Name: ___________________________ C: _____

The Age of the Railroad

Date: ____________________________________

Questioning the Methods of Big Business By the late 1800s, people and the government were becoming uncomfortable with child labor, low wages, and poor working conditions. They began to view big business as a problem.	
Social Darwinism Many business leaders justified their business methods through their belief in **social Darwinism, a view of society based on scientist Charles Darwin's theory of natural selection.** Social Darwinists thought that Darwin's "survival of the fittest" theory decided which human beings would succeed in business and in life in general.	
Other business leaders, however, believed that the rich had a duty to aid the poor. These leaders tried to help the less fortunate through philanthropy, or giving money to charities. Carnegie, Rockefeller, Stanford, and other business leaders gave away large sums. Carnegie gave away more than $350 million to charities, about $60 million of which went to fund public libraries to expand access to books. By the late 1800s, various charities had received millions of dollars from philanthropists.	

The Antitrust Movement

Critics of big business said that many business leaders earned their fortunes through unfair business practices. These criticisms grew stronger in the 1880s as corporations became more powerful. Large corporations often used their size and strength to drive smaller competitors out of business. Carnegie and Rockefeller, for example, pressured railroads to charge their companies lower shipping rates. Powerful trusts also arranged to sell goods and services below market value. Smaller competitors went out of business trying to match those prices. Then the trusts raised prices again.

Some people became concerned when a trust gained a **monopoly, or total ownership, of a product or service**. Critics argued that monopolies reduced necessary competition. They believed competition in a free market economy kept prices low and the quality of goods and services high.

Some Americans also worried about the political power of wealthy trusts. Many citizens and small businesses wanted the government to help control monopolies and trusts. People who favored trusts responded that trusts were more efficient and gave the consumer dependable products or services.

Many members of Congress favored big business. However, elected officials could not ignore the concerns of voters. In July 1890 Congress passed the **Sherman Antitrust Act, a law that made it illegal to create monopolies or trusts that restrained trade**. It stated that any "attempt to monopolize…any part of the trade or commerce among the several States" was a crime. However, the act did not clearly define a trust in legal terms. The antitrust laws were therefore difficult to enforce. Corporations and trusts kept growing in size and power.