

Rise of Industry and Big Business

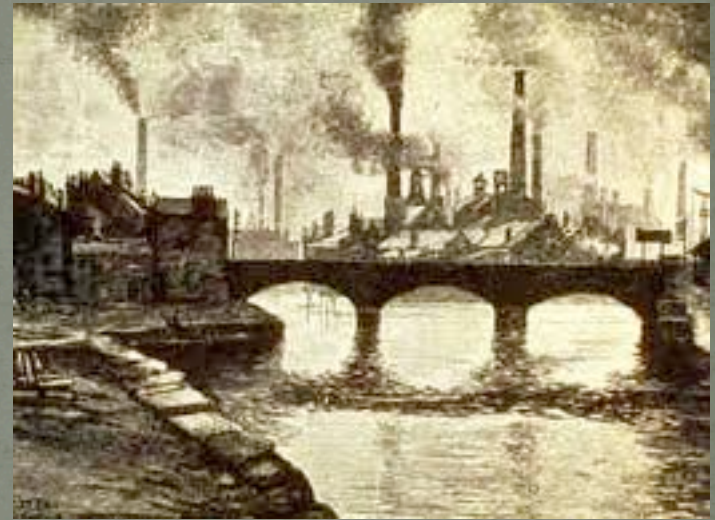


Industrialization

- The process of social and economic change that transforms a human group from a pre-industrial society into an industrial one.
- Developed country means an industrialized country
- Developing country means a traditional country; trying to change to an industrialized country
- Fundamental changes:
 - Daily lives are change: family, work, etc.
 - Politics change

Industrialization

- “Gilded Age”
- 4 main changes/factors:
 - Technology
 - Innovation
 - Resources
 - Organization
- Not every American was happy with the change
- Every aspect of American culture and politics were changed



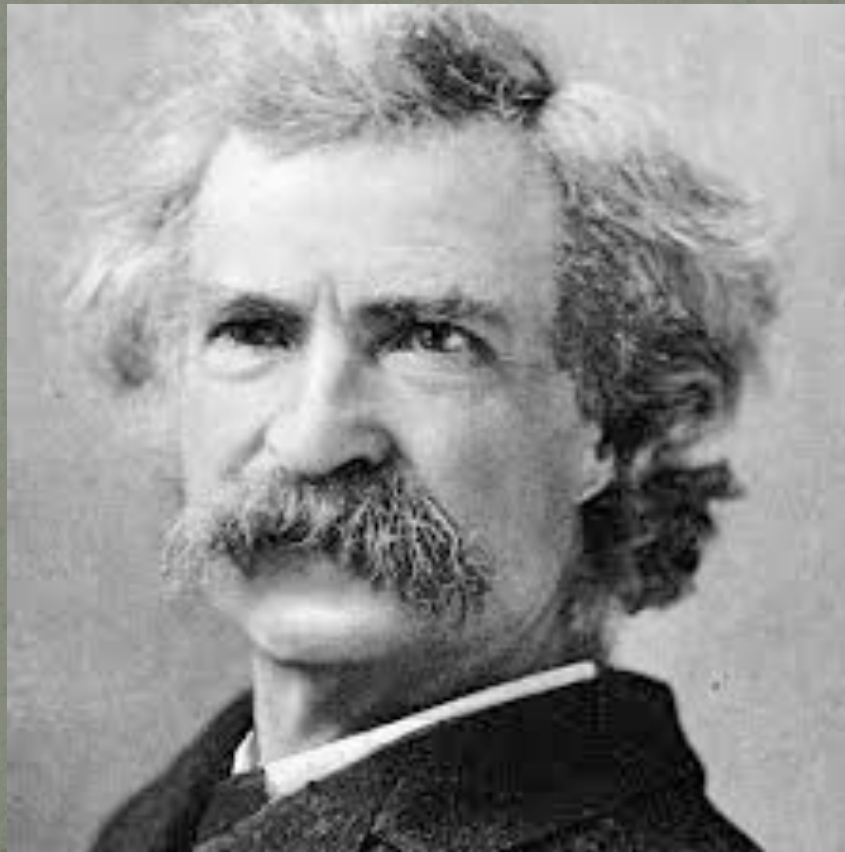
How does GREED play into this era?

- American Society seemed dominated by GREED, which brought about a change in the idea of America itself
- Fortunes sought overnight in periods of economic boom contrasted with suffering in financial Panics of 1873 and 1893



Mark Twain

- “What is the chief end of man? – to get rich. In what way? – dishonestly if we can; honestly if we must.” (1871)



Ostentatious Wealth

- Americans who achieved wealth celebrated it as never before
- In New York, the opera, the theatre, and lavish parties consumed the ruling class' leisure hours. Sherry's Restaurant hosted formal horseback dinners for the New York Riding Club.



Mrs. Stuyvesant Fish

- Once threw a dinner party to honor her dog who arrived sporting a \$15,000 diamond collar



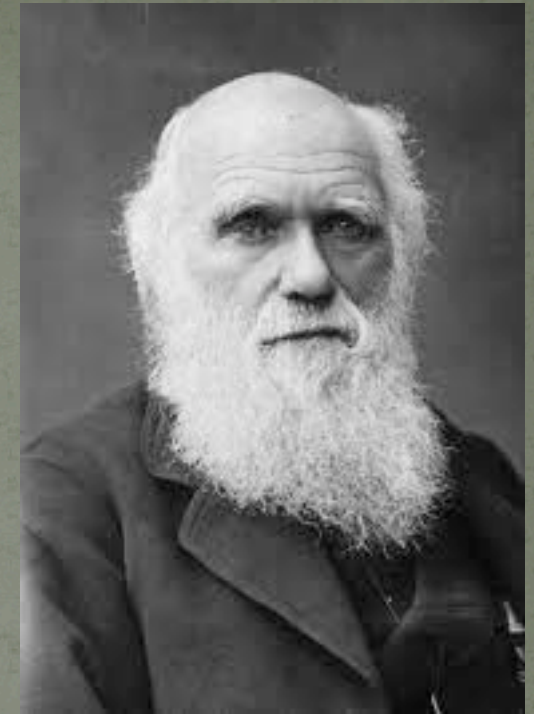
Contrast

- 11 million of the nation's 12 million families earned less than \$1200 per year, and of this group, the average annual income was \$380, well below the poverty line.



The Industrialist Mindset:

- What is Charles Darwin famous for?
- Charles Darwin:
 - Evolution based on adaptation
 - The strong survive naturally
 - NATURAL SELECTION:
 - 1. Variation – people are born different either to work hard and make money or to be poor
 - 2. Competition – the rich and poor compete in society
 - 3. Survival – the rich survive, they are the “fittest”
 - 4. Reproduction – the rich will have offspring and continue the trend
- Spreads to the idea of Social Darwinism



SOCIAL DARWINISM

- Social Darwinism: only the fit (the wealthy) of society should survive, and all others should die off (the poor)
 - **Herbert Spencer:**
 - “survival of the fittest”
 - Do not intervene with poverty
 - **William Graham Sumner:**
 - Applied Social Darwinism
 - Wrote: “What the Social Classes owe to Each other” (1883)
 - He says they owe nothing to each other

EVOLUTION OF THE CHILD WORKER

Drawn for LARSEN by John W. Ward.



This cartoon depicts the exploitation of a child for profit.

Application

- Why might the philosophy and theory of Social Darwinism have been appealing to big businessmen?
- “Competition: we cannot evade it. And while the law may be sometimes hard for the individual, it is best for the race, because it ensures the survival of the fittest.” -A. Carnegie



Gilded Age: Social Thought

- Protestant Work Ethic
 - Hard working is morally good
 - Wealth is morally good
 - Poverty is morally wrong
 - Everything determined by you

Birth of the Corporation

- Gilded Age is the beginning of BIG BUSINESS
- Before – it was just family owned businesses

Monopolies

- One company controls the whole industry
- What's wrong with this??

Vertical Integration

- Own everything from the ground up ---- Railroads for example..
 - Own a steel, coal, run the rails, etc

Horizontal Integration

- Own ALL Railroad companies