

Outline for Question 2-C

Par. #1: Introduction

A. Briefly introduce Adam Smith, *laissez-faire* economics, and why the United States was the perfect setting for big business. (*This is where you can pick through the question for material.*) **Do NOT explain *laissez-faire* in great detail – that goes in Par. #2.**

B. Thesis: *Big business found the perfect environment in which to prosper in the United States during the late 19th and early 20th Centuries, capitalizing off America's laissez-faire economic attitude, the abundance of cheap labor thanks to immigration, and the delay in cohesive attempts at regulation.*

(Be sure to underline your thesis statement.)

Note: Your thesis will serve as your transition from Paragraph #1 to #2.

Par. #2: Adam Smith

- A. Adam Smith was a British philosopher and economist, whose treatise *The Wealth of Nations* was the first attempt to study the nature of money and the historical development of industry and commerce.
- B. The central thesis of *The Wealth of Nations* centered on governmental non-interference (*laissez-faire*) and free trade.
- C. *Laissez-faire* is French for “let things alone”. It is non-intervention by the government in individual or industrial monetary affairs.
- D. In Smith’s view, the production and exchange of goods, as well as raising the standard of living, could only occur if there was minimum regulation and control by the government. To explain this better, Smith stated that every person—in pursuing his or her own good—is led, as if by an “invisible hand”, to achieve the best good for all. Any interference with free competition by government is almost certain to be harmful.
- E. The principles of *laissez-faire* and free trade appealed strongly to the growing class of capitalists of the Industrial Revolution.

Note: The Industrial Revolution serves as your transition from Paragraph #2 to #3.

Par. #3: The First Industrial Revolution

- A. The Industrial Revolution refers to a revolution in making things via machines and new sources of power in factories, instead of making goods at home by hand.
- B. There were two Industrial Revolutions: 1760-1850 and 1871-1914.

- C. The Industrial Revolution began in Britain in the mid-1700s with the manufacturing of textiles, when new inventions permitted weavers to spin several threads of yarn at one time.
- D. The invention of the steam engine provided a cheap and reliable source of power to turn these new spinning machines, looms, and other factory machinery. Steam power was soon applied to transportation with the invention of steamships and railroads.
- E. From Britain, the methods and inventions of the Industrial Revolution spread to the U.S., Europe, and other parts of the world.
- F. The Industrial Revolution appeared in the U.S. in 1793 with Eli Whitney's cotton gin and soon showed that the U.S. had advantages that made it fertile ground for its own Industrial Revolution.

Note: The reference to America's advantages serves as your transition from Paragraph #3 to #4.

Par. #4: The Second Industrial Revolution

- A. In the young U.S., Secretary of the Treasury Alexander Hamilton called for an Industrial Revolution in his *Report on Manufactures*.
- B. Many Americans felt that the U.S. had to become economically strong in order to maintain its recently won independence from Britain.
- C. The Industrial Revolution unfolded in the U.S. even more vigorously than it had in Britain. There were five reasons why the Industrial Revolution succeeded in the U.S.:
 - a. Thanks to Manifest Destiny, the U.S. had tons of land.
 - b. Compared to many countries, the U.S. was stable both legally and politically.
 - c. Compared to many countries, the population of the U.S. was literate.
 - d. The U.S. shared the same language/culture as Britain. As descriptions of machines appeared in print, Americans read about them and copied them.
 - e. The U.S. had the money to lure skilled mechanics from Britain. (*Ex: Samuel Slater was important figure in leading British textile firm who was lured away. He created the first U.S. textile mill in Rhode Island.*)
- D. As a result, the Second Industrial Revolution began in the U.S. in 1871. Technical and organizational advances carried this Industrial Revolution to new levels. In particular, iron and steel manufacturing transformed the U.S. into an industrial giant.
- E. But the Industrial Revolution also served as the springboard for Big Business looking to exploit the workers.

Note: The exploitation of workers serves as your transition from Paragraph #4 to #5.

Par. #5: The Impact of the Industrial Revolution

- A. Before the Industrial Revolution, people worked at home spinning and weaving wool, cotton, and linen by hand. After the Industrial Revolution, people worked in factories, where skilled work was replaced by simple repetitive tasks. Factories gave rise to the mass production of goods.
- B. As the demand for textiles and other mass-produced goods grew, more factories were built and more people were employed. But, while the factory owners grew rich, conditions for workers worsened.
- C. Workers now spent long hours in factories, which were often horrible places to work. The workday was long and wages were low. Workers could be let go for any reason. In hard times, factory workers who lost their jobs had to beg and steal or face starvation.
- D. Many factories relied on women and children, who were paid less. Children were used to crawl into factory machinery or mine shafts.
- E. Big Business liked being free of government regulation and taxation. *Laissez-faire* policies led to abuses, especially in the use of child labor.
- F. Gradually, businesses combined to control production and prices for the benefit of their owners, not the workers. Thus, competition (an essential part of the *laissez-faire* system) was eliminated and monopolies soon dominated business.

Note: The reference to monopolies serves as your transition from Paragraph #5 to #6.

Par. #6: Monopolies

- A. A monopoly is a situation where one seller controls the production, supply, or pricing of a product that has no substitutes.
- B. There are two ways to gain a monopoly:
 - a. Vertical Integration – where you buy out all your suppliers.
 - b. Horizontal Consolidation – where you buy out all of your competitors.
- C. John D. Rockefeller had a monopoly with Standard Oil. Andrew Carnegie had a monopoly with U.S. Steel. Both believed in Social Darwinism and the Protestant Work Ethic.
- D. Social Darwinists believe that humans, like animals, compete in a struggle where natural selection results in survival of the fittest. Darwinists justify imbalances of power between races, religions, and countries because they consider some people “more fit” to survive.
- E. This theory could be applied to industrialization: “*Survival of the fittest business.*”

- F. The Protestant Work Ethic stated that riches and wealth were a sign of God’s favor. Thus, the poor must be lazy and inferior people – and not fit for survival.
- G. New York’s Triangle Shirtwaist Factory Fire showed the lack of concern Big Business had about its workers. In this tragedy, 146 employees (mostly immigrant women) either burned to death or jumped to their deaths from the burning factory. The doors leading to the fire exits were locked. Rumors that some workers were stealing fabric and spools of thread contributed to locking the doors by the owners.
- H. Incidents like these eventually forced the workers to strike back.

Note: The workers striking back serves as your transition from Paragraph #6 to #7.

Par. #7: The Workers Strike Back

- A. In 1900, the U.S. had the highest job-related fatality rate in the world.
- B. Most industrial workers still worked a 10-hour day (12 hours in steel), yet earned 20-40% less than the minimum necessary for a decent life.
- C. The first nationwide attempt to organize works appeared with The Noble Order of the Knights of Labor in 1869. It was open to all workers, including blacks, women, and farmers. The Knights of Labor soon fell into disunity because it was trying to do too much for too many different workers.
- D. The American Federation of Labor (AFL), founded in 1886 in Columbus, Ohio, soon took the place of the Knights. Rather than open its membership to all, the AFL, led by Samuel Gompers, focused on *skilled* workers. His objectives were simple: increase wages, reduce hours, and improve conditions.
- E. Pick two of the four examples of workers striking (Great Rail Strike, Haymarket Square Riot, Homestead Strike, or Pullman Strike) and describe when it occurred, why it occurred, and the result.
- F. Progressive reformers saw what the workers were doing in unionizing and soon joined in the fight.

Note: The reference to Progressive reformers serves as your transition from Paragraph #7 to #8.

Par. #8: The Progressives

- A. Industrialization led to rising living standards for a growing middle class (shopkeepers, small business owners, lawyers, and doctors).
- B. Members of these middle classes began calling for reforms. To these so-called Progressives (who advocated “progress”), economic privilege and corrupt politics threatened democracy.

- C. Never a cohesive movement, and while they didn't always agree, every Progressive reform movement had at least one of the following four goals:
- a. Protecting social welfare – The Progressives strove to fix urban problems like bad housing, crime, etc. Pick one example (Social Gospel Movement or Settlement Movement) and explain it briefly.
 - b. Promoting moral improvement – Many Progressives felt morality was the key to improving the lives of poor people. Use prohibition (banning alcohol) as your example. Be sure to mention the Anti-Saloon League of Westerville and the 18th Amendment.
 - c. Creating economic reform – The *laissez-faire* idea was attacked by Progressives. Journalists joined in on the attack of monopolies. They were called muckrakers. Pick either Ida Tarbell (and how she attacked Rockefeller's monopoly in oil) or Upton Sinclair (and how he inadvertently exposed the meat industry in his book *The Jungle*) as your examples.
 - d. Fostering efficiency – Some Progressives tried to increase society's efficiency by applying scientific principles to make tasks simpler. (*Ex: Henry Ford's Assembly Line. This increase in production, however, required people to work like machines. To combat this, Ford started 8-hour work days and paid his workers \$5 a day – twice what other workers earned.*)
- D. A series of Progressive politicians soon reached the office of the Presidency. These "Progressive Presidents" used new anti-trust laws to break up monopolies.
- E. President Theodore Roosevelt introduced laws to ensure the purity of foods and drugs used by consumers; revived Sherman Anti-Trust Act to make monopolies illegal; earned nickname "Trust Buster".
- F. President Woodrow Wilson introduced a graduated income tax (called a Progressive tax, in which people who make more pay more in taxes).
- G. Progressivism eventually could be seen at every level and facet of society.

Note: Progressivism's spread serves as your transition from Paragraph #8 to #9.

Par. #9: Additional Progressive Movements

- A. Local politics – Progressives wanted electoral reforms to allow the people to play a more direct role in the political process. They generated the initiative, the referendum, and the recall.
- a. Initiative: If 10% of registered voters sign a petition to create a law, it is put up for a vote. If bill passes, it becomes law.
 - b. Referendum: If 10% of voters sign a petition against an existing law, law is voted on in next election.

c. Recall: Voters can remove elected officials by forcing them to face another election if 10% of the voters ask for it. (*Ex: Arnold Schwarzenegger in California in 2003.*)

B. Women – Discuss Women’s Right’s Movement, focusing on 19th Amendment.

C. African-Americans – Discuss Booker T. Washington, W.E.B. Du Bois, and the NAACP.

D. Farmers – Discuss Populist Party and William Jennings Bryan.

Note: The success of the Populists serves as your transition from Paragraph #9 to #10.

Par. #10: Conclusion

A. Summarize your essay by revisiting the key topics (Adam Smith, the First and Second Industrial Revolutions, Monopolies, Unions, and the Progressives) and providing a snapshot review of how each impacted Big Business.

B. Restate (but in different words) your thesis statement to serve as your concluding sentence.

(Do NOT underline any sentence in your conclusion.)

End of Outline

DO NOT...

1. **DO NOT** forget to underline your thesis statement.
2. **DO NOT** say: “*I think...*”; “*I feel...*”, or “*I believe*” ... anywhere in your response. Don’t say: “*I think Rome fell because it got too big.*” Instead, say: “*Rome fell because it got too big.*”
3. **DO NOT** say “*we*”, “*our*”, or “*us*” in reference to humanity or the United States.
Say: “*The colonists beat the English...*” NOT “*We beat the English...*”
Say: “*The U.S. Constitution...*” NOT “*Our Constitution...*”
4. **DO NOT** write in the margins of your Blue Book or draw arrows if you leave something out. In the event you forget to write something and you’re too far into your answer to go back and erase, write that material at the end of your conclusion. Yes, you will lose points for your answer being “out of sync”, but, you won’t lose as many points as you would if you left that information out entirely. (FOR THE LOVE OF EVERYTHING HOLY, DO NOT ERASE ENTIRE PAGES TO GO BACK AND ADD SOMETHING!)