

European immigrants, women. At the top were the new American multimillionaires.

### The Rich Get Richer

SOME MULTIMILLIONAIRES STARTED IN poverty. Their "rags to riches" stories were useful for making the masses of poor workers believe that they, too, could be wealthy someday. The great majority of millionaires, however, came from upper-class or middle-class families. Those who went on to become the richest men of the era—J. P. Morgan, John D. Rockefeller, Andrew Carnegie, James Mellon, and Jay Gould—could afford to escape military service in the Civil War by paying substitutes to take their places. Mellon's father wrote to him, "There are plenty of lives less valuable [than yours]."

These men and others built huge fortunes with the help of the government and the courts. Sometimes they had to pay for that help. Thomas Edison, for example, promised New Jersey politicians

\$1,000 each if they would make laws to favor his business interests.

History books often call the first transcontinental railroad a great American achievement. It was built on blood, sweat, politics, and thievery by two railway companies. The Central Pacific line started on the West Coast and went east. It spent \$200,000 on bribes in Washington, D.C. to get free land and loans, and it paid its Irish and Chinese workers one or two dollars a day. The Union Pacific line started in Nebraska and went west. To avoid being investigated, it bribed congressmen by selling them shares in the company very cheaply. Its workers died by the hundreds from heat, cold, and attacks by Indians who fought the invasion of their land.

Rockefeller built a fortune in the new oil business, partly by making secret deals with railroad companies. He promised to ship his oil with them if they would give him lower rates. This arrangement saved him money, so he could sell his oil for less, which drove competing oil companies out of business. He bought them up and created a monopoly—a system in which one corporation controls all or most of an industry.

The efficient businessmen of the late nineteenth century are sometimes called robber barons. They were powerful, like the barons of medieval nobility, and much of their wealth was gained through greedy or dishonest methods. In industry after industry they created empires by keeping prices high and wages low, by crushing their competition, and by getting help from the government in the form of favorable laws and taxes. The government pretended to be neutral, but in reality it served the interests of the rich. Its purpose was to settle disputes among the upper classes peacefully, to keep the lower classes under control, and to keep the economic system stable.

The election of Grover Cleveland in 1884 showed the way things were in the United States. Many people thought that Cleveland, a Democrat, was against the power of monopolies and corporations. But Cleveland promised the captains of industry, "No harm shall come to any business interest . . . so long as I am President." After he was elected, Cleveland showed that he cared more about the rich than the poor. He refused to give \$100,000 of federal money to help Texas farmers buy seed grain during a drought, even though the

treasury was full of funds. That same year, Cleveland bought back government bonds held by wealthy people at more than their face value—a gift of \$45 million to the rich.

### Voices of Protest

A FEW POLITICIANS TRIED TO LIMIT THE power of corporations. To break up monopolies, Senator John Sherman wrote the Sherman Anti-Trust Act, which Congress voted into law in 1877. Sherman feared that without reforms, people who opposed the power of giant corporations might be drawn to dangerous new political ideas that had come out of Europe.

One idea was socialism—an economic system in which the government or the people as a whole own the means of production, such as farms, mines, and factories. These are operated for the benefit of all, not for private profit. Communism went even further, doing away with private property and with class distinctions based on wealth. In a