Name _____ Class _____ Date _____

Unit 6: Has Industrialization Produced More Benefits or More Problems for the Nation?

The Issue

The triumph of the industrial North over the agricultural South in the Civil War heralded a new era of industrialization that profoundly affected American society. During the late nineteenth century Americans were divided between those who believed that economic growth was beneficial to the nation and those who saw it as a major cause of the growing gap betweeen the "haves" and the "have-nots."

Background

The Industrial Revolution began in Western Europe and eventually spread across much of the world. It transformed humanity's age-old struggle with material scarcity by using capital, technology, resources, and management to expand the production of goods and services dramatically.

In the United States the period between the Civil War and the end of the nineteenth century was one of tremendous industrial and commercial expansion. Americans have long had faith in the idea of progress, and many people viewed this dramatic economic growth as evidence of the superiority of the American system.

But while increased production did improve the American standard of living, industrialization concentrated great wealth and power in the hands of a few captains of industry. For the thousands of Americans who actually worked in the new factories, however, this economic revolution often meant long hours, low wages, and dangerous working conditions. As economic growth increasingly touched every aspect of American society, then, it created both new opportunities and new social problems.

The Readings

The following debate opens with an excerpt from Andrew Carnegie's "Gospel of Wealth," an article he published in 1889. A Scottish immigrant, Carnegie once worked as a telegraph boy for $2.50 per week. Self educated, he rose through a series of jobs in the railroad and iron foundry business to the presidency of the Carnegie Company, a business he sold for $250 million in gold bonds when he retired in 1901. During his lifetime Carnegie donated about $350 million to various philanthropic causes, and he was largely responsible for the development of free public libraries.

Henry George was an economist, land reformer, and writer. George edited the *San Francisco Chronicle* and in 1871 founded the *San Francisco Daily Evening Post.* He detailed his economic theories in the book *Progress and Poverty* (1879). This famous work of social protest was widely read and inspired the creation of many Henry George societies, organizations that promoted George's economic views.

Update

Industrialization continues to have a profound effect on American society. New technologies, such as robotics and genetic engineering, could bring about great changes in the way people live and work. Although these technologies are opening new frontiers for human achievement, they are also disrupting established patterns of economic, social, and environmental interaction. Given this disruption, it is not really surprising that the pros and cons of industrialization remain the subject of intense debate.

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Andrew Carnegie, *President of Carnegie Steel, published this article in 1889.*

WHETHER THE LAW [of competition] be benign or not, we must say of it . . . it is here; we cannot evade it; no substitutes for it have been found; and while the law may sometimes be hard on the individual, it is best for the race, because it insures the survival of the fittest in every department. We accept and welcome, therefore, as conditions to which we must accommodate ourselves, great inequalities of environment; the concentration of business, industrial and commercial, in the hands of the few; and the laws of competition between these, as being not only beneficial but essential to the future progress of the race. . . .

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Objections to the foundations upon which society is based are not in order because the condition of the race is better with these than it has been with any others which have been tried. Of the effect of any new substitutes proposed, we cannot be sure. The socialist or anarchist who seeks to overturn present conditions is to be regarded as attacking the foundation upon which civilization itself rests, for civilization took its start from the day that the capable, industrious workman said to his incompetent and lazy fellow, "If thou dost not sow, thou shalt not reap," and thus ended primitive Communism by separating the drones from the bees. One who studies this subject will soon be brought face to face with the conclusion that upon the sacredness of property civilization itself depends—the right of the laborer to his $100 in the savings bank, and equally the legal right of the millionaire to his millions. . . .

What is the proper mode of administering wealth after the laws upon which civilization is founded have thrown it into the hands of the few? And it is of this great question that I believe I offer the true solution. . . .

Under [the law of competition's] sway we shall have an ideal state in which the surplus wealth of the few will become, in the best sense, the property of the many, because administered for the common good; and this wealth, passing through the hands of the few, can be made a much more potent force for the evaluation of our race than if it had been distributed in small sums to the people themselves. Even the poorest can be made to see this and to agree that great sums gathered by some of their fellow citizens and spent for public purposes, from which the masses reap the principal benefit, are more valuble to them than if scattered among them through the course of many years in trifling amounts. . . .

This, then, is held to be the duty of the man of wealth: first, to set an example of modest, unostentatious living, shunning display or extravagance; to provide moderately for the legitimate wants of those dependent upon him; and after doing so to consider all surplus revenues which come to him simply as trust funds which he is called upon to administer, and 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 thus becoming the mere agent and trustee for his poorer brethren, bringing to their service his superior wisdom, experience, and ability to administer, doing for them better than they would or could do for themselves. . . .

Thus is the problem of rich and poor to be solved. The laws of accumulation will 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 great part of the increased wealth of the community, but administering it for the community far better than it could or would have done for itself.

Source: *North American Review,* June 1889.

Has Industrialization Produced More Benefits or More Problems for the Nation?

Henry George, *writer, editor, and reformer, wrote this passage for his 1879 book,* Progress and Poverty.

COULD . . . A FRANKLIN or a Priestley have seen in a vision of the future, the steamship taking the place of the sailing vessel, the railroad train of the wagon, the reaping machine of the scythe, the threshing machine of the flair; could he have heard the throb of the engines that in obedience to human will, and for the satisfaction of human desire, exert a power greater than that of all the men and all the beasts of burden of the earth combined; could he have seen the forest tree transformed into finished lumber—into doors, sashes, blinds, boxes or barrels—with hardly the touch of a human hand; . . .

The march of invention has clothed mankind with powers of which a century ago the boldest imagination could not have dreamed. But in factories where laborsaving machinery has reached its most wonderful development, little children are at work; wherever the new forces are anything like fully utilized, large classes are maintained by charity or live on the verge of recourse to it; amid the greatest accumulations of wealth, men die of starvation and puny infants suckle dry breasts; while everywhere the greed of gain, the worship of wealth shows the force of the fear of want. The promised land flies before us like the mirage. The fruits of the tree of knowledge turn, as we grasp them, to apples of Sodom that crumble at the touch.

It is true that wealth has been greatly increased and that the average of comfort, leisure, and refinement has been raised; but these gains are not general. In them the lowest class do not share. I do not mean that the condition of the lowest class has nowhere nor in anything been improved; but that there is nowhere any improvement which can be credited to increased productive power. I mean that the tendency of what we call material progress is in nowise to improve the condition of the lowest class in the essentials of healthy, happy human life. Nay, more, that it is still further to depress the condition of the lowest class. The new forces, elevating in their nature though they be, do not act upon the social fabric from underneath, as was for a long time hoped and believed, but strike it at a point intermediate between top and bottom. It is as though an immense wedge were being forced, not underneath society but through society. Those who are above the point of separation are elevated, but those who are below are crushed down.

The depressing effect is not generally realized, for it is not apparent where there has long existed a class just able to live. Where the lowest class barely lives, as has been the case for a long time in many parts of Europe, it is impossible for it to get any lower, for the next lowest step is out of existence, and no tendency is to further depression can readily show itself. But in the progress of new settlements to the conditions of older communities it may clearly be seen that material progress does not merely fail to relieve poverty; it actually produces it. In the United States it is clear that squalor and misery, and the vices and crimes that spring from them, everywhere increase as the village grows to the city . . .

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This association of poverty with progress is the great enigma of our times. It is the central fact from which spring industrial, social, and political difficulties that perplex the world, and with which statesmanship and philanthropy and education grapple in vain. From it come the clouds that overhang the future of the most progressive and self-reliant nations. It is the riddle which the Sphinx of Fate puts to our civilization, and which not to answer is to be destroyed. So long as all the increased wealth which modern progress brings goes but to build up great fortunes, to increase luxury, and make sharper the contrast between the House of Have and the House of Want, progress is not real and cannot be permanent. The reaction must come. The tower leans from its foundations, and every new story but hastens the final catastrophe.

Source: Henry George, *Poverty and Progress* (New York: Schalkenbach, 1984).

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GREAT DEBATES WORKSHEET **6**

Directions: Use the information in the Unit 6 debate to answer the following questions. If necessary, use an additional sheet of paper.

A. Comprehension

1. What is Andrew Carnegie's rationale for the accumulation of wealth and power in the hands of the rich?

2. List two ways in which industrialization has affected American society in Henry George's view.

3. According to Carnegie, how can the problems of the poor best be solved?

4. Henry George describes industrialization as a "wedge." What does he mean by this term?

B. Critical Thinking

1. **Identifying Central Issues:** State the main idea or point of Andrew Carnegie's argument as you see it.

2. **Making Comparisons:** To what extent are Carnegie and George in agreement concerning the existence of extremes of wealth and poverty in America? In what ways do they differ in their analysis of why such extremes exist?

3. **Drawing Conclusions:** How do you think Henry George would have responded to Carnegie's idea that the millionaire is the best trustee for the poor?

5. **Testing Conclusions:** Evaluate the arguments on both sides of the debate. Which side's arguments are most effective and convincing? Use specific reasons and examples to support your position.