and make war a thing of the past. In this he was greatly disappointed. Survived by his wife and daughter, Carnegie was laid to rest in a cemetery in the Sleepy Hollow Cemetery in North Tarrytown, New York. A cross marked his grave with these simple words:

*Andrew Carnegie  
Born in Dunfermline, Scotland,  
25 November, 1835  
Died in Lenox, Massachusetts,  
11 August, 1919*

Andrew Carnegie was gone, but his life had been large and his legacy remains very much alive. The question before us is how do we measure this life. Examine the documents that follow and decide on your answer to the question – *Was Andrew Carnegie a Hero?*

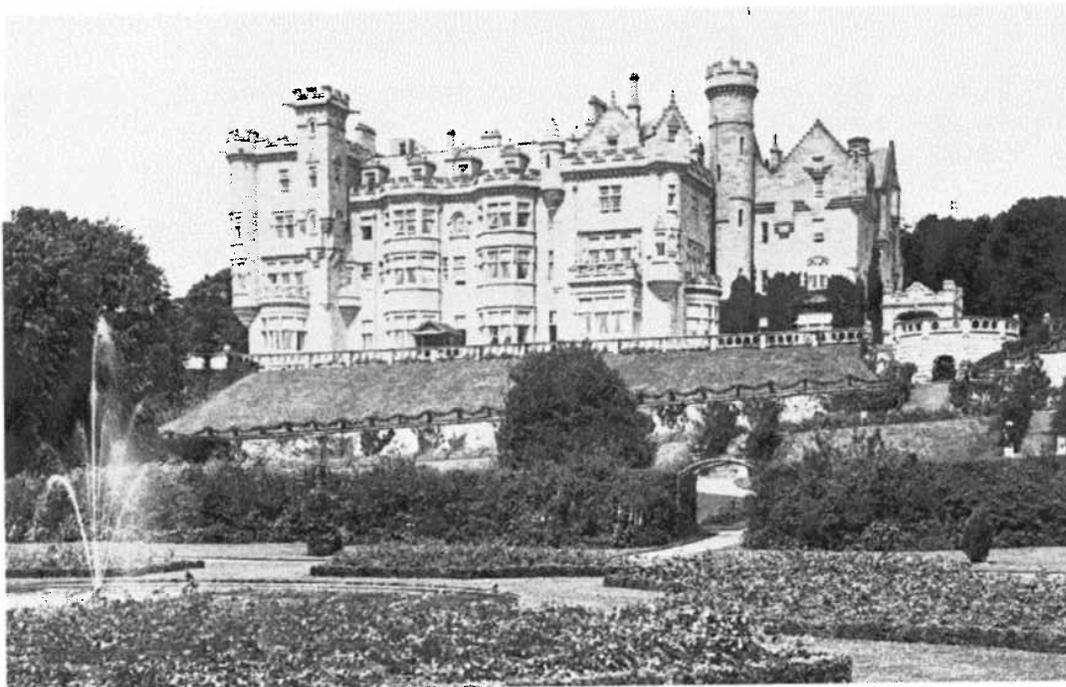
## Document A

Source: Photos courtesy of the Carnegie Library of Pittsburgh.



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**Note:** Birthplace cottage of Andrew Carnegie, Dunfermline, Scotland. Carnegie and his family of four lived in an attic room above his father's weaver's shop. The building was shared with another family. Years of residence: 1835 - 1848. Annual rent: \$20



**Note:** Skibo Castle, Dornoch Firth, Scotland. Andrew Carnegie purchased Skibo Castle in 1897 and made long, frequent visits, occasionally residing there. Renovation cost: about \$10,000,000

## Document B

Source: Andrew Carnegie, "Wealth," in the *North American Review*, June, 1889.

The contrast between the palace of the millionaire and the cottage of the laborer with us today measures the change that has come with civilization. This change, however, is not to be deplored, but welcomed as highly beneficial. It is well, nay essential, for the progress of the race that the houses of some should be homes for all that is highest and best in literature and the arts, and for all the refinements of civilization, rather than that none should be so. Much better this great irregularity than universal squalor....

The "good old times" were not good old times. Neither master nor servant was as well situated then as today. Formerly, articles were manufactured at the domestic hearth, or in small shops which formed part of the household.... The inevitable result of such a mode of manufacture was crude articles at high prices. Today the world obtains commodities of excellent quality at prices which even the preceding generation would have deemed incredible....

(It is to this law (of competition) that we owe our wonderful material development, ... while the law may be sometimes hard for the individual, it is best for the race, because it insures the survival of the fittest in every department. We accept and welcome, therefore, ... the concentration of business in the hands of the few....

Not evil, but good, has come to the race from the accumulation of wealth by those who have the ability and energy to produce it.

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### Document C

**Source:** Harold C. Livesay, *Andrew Carnegie and the Rise of Big Business*, edited by Oscar Handlin, Harpers Collins Publisher, 1975.

Carnegie’s watch on costs never let up in his first twenty-five years in the steel business. He grew more fanatical as years passed and competition stiffened. On one occasion in the 1890s, Carnegie asked his friend Frank Doubleday, a publisher, “How much money did you make last month, Frank?” Doubleday replied that he did not know; in his business, statements were drawn up only once a year.

“Do you know what I would do if I were in that kind business?” Carnegie asked.

“No, what?”

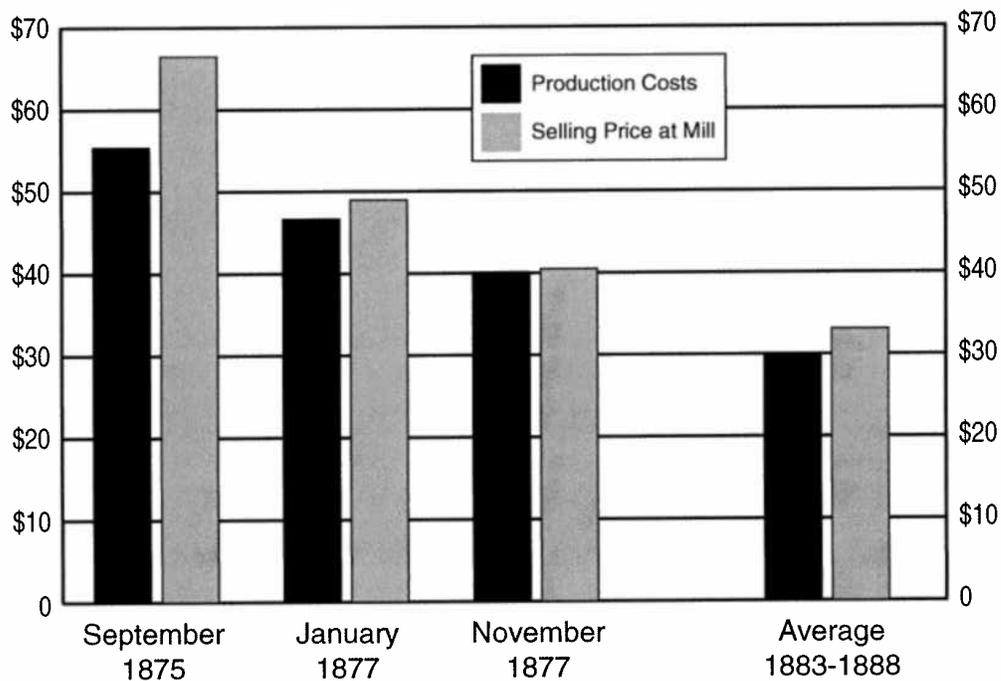
“I would get out of it.”

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### Document D

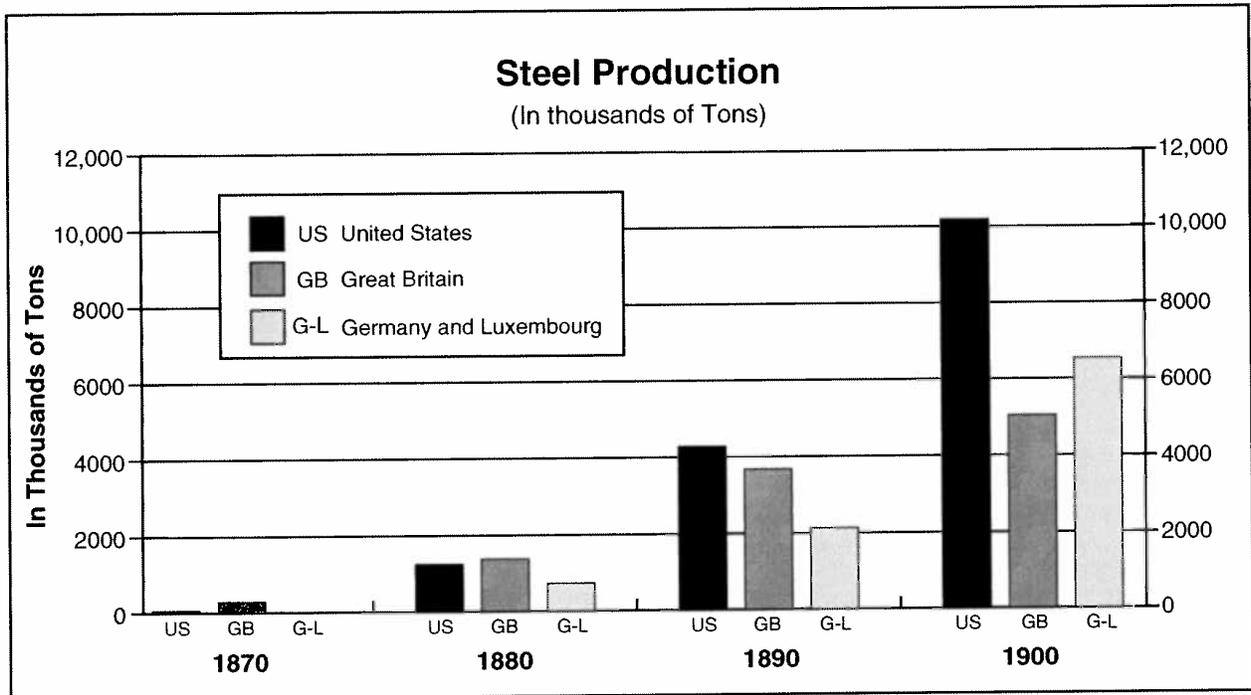
**Source:** Adapted from William P. Shinn, General Manager, Edgar Thomson Steel Works report; and James Bridge, *The Inside History of the Carnegie Steel Company*, New York, 1903.

**Production Costs and Selling Prices for One Ton of Steel Rails**  
(Carnegie’s Edgar Thomson Steel Works)



### Document E

Source: Louis Hacker, *The World of Andrew Carnegie, 1865 - 1901*, New York, J.B. Lippincott Company, 1968.



Note: By 1900 Carnegie mills were producing about one-third of all US steel.

## Document F

Source: In Peter Krass, *Carnegie*, Hoboken, New Jersey, John Wiley and Sons, Inc., 2000.

... (A) new Pittsburgh competitor started rolling out steel rails in March, 1889. First organized as the Duquesne Steel Company in 1886 and ... renamed Allegheny Bessemer Steel, the company built a technologically advanced mill across the Monongahela (River), a stone's throw upriver from Braddock, to purposefully intimidate Carnegie.

(C)arnegie was worried about his competitor's new method, the direct rolling process, for rolling rails that offered dramatic savings on cost.... It was efficient, effective, and allowed Allegheny to undercut Carnegie's prices. It was an intolerable situation...

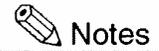
...Carnegie sent out a circular (notice) to the railroads, warning them that the Allegheny's methods led to ... defective rails, and to incite alarm he implied the rails could cause fatal accidents....

Before its first year of operation was out, Allegheny Steel was feeling the squeeze.... Carnegie kept his eye on the company.... The next year there was an economic downturn and rail orders slowed dramatically for Allegheny. (For \$1 million) Carnegie and his partners assumed control on November 21, 1890. The purchase became a coup of legend within the industry....

Once Carnegie took control of the works, (his partners) investigated the direct rolling process and agreed it saved time and money without compromising quality. ... Edgar Thomson was modified to make rails using the direct rolling process....

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Document G



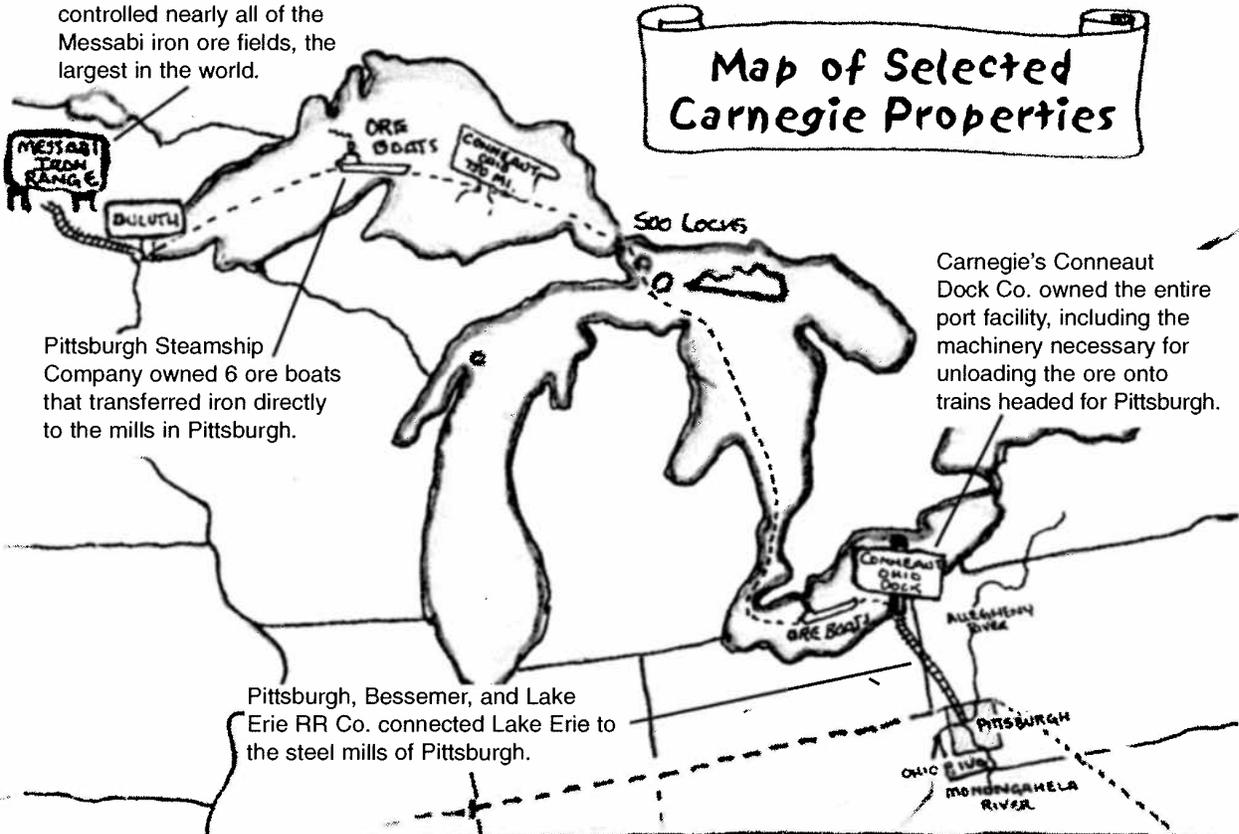
Source: Map created from various sources. Artist, Robert Negronida.

Document Note: Vertical integration is control of the production process from raw material to manufacture and sale of finished product. Carnegie was a pioneer of this business technique.

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Carnegie's Oliver Iron Mining Co. controlled nearly all of the Messabi iron ore fields, the largest in the world.

Map of Selected Carnegie Properties

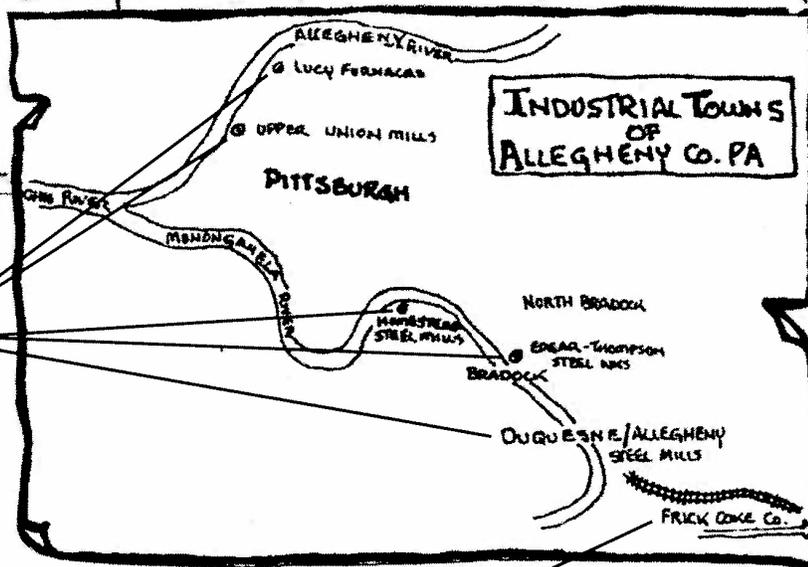


Pittsburgh Steamship Company owned 6 ore boats that transferred iron directly to the mills in Pittsburgh.

Carnegie's Conneaut Dock Co. owned the entire port facility, including the machinery necessary for unloading the ore onto trains headed for Pittsburgh.

Pittsburgh, Bessemer, and Lake Erie RR Co. connected Lake Erie to the steel mills of Pittsburgh.

Carnegie Steel Company included several mills in and around Pittsburgh, all connected by the Union Railroad Company owned and operated by Carnegie.



Carnegie owned the Frick Coke fields. Coke is a fuel used to melt iron ore into molten iron which then is blasted with air to make steel.

## Document H

**Source:** Hamlin Garland, "Homestead and Its Perilous Trades," *McClure's Magazine*, June 1894.

**Document Note:** The Homestead steel mill in Pittsburgh was the site of one of the major strikes in American history. Hamlin Garland, a journalist, visited Homestead two years after the strike and observed these conditions.

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A cold, thin rain was falling as I took the little ferryboat and crossed the Monongahela River to see Homestead and its iron mills....

Everywhere in the boiler plate mill were pits like the mouth of hell, and fierce ovens giving off a glare of heat, and burning wood and iron, giving off horrible stanches of gases. Thunder upon thunder, clang upon clang, glare upon glare! Torches flamed far up in the dark spaces above. Engines moved to and fro, and steam hissed and threatened.

Everywhere were grimy men with sal-low and lean faces. The work was of the inhuman sort that hardens and coarsens.

"How long do you work?" I asked of a young man who stood at the furnace near me.

"Twelve hours," he replied. "The night set go on at six at night and come off at six in the morning. I go on at six and off at six."

"For how much pay?"

"Two dollars and a quarter." (a day)

"How much do those men get shoveling there in the rain?"

"One dollar and forty cents." (A cut has since taken place.)

"What proportion of the men get that pay?"

"Two-thirds of the whole plant, nearly two thousand. There are thirty-five hundred men in the mills. They get all prices, of course, from a dollar and forty cents up to the tonnage men, who get five and ten dollars per day when the mills run smooth."

"I suppose not many men make ten dol-lars per day."

"Well, hardly." He smiled....

(H)igh above ... an engine backed up with a load of crude molten iron....

"Yes, the men call this the deathtrap," repeated my guide; "... they wipe a man out here every little while.... Sometimes a chain breaks, and a ladle tips over; and the iron explodes --- like that.... Sometimes the slag falls on the workmen from the roadway up there. Of course, if everything is working smooth and a man watches out, why, all right! But you take it after they've been on duty for twelve hours without sleep, and running like hell, everybody tired and loggy, and it's a different story."

Document I

Source: Adapted from Historical Statistics of the United States, Part 1. Bureau of the Census, Washington D.C., 1975.

**Average Daily Hours and Average Daily Wages  
in US Manufacturing: 1892**

Industry	Average Daily Hours	Average Daily Wages
Textiles	10.20	\$1.09
Shoemaking	9.81	\$1.58
Paper makers	10.87	\$1.33
Machine shop workers	10.06	\$1.87
Iron and steel workers	10.67	\$1.81
All industries	10.04	\$1.46

**Note:** \$600 a year supported a typical six-member family.

**Note:** In 1900 Andrew Carnegie personally made \$23,000,000. Figuring that Carnegie worked a 50-hour week and a 50-week year, Carnegie's hourly "wage" in 1900 would have been equal to \$9,200. His daily "wage" was therefore about \$92,000.

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## Document J

**Source:** Harold C. Livesay, *Andrew Carnegie and the Rise of Big Business*, edited by Oscar Handlin, Harper Collins, 1975.

In 1892 Carnegie went to Scotland shortly before the contract (with the Homestead workers) expired, thus removing himself from the scene of the battle just as he had done in 1889. Before leaving, he urged his usual negotiating program on Frick:

“My idea ... is always to shut down and suffer. Let them decide by vote when they decide to go (back) to work.”

...From Scotland he wrote to Frick, “Of course you will win, and win easier than you suppose, owing to the present condition of the market.”

Frick took no chances. He meant to take the offensive. He erected a massive stockade around the works, complete with watchtowers, rifle slits, and barbed wire. Then he ordered the Pinkerton detective agency to assemble three hundred of their finest. To force an all-out struggle, Frick presented the Amalgamated (union) leaders with demands he knew they would have to reject. His plan was to have the Pinkerton’s take over the works and

then reopen with nonunion help – with the old employees if they would work, with scabs if they would not.

On July 1, the strike began. Frick ordered the Pinkerton’s to arrive on July 6. They were to come down the river on barges, at night in complete secrecy.... The workers foiled the plan. They spotted the barges passing through Pittsburgh and sent word ahead. The alarm sounded; the population of Homestead rushed to the river bank and launched a ferocious though inept assault.

The battle lasted all day as the strikers kept the Pinkertons pinned down on the barges and tried to kill every last one of them....

Finally, in the late afternoon a truce was negotiated. The Pinkerton’s dropped their guns, and the strikers promised them safe conduct out of town. Unfortunately, the promise could not be kept.... (T)he Pinkertons had to run the gauntlet of the howling mob. When the battle ended, four guards were dead and all the others sustained injuries.

**Note:** The workers victory at Homestead was short-lived. Five days after the Pinkertons ran their gauntlet, 8000 Pennsylvania state militia troops arrived in town and the workers’ committee was required to step down. A mere two weeks after the violence, several departments of the steel mill were back in production using “newly employed help,” i.e. scab labor. Although many workers would hold out for months, the writing was on the wall. The strike at Homestead was broken. There would not be another union in a Carnegie mill for about forty years.

## Document K

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**Source:** Telegraph cable from Andrew Carnegie to Henry Clay Frick, Scotland July 7, 1892. From Burton J. Hendrick, *The Life of Andrew Carnegie*, Vol. I. New York City, Doubleday, 1932.

Cable received. All anxiety gone since you stand firm. Never employ one of these rioters. Let grass grow over the works. Must not fail now. You will win easily next trial. Only stand firm law and order. Wish I could support you in any form.

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**Source:** Carnegie letter to Dod Lauder, his cousin and business partner, Scotland, July 17, 1892. From Joseph Frazier Wall, *Andrew Carnegie*, New York, Oxford University Press, 1970.

Matters at home bad – such a fiasco trying to send guards by Boat and then leaving space between River & fences for the men to get opposite landing and fire. Still we must keep quiet & do all we can to support Frick & those at the Seat of War. I have been besieged by interviewing Cables from N York but have not said a word. Silence is best. We shall win, of course, but may have to shut down for months.

**Source:** Andrew Carnegie, *Autobiography of Andrew Carnegie*, Boston, Houghton Mifflin Company, 1920.

Nothing I have ever had to meet in all my life, before or since, wounded me so deeply. No pangs remain of any wound received in my business career save that of Homestead. It was so unnecessary.

## Document L

Source: Unsigned editorial, *St. Louis Post-Dispatch*, September, 1892.

Count no man happy until he is dead. Three months ago Andrew Carnegie was a man to be envied. Today he is an object of mingled pity and contempt. In the estimation of nine-tenths of the thinking people on both sides of the ocean he had not only given the lie to all his (earlier words), but confessed himself a moral coward.

One would naturally suppose that if he had a grain of consistency, not to say decency, in his composition, he would favor rather than oppose the organization of trades-unions among his own working people at Homestead. But what does Carnegie do? Runs off to Scotland out of harm's way to await the issue of the battle he was too (weak) to share.

A single word from him might have saved the bloodshed – but the word was never spoken. Nor has he, from that bloody day until this, said anything except that he had “implicit confidence in the managers of the mill.”

... America can well spare Mr. Carnegie. Ten thousand “Carnegie Public Libraries” would not compensate the country for the direct and indirect evils resulting from the Homestead lockout.

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## Document M

Source: Andrew Carnegie, "Wealth," in the *North American Review*, June, 1889.

... What is the proper mode of administering wealth after the laws (of survival of the fittest) upon which civilization is founded have thrown it into the hands of the few?

There are but three modes in which surplus wealth can be disposed of. It can be left to the families of the decedents; or it can be bequeathed for public purposes; or, finally, it can be administered by its possessors during their lives....

The first is the most injudicious.... Why should men leave great fortunes to their children? If this is done from affection, is this not misguided affection?

As to the second mode, that of leaving wealth at death for public uses, (why should a man) wait until he is dead before he becomes of much good in the world? ... Men who leave vast sums in this way may fairly be thought men who would not have left it at all had they been able to take it with them....

There remains, then, only one mode of using great fortunes; ... the duty of the man of wealth (is to) set an example of modest ... living...; and ... to consider all surplus revenues ... as trust funds ... to produce the most beneficial results for the community – the man of wealth thus becoming the ... agent for his poorer brethren, bringing to their service his superior wisdom, experience, and ability to administer; doing for them better than they would or could do for themselves....

The man who dies rich dies disgraced.

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**Document N**

**Source:** Chart created from Joseph Frazier Wall, *Andrew Carnegie*, New York, Oxford University Press, 1970.

**Carnegie's Philanthropy**

(Partial List)

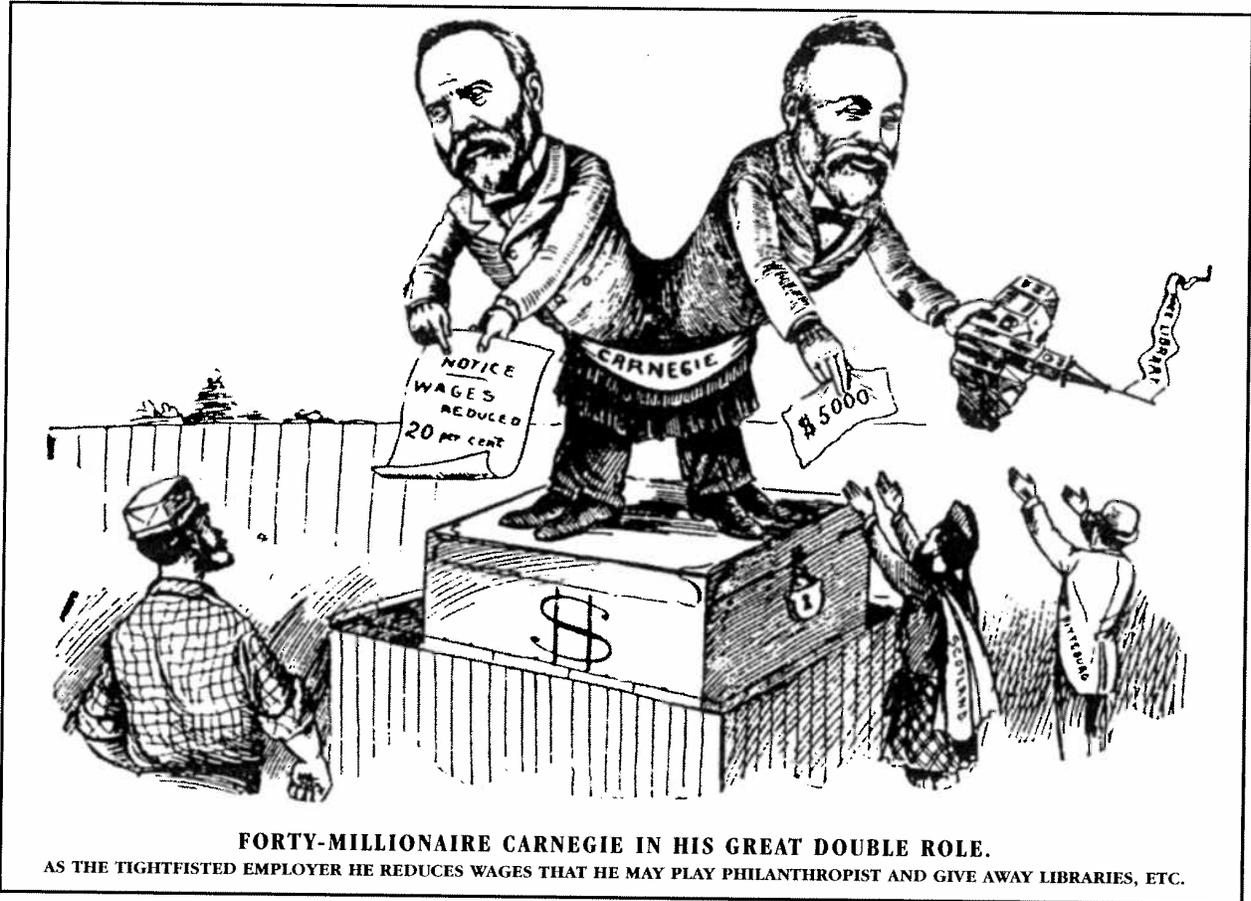
<b>Gifts</b>	<b>Amount</b>	<b>Note</b>
Princeton University	\$400,000	To create Lake Carnegie for rowing
TIAA	\$1,000,000	Teachers' Insurance & Annuity Assoc.
Dunfermline Trust	\$4,000,000	Carnegie's boyhood home town
Homestead Relief Fund	\$4,000,000	Fund for steel workers and families
Church organs	\$6,248,000	Total number, 7689
Carnegie Peace Endowment	\$10,000,000	To "hasten the abolition of war"
Universities of Scotland	\$10,000,000	Endowment for four universities
Teachers' Pension Fund	\$15,000,000	Old age help for poor professors
Carnegie Institution	\$25,000,000	To promote scientific research
Free public libraries	\$50,365,000	Total number, 2811, mostly in US
Carnegie Corporation*	\$145,000,000	Supertrust for administering a large part of Carnegie's remaining fortune
<b>Total (This list only)</b>	<b>\$271,013,000</b>	
<b>Total Giving Overall</b>	<b>\$350,695,653</b>	

\*The Carnegie Corporation's net assets in 2005 were listed at \$2,167,000,000. The foundation is currently giving out about \$100,000,000 a year, most of it to education.

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Document O

Source: *The Saturday Globe*, Utica, New York, July 9, 1892.



LV

## Document P

**Source:** William Jewett Tucker, "The Gospel of Wealth," *Andover Review*, Vol. XV, June 1891.

... I can conceive of no greater mistake, more disastrous in the end to religion if not to society, than that of trying to make charity do the work of justice....

I quote Mr. Carnegie's words, slightly transferring them, but not changing their meaning, that "the millionaire is entrusted for the time being with a great part of the increased wealth of the community, because he can administer it for the community far better than it could or would have done itself." This, of course, if accepted and carried out in any complete way, becomes patronage....

(I)n the long run, society cannot afford to be patronized. It is better for any community to advance more slowly than to gain altogether by gifts rather than, in large part, by earnings. Within proper limits, the public is advantaged by the gifts of the rich, but if the method becomes the accepted method, to be accepted and relied upon, the decline of self-respect has begun.

... Why should there be this vast amount of wealth in the hands of the few? The question is not, How shall private wealth be returned to the public? but, Why should it exist in such bewildering amounts ... in the hands of the few?

... (I)t is estimated that two thirds of the property of the United States is in the hands of one seventieth of the population. It also seems safe to assume that more than one half of the wealth of the country is in possession of less than fifty thousand families.

... (T)he ethical question of today centers, I am sure, in the distribution rather than in the redistribution of wealth.

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9.6.06

## Lesson 1: Why do we have antitrust laws?

⌚ 45 minutes

### LESSON OVERVIEW

In this lesson, students focus on the basic building blocks of antitrust law. Students will learn about the key provisions of the Sherman Antitrust Act. They will identify the important characteristics of a free market economy and discuss some of the challenges presented. Students will also analyze the public policy concerns which are an important part of developing a “level playing field” for businesses. This session lays the groundwork for the next four lessons connected to the documentary.

### OUTCOMES

As a result of this lesson, students will be able to:

- \*Explain the need for rules and fairness in a society
- \*Critically analyze a simulation (such as Seluron.)
- \*Identify and define antitrust vocabulary words
- \*Describe the history and the policy concerns behind antitrust law;
- \*Explain two benefits and two challenges of a free market economy.

### PREPARING TO TEACH

- Post lesson outcomes.
- Give each student a copy of Handout#4- The Antitrust Primer to read prior to the first session.
- Vocabulary Strategy Handouts #1, 2 and 3.
- Seluron
- Antitrust Review

CALIFORNIA STATE STANDARDS

<b>Antitrust Lessons</b>	U.S. History/8th grade	U.S History and Geography- Twentieth Century/11th Grade	Principles of Economics/12th Grade
Lesson 1— Why Do We have Antitrust Laws?	4. Discuss entrepreneurs, industrialists, and bankers in politics, commerce and industry(ex: Rockefeller)	9. Understand the effect of political programs and activities of the Progressives (e.g. federal regulation of railroad transport,...Theodore Roosevelt, ...)	12.3 Students analyze the influence of the federal government on the American economy. (Specific reference to "attempting to make markets more competitive")

HANDOUTS

Each student should read the Sherman Antitrust Primer Handout #4 in preparation for discussion during the first class.

1. Vocabulary Strategy
  - Handout #1-Vocabulary Words (need 1 copy)
  - Handout #2-Definitions (need 1 copy)
  - Handout #3-Antitrust Words to Know (need class set)
2. Antitrust Primer (Court TV)
  - Handout #4-Antitrust Primer (need class set)

Community Resource People

You might want to invite a lawyer specializing in antitrust law or someone from your county prosecutor or state Attorney General’s Office as a resource

person for this lesson. Send a copy of the lesson when confirming the date and location of the class.

## WEB RESOURCES

### **Federal Trade Commission:**

[www.ftc.gov](http://www.ftc.gov)

### **US DOJ Antitrust Division:**

[www.usdoj.gov/atr/index.html](http://www.usdoj.gov/atr/index.html)

<http://www.antitrustinstitute.org/links/primers.cfm>

Area of the AAI website with links to antitrust background pieces

## Teaching Tips

### **1**

The first part of the lesson lays a vocabulary foundation for viewing the documentary and for participating in the other lessons.

### **2**

Here is a strategy for teaching/reviewing the vocabulary and definitions with students:

- **Interactive Vocabulary review in-class**—Reproduce one copy of Handouts # 1 and 2 then cut the vocabulary words and definitions into strips so that each student can be given one or two. Divide students in half and give the words to one group and the definitions to the other. Ask the students with the words to find the students with the definitions. To debrief, reconvene as a large group and ask students to give definitions of a word they learned from another student.

**3**

## SELURON

Seluron (“no rules” spelled backwards), also known as the “Marker Game,” helps to develop a definition of “rule” or “law”, appreciation of the necessity and purpose for rules and laws, and some basic ideas of fairness. The game can easily be adapted to fit the needs of the group.

Announce to the class that you will begin to study the law by playing a game. (If your class is too large for everyone to participate use the fishbowl methodology. Invite a few students to the center to participate and have the rest of the class watch carefully. When you debrief be sure to include the observers as well as the participants.)

Organize the students by rows (in groups or teams) of unequal numbers (five to seven) and give a marker (or some common items) to the first student in each group. When each group has a marker, tell the students to begin play. Pause after one minute and say “Oh, I forgot to give you the rules.”

After a few seconds or so, tell the students to pass the marker to the back of the row and then back to the front, one at a time. Let them begin and then stop them with a correction tell them they forgot to pass the markers over their left shoulders only. In response, they likely will complain that they hadn't been told of this rule. Don't respond to their complaints. Begin the game again.

After the re-start, stop them again, adding another rule to the game. (E.g. only right hands can be used) The markers should come back to the front, and students should start again, this time because the markers must be passed with the right hand and received with the left hand, etc.

Students will be confused by the lack of directions, and several students may become frustrated or angry. This is the point of the game. Continue to stop and start the game with new directions, stopping the game when you think the point is well made or in response to their demand for rules.

The instructor decides arbitrarily who wins the game after allowing play to continue for a brief period of time. (For example, tell the students that the team with the most people with glasses wins.) When the “winners” are

announced, most of the remaining students are likely to be frustrated about the way the game was played.

This frustration is the basis for the discussion that follows. The following questions can serve as a beginning--

How does this game make you feel?

Was it fair? Unfair? Why was it unfair?

What are some examples of fairness?

What was wrong with the game?

What will make the game fair?

If you want rules, what would the purpose of these rules be?

How would the rules help the game?

Connect SELURON to antitrust---in business, rules and fairness are needed. The major goal of antitrust is the protection of competition through having fair rules everyone must abide by.

## 4

### Introduction

Brainstorm: (5 – 10 minutes) This should be a quick discussion with students mainly to be sure that they have the foundation for the next strategy. Most of this discussion is based on Handout #4 -the Antitrust Primer. Student should have read the handouts prior to this discussion. This discussion should not be a lecture. It is mainly to make sure that students know some of the key foundational information.

**What is a market economy?** An economy ruled by the ebb and flow of supply and demand (the amount of goods that producers are able to sell and the willingness and ability to buy a good or service.) When someone manipulates either supply or demand the market becomes distorted. Some factors that determine demand include--income of consumers, tastes of consumers and the price of other similar goods or services. If any of those factors change then the supply and demand flow could be altered resulting in a change in the market for a particular good or service.

For example—Let's say that a tennis shoe company puts out it's new line of shoes and one particularly expensive pair looks like a cheaper pair made by another company---which company will benefit from this substitution? Substitution happens when one product will likely be substitutable for the

other---they are considered to be in the same market. Companies can market products that are nearly the same. What are some of the issues companies need to consider in this situation? Ask students to brainstorm some of the questions the companies might have—for example:

- \*How well known is the shoe company with the expensive shoes?
- \*Will consumers want the brand or the shoe?
- \*What attraction does the cheaper shoe have in the market?
- \*Should the company with the expensive shoes lower the price?

**How does the U.S. economy work?** The US has a market economy that uses special protections. While US authorities seek to prevent market distortion or corruption, they do allow for the legal domination of particular market areas if the company has acted fairly and certain goods meet government standards. So while you can have monopolies, you cannot monopolize. (“You can be a dragon but you cannot dragonize.” Bert Foer, of the American Antitrust Institute.) Examples of monopolies that are allowed include those that are the result of good business skill, superior product, natural advantage. There are also natural monopolies such as utility companies which are the sole producers of their product for an area.

**What kind of protections do consumers have?** Consumers are protected by the government when it protects the competitiveness of markets. You cannot take advantage of consumers by teaming up with other supposedly competing companies to agree on what prices to charge and a dominant company cannot take unusual actions to drive out competitors.

**What does antitrust mean?**

Definition: laws and regulations designed to protect trade and commerce from unfair methods of business competition. They are based on a desire for fairness in the marketplace and an understanding that competition will make an economy efficient and innovative. Three basic ideas form the basis for antitrust—

1. Consumers can buy goods and services at prices that are based on or near the costs of production (not exorbitant compared to costs)
2. Consumer preferences are reflected in the quality and quantity of goods and services.
3. New businesses have the opportunity to enter the market and compete on the merits.

**How does antitrust protect individuals?** It protects them from those who would charge unfair prices that would immediately or eventually harm consumers. It promotes innovation through competition. When consumers have choices, if they don't like the way they are treated by a company, they can take their business somewhere else.

**How does it protect businesses?**

Antitrust does not protect inefficient competitors. In a competitive market, there will be losers as well as winners. What antitrust does is to protect the competitive process, so that to the greatest extent possible, competition will be on the merits, and in the end, this will be best for consumers and for the entire economy. Unfair methods of competition will be subject to government intervention or private litigation. This also means that businesses in their role as consumers (e.g., when they purchase supplies) will have the benefits of competition, including competitive prices, choice, and innovation.

**Handout #1: Antitrust Words to Know**

1. Antitrust
2. Boycott
3. Cartel
4. Collusion
5. Competition
6. Consumer
7. Consumer Driven Market
8. Contemporaneous
9. Department of Justice
10. Distributor
11. Economy
12. Ethics
13. Exclude
14. Federal Trade Commission
15. Injunction
16. Intellectual Property
17. License
18. Market

19. Market Share
20. Merger
21. Monopoly
22. Patent
23. Per Se
24. Predatory pricing
25. Producer
26. Restraint
27. Supplier
28. Treble
29. Trust

## Handout #2: Antitrust Definitions

1. The entire enterprise of buying and selling commodities and securities. In an antitrust context, often refers to a part of an industry in which competing products and/or services are offered for sale.
2. The system or range of economic activity in a country, region, or community.
3. One that produces especially a person or organization that produces goods or services for sale; someone who manufactures something.
4. Someone whose business is to supply a particular service or commodity.
5. alliance of businesses formed to control production, competition and prices
6. One that markets or sells merchandise, especially a wholesaler.
7. A secret agreement between two or more parties for a fraudulent, illegal, or deceitful purpose.
8. The rules or standards governing the conduct of a person or the members of a profession
9. The permanent union of two or more commercial interests or corporations.
10. Rivalry between two or more businesses striving for the same customer or market.
11. to engage in a concerted refusal to have dealings with (as a store, business, or organization)?? usually to express disapproval or to force acceptance of certain conditions

12. the United States federal department responsible for enforcing federal laws (including the enforcement of all civil rights legislation); created in 1870
13. an independent agency of the United States federal government that maintains fair and free competition; enforces federal antitrust laws; educates the public about identity theft
14. The ownership of ideas and control over the tangible or virtual representation of those ideas, including patents, copyrights and trade secrets.
15. Act of setting prices at low levels to force competitors out of the market.
16. A grant made by a government that confers upon the creator of an invention the sole right to make, use, and sell that invention for a set period of time.
17. Official or legal permission to do or own a specified thing.
18. An act that requires only that the government prove that the act occurred, without regard to its impact. E.g. price fixing is per se illegal. Most other antitrust violations are weighed under a Rule of Reason.
19. The laws and institutions that promote competitive markets by making monopolization and unreasonable restraints on trade illegal.
20. One that consumes, especially one that acquires goods or services for direct use or ownership rather than for resale or use in production and manufacturing.
21. The consumer controls the ebbs and flows of goods and their popularity in the market
22. An influence that inhibits or restrains; a limitation.
23. Triple; in legal context –the plaintiff was awarded treble damages in the lawsuit.

24. The proportion of industry sales of a good or service that is controlled by a company
25. the act of forcing out someone or something
26. occurring in the same period of time
27. Several corporations combine stock and operate as a giant business.
28. A court order prohibiting a party from a specific course of action.
29. A single firm that controls a sufficiently large part of a market that it has the power to set its own prices without regard to what competitors are doing.

**HANDOUT 3: ANTITRUST WORDS TO KNOW (ANSWERS)**

1. **Antitrust-** The laws and institutions that promote competitive markets by making illegal monopolization and unreasonable restraints on trade.
2. **Boycott-** to engage in a concerted refusal to have dealings with (as a store, business, or organization), usually to express disapproval or to force acceptance of certain conditions
3. **Cartel-** alliance of businesses formed to control production, competition and prices
4. **Collusion-** A secret agreement between two or more parties for a fraudulent, illegal, or deceitful purpose
5. **Competition-** Rivalry between two or more businesses striving for the same customer or market.
6. **Consumer-** One that consumes, especially one that acquires goods or services for direct use or ownership rather than for resale or use in production and manufacturing.
7. **Consumer Driven Market-** The consumer controls the ebbs and flows of goods and their popularity in the market
8. **Contemporaneous-** occurring in the same period of time
9. **Department of Justice-** the United States federal department responsible for enforcing federal laws (including the enforcement of the Sherman Act); created in 1870
10. **Distributor-** One that markets or sells merchandise, especially a wholesaler
11. **Economy-** The system or range of economic activity in a country, region, or community
12. **Ethics-** The rules or standards governing the conduct of a person or the members of a profession
13. **Exclude-** the act of forcing out or keeping out, someone or something
14. **Federal Trade Commission-** an independent agency of the United States federal government that maintains fair and free competition; enforces federal antitrust laws; and protects consumers from deceptive acts and practices
15. **Injunction-** A court order prohibiting a party from a specific course of action.
16. **Intellectual Property-** The ownership of ideas and control over the tangible or virtual representation of those ideas, including patents, copyrights, and trade secrets
17. **License-** Official or legal permission to do or own a specified thing.
18. **Market-** The entire enterprise of buying and selling commodities and securities. In an antitrust context, often refers to a part of an industry in which competing products and/or services are offered for sale

19. **Market Share-** The proportion of industry sales of a good or service that is controlled by a company
20. **Merger-** The permanent union of two or more commercial interests or corporations into a single entity.
21. **Monopoly-** A single firm that controls a sufficiently large part of a market that it has power to set its own prices without regard to what competitors are doing.
22. **Patent-** A grant made by government that confers upon the creator of an invention the sole right to make, use, license, and sell that invention for a set period of time.
23. **Per Se-** An act is per se illegal if the government only has to prove that the act occurred, without regard to its impact. E.g., price-fixing is per se illegal. Most other antitrust violations are weighed under a Rule of Reason.
24. **Predatory pricing-** act of setting prices at low levels to force competitors out of the market.
25. **Producer-** One that produces, especially a person or organization that produces goods or services for sale; someone who manufactures something
26. **Restraint-** An influence that inhibits or restrains; a limitation.
27. **Supplier-** someone whose business is to supply a particular service or commodity
28. **Treble-** triple; as in the plaintiff was awarded treble damages in the lawsuit.
29. **Trust-** several corporations combine stock and operate as a giant business.

## Handout #4

### **ANTITRUST PRIMER**

#### **Antitrust in the U.S.: simple laws, infinite uses**

By Kathryn Rubenstein, Court TV



In 1890, the 51st Congress passed the Sherman Antitrust Act, named for Senator John Sherman of Ohio. The law, intended to thwart trusts and monopolies that operated in "restraint of trade or commerce," was a response to a growing concern over the expanding power of big business. Sherman said at the time that the statute "does not announce a new principle of law, but applies old and well recognized principles of common law."

While the Sherman Act made it illegal to monopolize or to restrain trade through unfair collaborations or conspiracies, the statute didn't specify exactly what conduct would be prohibited. That task was left to federal judges who would continually shape and change the law.

#### Early Applications

Shortly after 1890, antitrust sentiment waned, and the Sherman Act was not widely applied. Where it was employed, its effects were often minor.

In the early days of antitrust legislation, the Supreme Court maintained a strict interpretation of the Sherman Act. The first came in 1895 with *U.S. v. E.C. Knight Co.*, when the court ruled that the Sherman Act did not apply to a trust composed of major sugar producers which controlled 98% of the country's sugar refining capacity. The court held that the law did not extend to manufacturing, stating that "commerce succeeds to manufacture, and is not a part of it."

#### The Act's Rebirth

During the first decade of the 20th century, concern grew around the country over major corporations' growing monopolistic practices. Theodore Roosevelt's "square deal" philosophy -- which struck a balance between the rights of companies and those of the average citizen -- bolstered the effectiveness of antitrust legislation.

In 1902 Roosevelt began his war on trusts. He persuaded Congress to form a Bureau of Corporations to regulate big business and on Feb. 19, he brought his first antitrust suit under the Sherman Act against J.P. Morgan's Northern Securities Corp.

During his time in office, Roosevelt would file suit against more than 40 large corporations.

In *Northern Securities Co. v. United States*, the Supreme court ruled that the Sherman Act could be applied to holding companies. The court stated that an arrangement putting two competing railroads under one larger company illegally restrained trade.

In 1909, William Howard Taft succeeded Roosevelt both as President and trust-buster. Under Taft, two historic antitrust cases would further shape the Sherman Act. In 1911, American Tobacco was declared an illegal monopoly and was broken up into separate companies. That same year, the court ruled that John D. Rockefeller's Standard Oil should be broken up into 33 companies.

But the court also qualified their ruling on Standard Oil, stressing that the Sherman Act outlawed only unreasonably anticompetitive restraints.

#### New Laws Arrive

While the Sherman Act helped the government break up many large trusts, it soon proved to be too open to interpretation. Furthermore, the act was often used to prosecute labor unions rather than trusts, an eventuality that flew in the face of the statute's protect-the-common-man spirit. It would take further legislation to ensure the protection of a competitive business climate in the 20th century.

During Woodrow Wilson's "New Freedom," Congress passed the Clayton Antitrust Act of 1914. Wilson wanted to create a law that would clearly prohibit certain specific business practices: price discrimination; tying together multiple products; corporate mergers; and interlocking directorates, trusts formed by companies with common members on their respective boards of directors. After passing the Clayton Act, Congress created the Federal Trade Commission to enforce antitrust law.

Sherman and Clayton, coupled with the Federal Trade Commission, make up the backbone of antitrust law in the U.S.

## **Handout #4: continued (Excerpted – From the FTC Primer)**

The Federal Trade Commission and the Department of Justice are both responsible for investigating business practices and for halting anticompetitive activities. Particularly clear cut violations such as price-fixing by direct competitor can be prosecuted as felonies by the Justice Department.

The **Bureau of Competition of the Federal Trade Commission (FTC)** and the **Antitrust Division of the U.S. Department of Justice (DOJ)** share responsibility for enforcing laws that promote competition in the marketplace. Competition benefits consumers by keeping prices low and the quality of goods and services high.

The **FTC** is a consumer protection agency with two mandates under the FTC Act: to guard the marketplace from unfair methods of competition, and to prevent unfair or deceptive acts or practices that harm consumers. When the Commission succeeds in doing both its jobs, it protects consumer sovereignty -- the freedom to choose goods and services in an open marketplace at a price and quality that fit the consumer's needs -- and fosters opportunity for businesses by ensuring a level playing field among competitors. In pursuing its work, the FTC can file cases in both federal court and a special administrative forum.

**Office of the Assistant Attorney General, United States Department of Justice (DOJ)**  
The Division is supervised by an Assistant Attorney General (AAG), who is nominated by the President and confirmed by the Senate. The AAG is assisted by five Deputy Assistant Attorneys General who may be either career or non-career employees. Each section and field office reports to a particular Deputy Assistant Attorney General. The Director and Deputy Director of Operations, the Director of Criminal Enforcement, and the Economics Director of Enforcement have additional supervisory authority for their respective programs and are career employees. The Assistant Attorney General may be assisted by special counsel.

**State Attorney General's Office-** Virtually every State has its own antitrust law, which is enforced by the State Attorney General, usually through an Assistant Attorney General for Antitrust. The National Association of Attorneys General (NAAG) has an antitrust task force that coordinates the various states that happen to be interested in the same issue. For the most part, the States apply precedents of U.S. antitrust law, although there are minor substantive or procedural differences from State to State.