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Title: Labor in the Gilded Age  
Subject: US History (Reconstruction to present day)  
State: Maryland

1. This is a day lesson in its own or could be used to integrate within other lessons as needed.
2. Unit goals are to help students better understand the responsibilities that employers have for their employees.
3. 5.A.3.f. Examine the responses to social problems created by industrial growth, such as the Social Gospel movement, the Gospel of Wealth and Social Darwinism (PNW).

**Procedure:**

Day 1: Students will be introduced to the concept of the responsibilities of businesses no matter the scale. Students will be asked questions on what they know about labor on the micro and macro scale and what they believe employers and employees are entitled to in the workplace. They will also be asked to research these ideas and provide evidence based on their findings. They will then be given the political cartoon handout to have completed by class the next day.

Day 2: Students will have a classroom discussion on their thoughts and findings. This will lead directly into the philanthropy aspect of business owners and how Carnegie set the precedent for future philanthropists. We will read together both document A & B while annotations and class discussion/feedback occur along with completion of the graphic organizer.

Students will then have the remainder of the class period/block to complete the questions and exit ticket. This graphic organizer will also be available for students, at the end of the unit, to complete their writing with evidence.

5. Exit ticket and classroom dialogue
6. County issued computer or smartphone
7. Computer and student handouts

Economies of scale apply when making things in bigger batches is cheaper. They usually involve a trade-off: lower per-unit cost, but higher up-front cost.

A BIG FACTORY CAN MAKE STEEL AT A LOW COST PER TON, BUT FIRST YOU HAVE TO BUILD THE FACTORY!

The first person to pay that up-front cost has a huge advantage, and is well set up to grow even bigger.

Eventually that high setup cost keeps competitors out as effectively as any law.

BLACKSMITH SHOP

I'D LIKE TO COMPETE, IF ONLY I COULD AFFORD TO BUILD A FACTORY AS BIG AS A CITY.

Economies of scale operated with a vengeance in the late 19th century. Big businesses got bigger, while their founders grew unimaginably rich.

CALIFORNIA

Philip Armour (1829-1909) Meat

CHICAGO

Cyrus McCormick (1809-1884) Farm machines

Richard Sears (1863-1914) Mail-order goods

NEW YORK

Cornelius Vanderbilt (1794-1877) Railroads

PITTSBURGH

Andrew Carnegie (1835-1919) Steel

Andrew Mellon (1855-1937) Carnegie's banker

NORTH CAROLINA

Washington Duke (1820-1905) Tobacco

Leland Stanford (1824-1893) Railroads

How big was big? There was *no limit*; a single company could engulf an entire industry. Consider:

From Michael Goodwin, illustrated by Dan E. Burr, *Economix: How Our Economy Works (And Doesn't Work) in Words and Pictures* (NY: Abrams ComicArts, 2012)

Directions: Complete the following based on the cartoon panels.

1. Industrialists (owners of big industries) of the late 19th century US became extremely wealthy because.....

.....

.....

.....

2. Do you know of any similarly extremely wealthy business founders today (despite today's laws against businesses getting too big). This could be a class discussion or posted as a prompt on a discussion board.

## Document A (modified)

Competition, therefore, is a law of nature. Nature is entirely neutral. ... She grants her rewards to the fittest... Men get [from nature just what they deserve; what they have and enjoy is] in proportion to their works. Such is the system of nature. If we do not like it, and if we try to amend (change) it, there is only one way in which we can do it. We can take from the better and give to the worse. ... We can take the rewards from those who have done better and give them to those who have done worse. We shall thus lessen the inequalities. We shall favor the survival of the unfittest, and we shall accomplish this by destroying liberty. Let it be understood that we cannot go outside of this alternative; liberty, inequality, survival of the fittest; not-liberty, equality, survival of the unfittest. The former carries society forward and favors all its best members; the latter carries society downwards and favors all its worst members.

Source: William Graham Sumner, circa 1880s. Sumner was a sociologist at Yale University and wrote several essays on philosophy and economics.

Adapted from: <https://www.americanyawp.com/reader/16-capital-and-labor/william-graham-sumner-on-social-darwnism-ca-1880s/>

## Document B (Modified)

This then is held to be the duty of the man of wealth. First: to set an example of modest, unostentatious living, shunning (avoiding) display; to provide moderately for the legitimate wants of those dependent upon him, and after doing so, to consider all surplus (extra) revenues which come to him simply as trust funds, which he is strictly bound as a matter of duty, to administer in the manner which in his judgment is best calculated to produce the most beneficial results for the community.

The man of wealth must become a trustee and agent for his poorer brethren (brothers), bringing to their service his superior wisdom, experience, and ability to administer. Those who would administer wisely must indeed be wise. For one of the serious obstacles to the improvement of our race is indiscriminate charity. It were better for mankind that the millions of the rich were thrown into the sea than so spent as to encourage the slothful (lazy), the drunken, the unworthy.....

The [economic] laws of accumulation should be left free; the laws of distribution free. Individualism will continue. But the millionaire will be but a trustee for the poor; entrusted for a season with a part of the increased wealth of the community but administering it for the community far better than it did, or would have done, of itself....

Source: Excerpt from Andrew Carnegie's essay, entitled "Wealth." It was published in the North American Review in 1889. The essay became famous, known as "The Gospel of Wealth."

### Vocabulary

unostentatious not flashy or showing off

trustee someone given (entrusted with) the responsibility on behalf of one or more others

indiscriminate without thought or selection

trust funds money that belongs to one person but is legally held or managed by another person or by an organization

Text	How do the authors justify the accumulation of vast wealth by a few industrialists? Explain your answer.	What evidence from the document supports this position?
<b>Document A: William Graham Sumner Essay</b>		
<b>Document B: Carnegie's Essay "Wealth"</b>		

### **Vocabulary Review/Exit Ticket**

1. Carnegie believed that the rich should act as trustees for poorer people. This means that:
  - a. The rich should give poor people well-paying jobs.
  - b. The rich should hold and manage money on behalf of the working classes.
  
2. Carnegie believed that poor people should not just be given money because:
  - c. he thinks receiving charity would make them slothful.
  - d. he thinks rich people deserve to keep all their money.
  
3. This text became known as Carnegie's "Gospel of Wealth." This means:
  - e. He wrote a song about it.
  - f. These are the beliefs by which he lived his life.

**Instructions: Briefly answer the question below in your own words. Your answers should include the following vocabulary terms: trust and/or monopoly, Darwin's Theory, and philanthropy.**

1. Predict what problems this accumulation of wealth by a few people might cause for society or what objections might people have to it.