American Capitalism in Transition: Discussion and Debate

As you read on this subject, think about the men that Cashman calls Titans and the ways in which they achieved what Ginger refers to as “success.”

1) How did the Titans acquire their wealth? What conclusions should we draw about the benefits or harms that accrued to American society as a result of the new highly mechanized industries and the concentration of ownership in the hands of a few?

2) Consider the different ways of “making money” described in these readings. Consider all the factors that were involved, including, but not limited to the industriousness and skill of the capitalists. Once upon a time, there were debates among historians about whether to consider the Edisons and Rockefellers, the Carnegies and Morgans “robber barons” or “industrial statesmen.” Let’s get beyond this tired dichotomy and think about how these capitalists engaged in a form of “creative destruction” that transformed American capitalism itself. What happened to the economy of small producers that Abraham Lincoln had idealized as the “free labor system?” Why?

3) By creating the capacity for mass production of consumers goods for a national market, what critical problems did the Titans create for American business? What solutions to these problems were possible? What role did J. P. Morgan play? How did ATT go about solving the problem in innovative ways? Why was it so difficult to get Americans to “love” a monopoly?

4) What happened to key elements of the laissez faire system as a result of the rapid mechanization of U. S. industry and the concentration of ownership? Could we see the same processes at work in our own time, since the 1980s, when high-tech companies such as Microsoft under Bill Gates deliberately closed smaller competitors and alternative (sometimes better) technologies out of the market? (Note that the Justice Department under President Bush has dropped much of the legal action against Microsoft; the breakup originally demanded by appellate Judge Thomas Penfield Jackson has been dropped.) What similarities can you see between the events of the 1890s and the onset of the current recession?

Debate the following proposition:

Resolved: Unrestrained competition was the best policy for our country in the 1890s and remains the best policy today.

Debaters:

Pro _________________________ Con _________________________