

Name \_\_\_\_\_

Date \_\_\_\_\_

# The Gilded Age

Use the text to answer each question below.

1. John D. Rockefeller was a young bookkeeper when his bosses told him to report on whether or not oil was a good investment. He lied and told them it had “no future.” Then he went on to form what would become the biggest oil company in the United States. Rockefeller’s Standard Oil Company completely dominated the booming oil market. Based in Cleveland, Ohio, Standard Oil grew and grew by buying out smaller rivals. Standard Oil also reportedly attacked rival companies using bribery, sabotage, and secret deals with railroads. While the government was very hands-off with the economy, there were still some laws in place governing corporations. To bypass these restrictions, Rockefeller (and his attorney Samuel Dodd) invented the trust, a giant organization of big businesses under one umbrella. As soon as Standard Oil became a trust, it could legally own virtually the entire oil industry. Rockefeller quickly gobbled up all of his competitors, forming a giant monopoly. By 1879 Rockefeller controlled more than 90 percent of the nation’s oil refineries.

Standard Oil was a trust. This explains why it { }.

- |   |                                     |
|---|-------------------------------------|
| A. legally controlled most of the nation’s oil refineries | B. was formed by a young bookkeeper |
| C. depended on bribery                                    | D. was based in Cleveland           |

2. J.P. Morgan first made a name for himself during the Civil War, not as a hero (he dodged the draft by paying \$300), but as a moneymaker. He bought rifles from the government, refitted them, and then sold them back to the government for a huge profit. Morgan was a banker, and after the war he expanded his banking empire to colossal proportions. His bank houses were so large they loaned money to other banks. In 1895, the US government was running out of gold, so it actually turned to one of its citizens to bail it out. Morgan gave the government \$62 million in gold in exchange for US bonds. He then sold the bonds for enormous profit. Morgan also got into the railroad business. By 1900 Morgan himself owned half of America’s track mileage, and his friends owned most of the rest, allowing them to set prices and control trade.

Which of the following details best shows that J.P. Morgan was a very successful banker?

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|--|--|
| A. His friends owned almost half of America’s track mileage. | B. He loaned \$62 million in gold to the US government.                          |
| C. He dodged the draft by paying \$300.                      | D. He bought rifles from the government, refitted them, and then sold them back. |

3. Unlike other robber barons, Andrew Carnegie was born poor. He emigrated from Scotland with his family and worked in a cotton factory before working his way to the top of the steel empire. His company, Carnegie Steel, dominated steel production in the United States. In 1900, Carnegie teamed up with J.P. Morgan to create US Steel, the first billion-dollar corporation. Carnegie is also noted for shaping social attitudes about class in the United States. He took Charles Darwin's theory of survival of the fittest—that only the strongest and most adaptable animals in a species survive to pass on their genes—and distorted it by applying it to economics and society. In his 1889 essay, "The Gospel of Wealth," Carnegie argued that free-market economics would allow the strongest companies to survive, and that the smartest, most hardworking people would rise to the top of society. This idea was called Social Darwinism, and Carnegie and others used it to justify the enormous gap between the rich and the poor.

Social Darwinism was thought to explain that {}.

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|--|---|
| A. those at the top of society earned their place                          | B. humans evolved from more primitive life forms                  |
| C. the strongest and most adaptable animals survive to pass on their genes | D. lax economic policies benefit only the poor and middle classes |