

# Industrialists

## Background

The industrial age was a time when machine power replaced animal power. One effect was a great increase in economic growth. The new opportunity to undertake big, expensive projects also led governments to make it easier for people to start corporations. The increase in economic growth and the use of the corporation led to the accumulation of great wealth. And, while most people became wealthier, a much greater gap was created between the rich and poor. Soon, some people called for government to regulate business.

## All Hail the Entrepreneur!

By "P.J. Morton"

We should celebrate the invention of the corporation as a great advance. And, we should praise as heroes the people who run the most successful corporations.

Corporations allow people to undertake big business projects that individuals can not afford on their own. For example, only a corporation can afford the expense of starting a textile factory, steel mill, oil refinery, or railroad.

And, because of these big projects, clothing, food, communication, and transportation are all less expensive. More Americans can afford such luxuries as telephones, electric lights, fresh meat, fruits and vegetables, and several changes of clothes, all because of the corporation.

Naturally, the people who run the most successful corporations get rich. But, the only way they can get rich is if they offer something people want to buy. Rockefeller sells oil and Carnegie sells steel at a lower price than their competitors. That benefits everyone who buys their products.

Some complain that the low prices charged by the big corporations drive family-owned businesses out of business. Well, when did charging low prices suddenly become a crime? Are we next going to complain because the quality of the products made by corporations is too good?

Corporations also invent creative methods of making the economy more efficient. For example, railroads offer discounts, called rebates, to big oil, coal or cattle companies. The railroads can do this because big shippers keep the trains full. And since the shipper's transportation cost is less, it will sell its products for less. This benefits anyone who eats steak or uses oil or coal.

America's workers benefit from the corporation, too. Not only can low-income people afford things that used to be luxuries, but there are more job opportunities than ever before. And working conditions and pay are higher than ever before. This is because the only way a corporation can get people to work for it is if it pays and treats its workers well. Otherwise, workers will work somewhere else.

One reason America has risen from a minor, second-rate country to a world power is because our government has left its citizens free to start businesses and benefit from their success. How hard would a Carnegie or a Rockefeller have tried if he knew the government was going to tell him how to run his business or take in taxes half of what he earned?

Our economic system benefits everyone who wants to work hard. And, its greatness is due to the fact that it is free. Let's keep it that way.

## Down with the Robber Barons!

By "Edith Bell"

There is no easier place to start a corporation than the U.S. Consequently our economy is now dominated by them. Those who run these giant corporations are the wealthiest and most powerful people in the world. Unfortunately, none of this is good for America.

Since corporations are owned by numerous "shareholders," there is no way of knowing who is responsible for their policies. And, they are using their size to bankrupt small businesses and create monopolies. Everyone agrees that monopolies hurt consumers. When there is no competition, monopolies charge outrageously high prices for their products.

One way corporations create monopolies is by controlling prices. For example, a corporation will bankrupt a rival business by actually charging less than what it costs to produce something. The corporation is big enough to survive the temporary loss of money better than the small business. Then, once its rival is gone and it has a monopoly, it raises prices to whatever it wants.

Another common tactic is for the owners of big corporations to work out agreements with each other. For example, big railroads will offer a discount to transport the products of big shippers (such as oil, cattle or coal companies).

How can small businesses compete when they have to pay more to ship their products?

A big corporation does more than just raise prices when it has a monopoly. It also controls working conditions. It pays its workers next to nothing and works them long hours. Workers die every day in coal mines because of unsafe conditions. But it is cheaper for the corporation to lose a man than to invest in better safety equipment or build extra escape tunnels. Workers can do nothing about it, because they have nowhere else to go.

Industrialization has also led to a wider gap between the rich and the poor. John D. Rockefeller is worth \$1 billion. Andrew Carnegie made \$300 million when he sold his steel company. These men have worked hard. Maybe they even worked harder than those who toil in their hot, dangerous factories for 12 hours per day. But, they are not worth more than a million times as much as the men who work for them.

Government must regulate corporations. It should set a lower limit on what workers can be paid and an upper limit on how long they can be required to work, and it should make monopolies illegal. It is also time government taxed incomes. An income tax is more effective at making sure the rich pay their fair share than tariffs.