

Industrial Era Philosophies

Directions: Below are some of the theories about human and business interaction that were common in the Industrial Era. Please read each of the following passages/quotes and explain what each concept is referencing below it.

Laissez-Faire: “hands off” approach to the economy by the government

“By working for his own private gain, businessmen must produce as much as they can, and for the lowest price. In order to sell his goods, he charges very little. This will help society as a whole, even though that was not his purpose. The invisible hand thus directs selfish acts for the good of the community ... Trust the invisible hand, and not the government ... [because] every person is a much better judge of what is good for him than any President, governor or Congressman. When the government starts telling people what they should do with their money, they are telling people how to mind their own business. This will make a bigger mess than that which they tried to correct.” (Adam Smith)

Meaning?

Social Darwinism: *“The bright and able contribute most to society, and so are to be encouraged and rewarded. The poor, the weak, and the handicapped demand more than they contribute, and so should not be supported but rather allowed to die a natural death.” (Cavanagh, “American Business Values in Transition”)*

Meaning?

What do you think? Is the idea of “survival of the fittest” fair to all involved? Do some people have a decided advantage in life?

Gospel of Wealth: *“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 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.” (Andrew Carnegie, “Wealth,” 1889)*

Meaning?