

Aim How did the big businessmen of the late 19th century try to justify their business practices?

Do Now: Bernie Sanders is running for the Democratic nomination for President of the United States. He has stated that there should be no such thing as a billionaire. Do you agree? Explain.



Gilded Age (1870-1900)

- Era of rapid economic and population growth in the United States during the post Civil War and post-Reconstruction eras of the late 19th century.

How did many Americans of the late 19th century attempt to justify growing wealth inequality?

- <http://www.youtube.com/watch?v=QPKKQnijnsM>

(Source – Mother Jones/Politizane)

- What statistics that are presented in the film stand out most?
- What has been the cause of wealth inequality?
- Is wealth inequality a problem?
- Should something be done about it?



Warren Buffet
Net Worth \$63,300,000,000

50,000,000,000,000

-

In other words . . .

Assuming that he does not earn another cent, if Mr. Buffet were to spend \$1,000,000 per day, it would take him more than 173 years to go completely broke.

The \$340,000,000,000 Man



"The American Beauty Rose can be produced in all its splendor only by sacrificing the early buds that grow up around it."

— John D. Rockefeller, Jr.

Source: Guy R. Spencer, *The Literary Digest*,
May 1905 (adapted)

Carnegie – Gospel of Wealth

1. According to Carnegie, how should the man of wealth live his life? How should he treat his children?
2. What should the man of wealth do with his money? Why?
3. Are these ideas consistent with social darwinism? Explain.

Justification of Wealth Inequality

- **Social Darwinism**

- belief that social progress results from competition and that those who “succeed” should not be restricted and those who fail should not be helped.

- **“Survival of the Fittest”**

- Reinforced
 - Laissez-Faire Capitalism
 - Idea of the “undeserving poor”

- **Gospel of Wealth**

- Wealth is a reward for hard work and positive character traits
- Wealthy have an obligation to use that wealth for good of the community. - PHILANTHROPY

Capitalism

- Capitalism – an economic and political system in which a country's trade and industry are controlled by private owners for profit, rather than by the state.
 - Competition
 - Laissez-Faire - little government involvement
 - Private ownership of property and business
 - Profit Motive
 - Free enterprise - right to choose business/career/job

- **Sherman Anti-Trust Act (1890)**—
prohibited any “trust, combination or
conspiracy that restrained interstate
commerce.”

Philanthropist (Philanthropy)

a person who seeks to promote the welfare of society, especially by the generous donation of money to good causes.

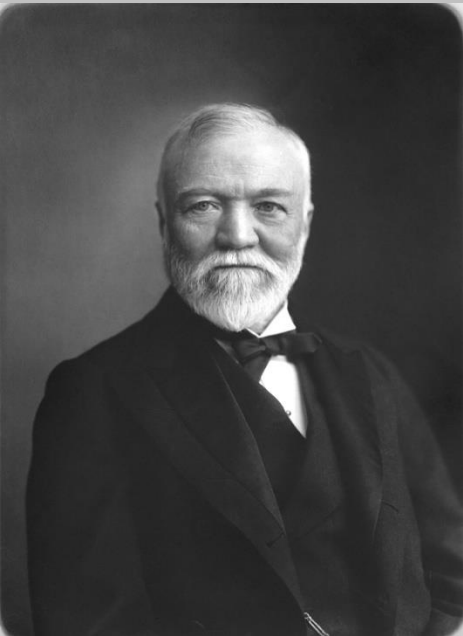
- **Carnegie** – public libraries, Carnegie foundation
- <https://library.columbia.edu/locations/rbml/units/carnegie/andrew.html>
- **Rockefeller** – University of Chicago, Rockefeller Foundation - Mellon (banker) – National Gallery of Arts

Question

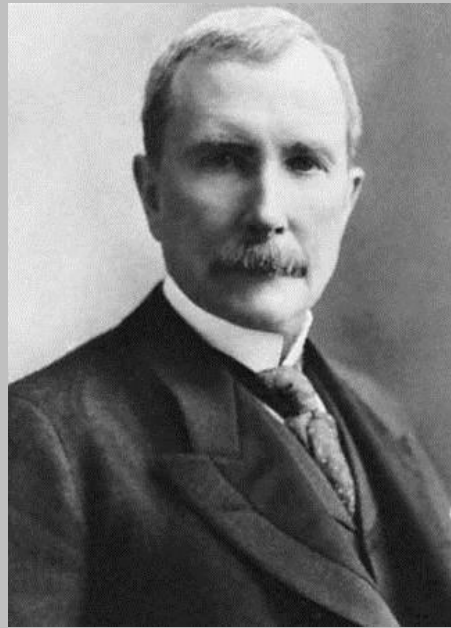
- Did Carnegie's Gospel of Wealth result in the best use of his resources? Explain.

Robber Barons or Captains of Industry?

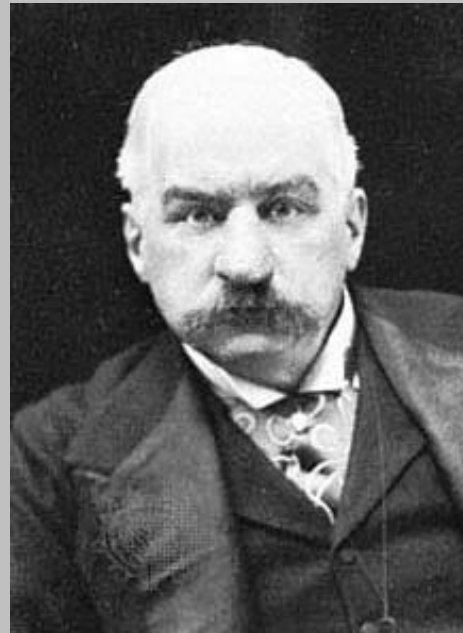
Andrew
Carnegie



John D.
Rockefeller



J.P. Morgan



William
Vanderbilt



Were the big businessmen of the late 19th Century Robber Barons or Captains of Industry?

- <https://www.pbs.org/video/triangle-fire-chapter-1-0evstz/>

Working conditions:

On a separate sheet of paper: list the problems facing workers of the Triangle Shirtwaist Factory

Problems Faced by Workers

- Long hours
- Child labor
- Low wages
- No job security
- Unsafe working conditions
- Poor/unhealthy working conditions

Captains of Industry or Robber Barons?

Captains of Industry

- business leaders who built a personal fortune and contributed positively to the country through jobs, innovation, and philanthropy (charity)

Robber Barons

- an American capitalist who got rich at the expense of others, exploited natural resources, ^{+workers} or had unfair government influence.

Captains of Industry vs. Robber Barons

Captain of Industry

- Increases availability of goods by building factories
- Raises productivity
- Expands markets
- Creates more jobs
- Funds many of the nation's public institutions: practices philanthropy- (giving generously to charitable causes)

Robber Baron

- Drains the country of its natural resources.
- Corrupts public officials to interpret laws in their favor.
- Drives competitors to ruin
- Pays poor wages
- Forces workers to toil under dangerous and unhealthy conditions

Growth of Big Business – Good or Bad?

Good

- More consumer goods
- Overall higher standard of living
- Growth of an urban middle-class
 - White collar – professionals and mid-level management in growing corporations, small businessmen (retail)

Bad

- Some Small Businesses hurt
- Abuse of Workers
- Growing disparity between rich and poor working class
- More political power for wealthy