

What's ahead this semester?



FIRST

RECONSTRUCTION

What is reconstruction?

...THE PERIOD AFTER THE CIVIL WAR.

...THE FEDERAL ATTEMPT TO "RECONSTRUCT" A DEVASTED, WAR-TORN NATION.

...A SIGNIFICANT MOMENT IN AMERICAN HISTORY.

...A CONTROVERSIAL TOPIC FOR HISTORIANS (BUT ONLY FOR A TERRIBLE REASON).

What were the questions facing the country at the end of the Civil War?

1. HOW TO REBUILD THE SOUTH AFTER ITS DESTRUCTION & THE EMANCIPATION OF SLAVES?
2. HOW BEST TO HANDLE THE CONDITION OF AFRICAN-AMERICANS IN THE SOUTH?
3. HOW WOULD THE SOUTH BE REINTEGRATED INTO THE UNION?
How and when should they resume their role in the union? Should the south be punished for its actions or be allowed to recover quickly?
4. WHO WOULD CONTROL THE PROCESS OF RECONSTRUCTION: SOUTHERN STATES, THE PRESIDENT, OR THE U.S. CONGRESS?

At stake were basic issues concerning the nation's political system.

Access to citizenship and voting rights, the relative powers of the national and state governments, the relationship between political and economic democracy, the proper response to terrorism — all of these are Reconstruction issues!

Essentially America was having to/being given the chance to ask itself, what kind of country was this going to be?

What makes this more complicated?

Nothing in the Constitution about all of this.

**The loss of a compassionate President
committed to justice - Abraham Lincoln.**

Let's Rewind... What is the country facing as the war comes to a close?

1. Physical toll of the war (much of the South lay in ruins)

2. Human toll of the war

- North lost nearly 400,000
- South lost nearly 300,000
- Survivors left permanently scarred

3. Southern hardships (for three groups of people)

- **Black southerners** - 4 million freed people starting their new lives under vary precarious circumstances (economically, socially, politically)
- **Plantation owners** - lost \$3 billion in labor
- **Poor white southerners** - facing new competition from freedmen

What else is notable about the situation in 1865?

- **Defeated southern whites:**
 - **determined to resume control** of both land and labor
 - **had many fears:** economic loss, revenge, doing work they had "rarely done before," intermarriage
- **Freedpeople:**
 - did not want revenge, rather **economic independence & freedom**
- **Republican Party:**
 - **Was dominant**
 - *And they had made immense achievements in the eyes of the northern public*

What would your approach to Reconstruction be?

“With malice toward none” and forgiveness?
Or rather punishment and retribution?

Restoration of Southerners as equals – and if so, with all the same powers they had before - or rather, as subordinate traitors?

Would you take this as an opportunity for radical social change and realization of American ideals, or an opportunity to return to the norms of the past?

WHY? What is playing a major role in your considerations?

Lincoln & Reconstruction

- **What was his plan to “bind the nation’s wounds”?**
 - **Can’t be sure**
 - No truly definitive answer to this question, but have some ideas... As early as 1863, he had addressed Reconstruction
 - **Big idea = forgiving**

Lincoln & Reconstruction

- **What were the tentative components of Lincoln's plan?**
 - Argued secession had never been Constitutional/legal, so they didn't really need to "readmit" Southern states
 - **All a Southern state had to do was...**
 - **10% of pop. swears Oath of Allegiance to US**
 - **Write new state Constitution that abolished slavery**
 - Certain individuals would **NOT be allowed to participate** in the Reconstruction process = **Southern political & high military officials for Confederate States of America**
 - **Anyone** in Confederate military or govt & any Southerners who **had killed black American war prisoners** would be **denied pardons**

Lincoln & Reconstruction

- **Once done, what could states do?**
 - Hold elections
 - Resume full participation in the Union

What about suffrage for black Americans?

In 1863, no mention of black suffrage.

In 1865, Lincoln made a speech about Reconstruction in which he showed support for black suffrage (first time an American President had publicly supported this).

Lincoln's Replacement Andrew Johnson

- **What do we know about him as a person/politician?**
 - Former slave owner from Tennessee
 - Democrat
 - Sympathetic to poor whites, but a virulent racist
 - Other notables?

Johnson's Reconstruction Plan

- Main components of his Reconstruction plan:
 - Will allow states to be readmitted if they:
 - disavowed their acts of secessions
 - abolish slavery
 - repudiate their war debts
 - BIG IDEA = very forgiving and lenient on South

How was his plan different than what Lincoln envisioned/likely would have done?

Saw the purpose of the entire Civil War as being entirely different (meaning is goals were different)

How was his plan different than what Lincoln envisioned/likely would have done?

- Granted pardons to many Confederate government & military officials
- Undermined Freedman's Bureau
- Allowed all Confederate states to form new Constitutions even if hadn't met requirements.
 - For example: South Carolina refused to condemn its act of secession; Mississippi refused to ratify the 13th Amendment, abolishing slavery; and several states refuse to repudiate their war debt.
 - Even Alexander Stephens, former Vice President of the Confederacy, was elected to Congress!
- Ignored warnings that if blacks were NOT enfranchised, violence and new legislation would be used to restore the old South.
 - Leniency allowed Confederate states to start adopting Black Codes (legal codes that deny African Americans the right to purchase or even rent land).
 - When reports were sent re: violence used to keep black Americans from advancing or voicing their concerns, he ignored them.

Outcome & End of Presidential Reconstruction

So, eight months after Lee's surrender...

Southern states were back in the Union.

In many cases, freed people were working for former masters.

The new president claimed that Reconstruction was over.

Northern leaders see that almost NONE of their postwar goals were being fulfilled.

A French reporter commented...

“[Would the North], having made so many painful sacrifices, let itself be tricked out of what it had spent so much trouble and perseverance to win?”

Will Congress allow this to happen?

No.

They initiate the phase called
Congressional Reconstruction
(AKA Radical Reconstruction).

Congress...

- **Refused to seat Congressional representatives from former Confederate states**
- **Expanded power of Freedman's Bureau**
- **Passed Civil Rights Act of 1866** (over Johnson's veto)
 - *Noted in reading:*
 - Still on the books today!
 - Affirmed citizenship of everyone born in the United States, regardless of race (except Indians, still considered members of tribal sovereignties). This principle, **birthright citizenship**, is increasingly rare in today's world.
 - Mandated that all citizens enjoy **basic civil rights** in the same manner "enjoyed by white persons."

What was the connection between the Civil Rights Act and the later 14th and 15th Amendments?

Because this legislation was often ignored (not enforced by the President or many of the courts),
they wanted to protect these guarantees in a stronger, more lasting way.

As a result, these concepts were incorporated in to the
14th and 15th Amendments.

Think of it this way: Determined to bypass Johnson and put an end to his Reconstruction plan, Congress used one of its greatest tools: the power to amend the Constitution.

They had BOTH political and moral motives.

**Part of Congressional
Reconstruction:
The 14th Amendment**

First, reminders about the 13th Amendment:

Was it seen as a significant?

13th Amendment

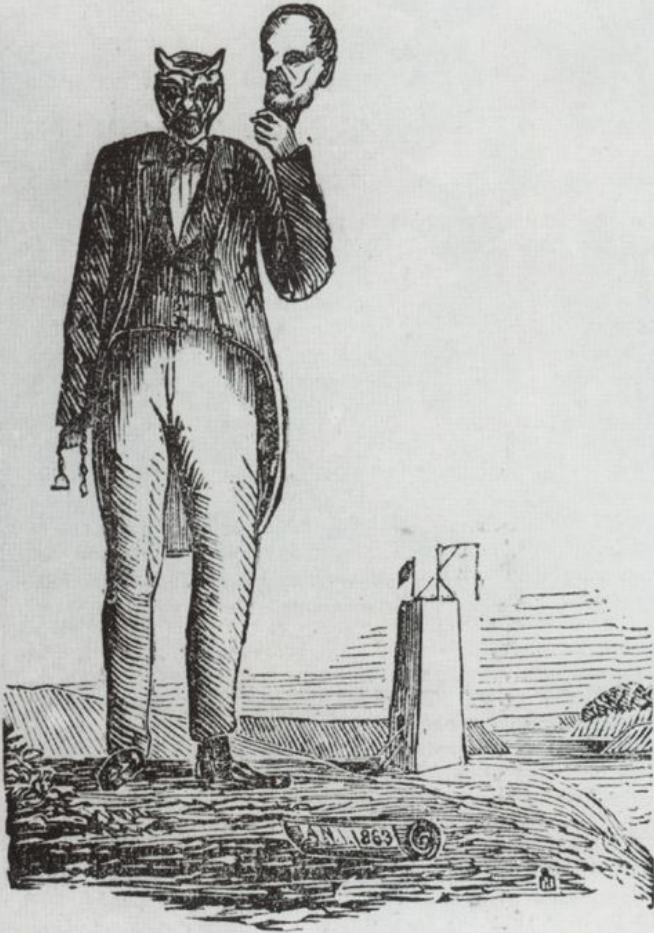
Section 1. Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

Section 2. Congress shall have power to enforce this article by appropriate legislation.

When the 13th Amendment became official in 1865, it was seen by many as a **"Second American Revolution."**

It was an incredibly significant development in world history.

MASKS AND FACES.



King Abraham before and after issuing the EMANCIPATION PROCLAMATION.

Despite its significance, **it did NOT resolve the issues newly freed people were facing.**

Evidence:

Southern legislatures (dominated by former Confederates) were controlling every aspect of the lives of freed people with Black Codes, forbidding them from voting, the right to carry a firearm, travel freely, etc.

If you're asking

“What about the Bill of Rights? How is this allowed?”

Remember:

At the time, the Bill of Rights did not protect people from the states, it only protected them from the Federal Government.

Further Explanation:

Before the Civil War, the Supreme Court had interpreted that the Bill of Rights restricted only federal government, not state governments.

Before, the US had two drastically different systems of criminal justice. Federal prosecutors were required to use search warrants, they were limited by the exclusionary rule, trial by jury, etc. But, state prosecutors were not. Some worried that this actually encouraged state law enforcement officials to violate the principles in the U.S. Constitution.

**This leads to the need
for the 14th
Amendment**

The 14th Amendment Basics

Aside from the preservation of the Union and the abolition of slavery,
the most important constitutional development
of the Civil War was the passage of the 14th Amendment.

The 14th Amendment Basics

Originally intended to protect the rights of newly freed African Americans
it has become a principle guarantee of the rights of all Americans,
as important as the Bill of Rights itself.

**Important
Provisions/Clauses in
the 14th Amendment**

SECTION 1: All persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside

- Defines both national & state citizenship
- Goal accomplished: Overturns Dred Scott case by defining citizenship for first time in the Constitution

SECTION 1 (continued)... No State shall make or enforce any law which shall abridge the **privileges or immunities of citizens of the United States. Nor shall any State **deprive any person** of life, liberty, or property without **due process of law**...**

- U.S. citizens have certain rights that NO STATE government can take away
- Clarifies that US citizenship is paramount to state citizenship (US > state)
- The question of exactly what rights are covered under "privileges or immunities" is still unclear

SECTION 1 (continued)...

Nor shall any State **deprive any person** of **life, liberty, or property** without **due process of law...**

- **Identical to 5th Amendment except applies to the states** (*which mean that it limits the states while 5th Amendment had only limited the actions of the federal government*)
- Result = Court began saying that **states had to honor major provisions in the Bill of Rights**

What is "due process"?

It means that the action must be conducted according to processes or rules that are written into law. No government can be above or act outside of the law. When adopting the idea that each person possesses rights to life, liberty, and property, they argued that government cannot interfere with these rights except according to the established procedures of law.

SECTION 1 (cont): ... nor deny to any person within its jurisdiction the **equal protection of the laws**

- Known as the **Equal Protection Clause**
- **Goal: Prevent legislatures from passing laws that unreasonably and unfairly favor some groups over others.**
- **Prohibits unreasonable discrimination.**
 - Does NOT protect the right to *equality of condition*, but it does protect equal protection of the laws which means that **no individual or group was to receive special privileges or be deprived of certain rights under the law.**
 - Variations, when reasonable, are still allowed (legislatures granting driver's license to someone 16 and older only)
- *Note: 14th Amendment only limits discrimination in government and in application of the law, not private individuals or groups*

SECTION 1 (cont): ... nor deny to any person within its jurisdiction the **equal protection of the laws**

As one of the authors, Senator Jacob M. Howard of Michigan stated:

"It establishes equality before the law, and it gives to the humblest, the poorest, the most despised... the same rights and the same protections before the law as it gives to the most powerful, the most wealthy, or the most haughty... Without this principle of equal justice to all men and equal protection under the shield of the law, there can be no republican government and none that is really worth maintaining."

Summary of the 14th Amendment

Three major provisions/clauses:

- 1) The Citizenship Clause** granted citizenship to All persons born or naturalized in the United States.
- 2) The Due Process Clause** declared that states may not deny any person "life, liberty or property, without due process of law."
- 3) The Equal Protection Clause** said that a state may not deny to any person within its jurisdiction the equal protection of the laws.

Note: The amendment also included provisions for determining a states representatives to the federal government, and it contained a number of provisions that applied to officials of the former Confederacy.

Do you think this is fair?

"No person shall be a Senator or Representative in Congress, or elector of President and Vice-President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two-thirds of each House, remove such disability."

What was the reaction to the 14th Amendment?

The President told states to reject the 14th Amendment.
10 immediately did so.

Reaction of Others

- Democrats felt that if black Americans gained rights, theirs would be taken away
- Southern whites rioted in Memphis and New Orleans
- Northerners are convinced that harsher measures need to be taken against the former Confederates
 - Result of the Congressional elections 1866: Republicans secure 2/3 of both houses

Congressional (AKA Radical Reconstruction) - 1867

- **Over Johnson's veto, secure new program for reconstruction: Reconstruction Act**
 - **Divides former Confederacy. into 5 military districts subject to martial law**
 - **Requires ex-Conf states to...**
 - 1) Ratify 14th Amendment
 - 2) Adopt new state constitutions that:
 - disqualified former Confederate officials from holding public office
 - guaranteed black suffrage

Congressional (AKA Radical Reconstruction) - 1867

After new state Constitutions were created, they could hold elections, and representatives would be accepted in Congress.

What follows?

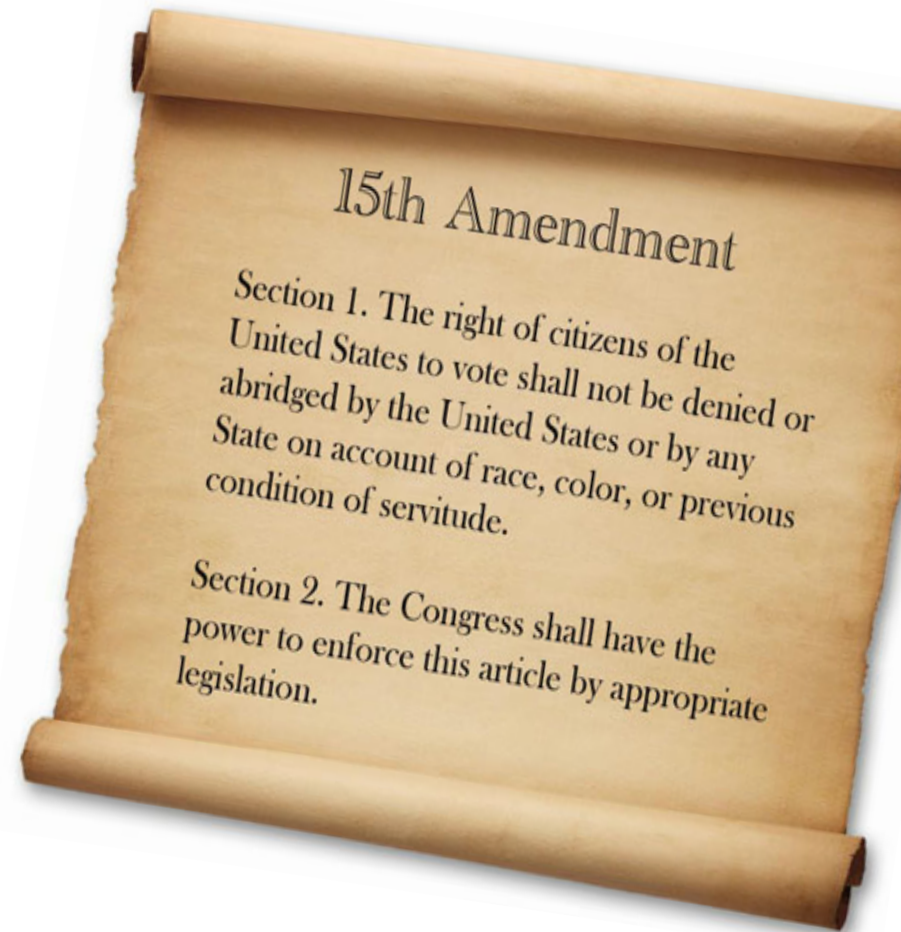
- Continued conflict between Congress and the President
- Congress restricts presidential powers (to keep him from obstructing their goals)
- 1868 Impeachment Trial

In 1868...

- The 14th amendment is failing to protect the right of black southerners to vote
- Grant barely wins the Presidential election
- Troops are sent to some Southern states

Passage of the 15th Amendment

- **Intended to protect right of black men to vote**
- **Impact: African Americans gained considerable political power - temporarily**
 - Like reading said *"For the first time, African-Americans voted in large numbers and held public office at every level of government. It was a remarkable, unprecedented effort to build an interracial democracy on the ashes of slavery."*
- Unfortunately, **Southerners later found ways around it** (poll taxes, literacy tests, grandfather clause)



15th Amendment

Section 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

Section 2. The Congress shall have the power to enforce this article by appropriate legislation.

Despite their limited effectiveness at the time, the Civil War Amendments created a Constitutional basis for expanding the rights of individuals.

Republican Rule in South

This is where many lies about Reconstruction in history are spread.

- Southerners inability or refusal to vote & universal male suffrage → Republicans gain majority
 - Also witness the first black congressmen and senators in U.S. history
- Automatic imprisonment for debt was ended
- Tremendous investment into rebuilding & ambitious economic development programs (including aid to railroads and other enterprises)
- Accomplishments in public school system (e.g., the south's FIRST public school system)
- Freedman's Bureau had done A TON
- Laws were enacted to relieve poverty and care for the disabled
- Divorce laws were granted, giving women some property rights

- But what would the South say about it? They would distort it to reflect it as a negative phase of corruption & inadequacy.

End of Reconstruction

- **Violence**

- After 1867, violent response to changes made during Radical Reconstruction
- The KKK targeted local Republican leaders, white and black
- Grant took aim at the KKK, but gradually it still took hold on the South

- **Decline in public support for Reconstruction (after the 1870s)**

- Especially after economic depression hit in 1873

- **Republicans focused less on egalitarian goals as decade continued**

- **Democrats again become the majority**

- Economic problems & allegations of corruption in President Grant's Presidential administration decrease popularity of Republicans
- The Democratic Party won control of House for first time since before Civil War

End of Reconstruction: Election of 1876 & Compromise of 1877

- **Contested election**

- Democrat = Samuel Tilden
 - Won popular vote
- Republican = Rutherford B. Hayes
 - Disputed electoral votes in newly reconstructed states because of voter intimidation

- **Congress appoints a commission to decide**

- **Leads to Compromise of 1877**

- Hayes will become President, but in return federal troops would leave South and end Reconstruction interventions

- **This began a period of solid Democratic control of the house**

- After 1874 the Democratic Party won control of House for first time since before Civil War

Next up: Unit Five in Honors
American History!



The Gilded Age

"All that glitters isn't..."

UNIT FIVE

Growing up... and into the 20th century: 1876-early 1900s

America was 100 years old in 1876 and still in its adolescence. It had gone through a childhood that was marked by some rough times, particularly when it was torn apart by Civil War.

But it had also had some remarkable luck. It was a country blessed with tremendous resources, and it had great leaders when it needed them most.

In this [quarter], the country begins to put its resources, both natural and human, to work. It takes its place in the world, endures both very good and very bad economic times, and eventually, will emerge from a world war as a very grown up nation.

Americans have always been restless, and in 1876, they were hungry too... for success.

There seemed to be many ways and places to be successful, and it seemed very important to a whole lot of people.

In this chapter, the country starts its final push toward filling in the gaps between the coasts – and its final pushing aside of the original Americans.

Railroads help do both, as well as usher in the birth of truly huge business.

A string of mediocre presidents don't do much of anything, and America sets out on the road to becoming an empire.

Wiegand, *US History for Dummies*

***** Developments of the Gilded Age



**Why does
it matter
today?**

***** Why is it relevant?



**We are still thinking
and talking about
many of the**

same things today.

ECONOMICS

in History!

Please take out a
blank piece of paper.



Goals:

- Recognize variations in the use of economic/political terminology, understanding how their meaning changes based on their CONTEXT.
- Understand which economic principles were utilized and facilitated different developments in American and world history.
- Understand new economic theories and controversies that emerged in reaction to developments of the 19th century.

ECONOMIC CONCEPTS

Beyond this class:

Recognizing the benefits and inherent failures of different systems of economic and political organization is a necessity if we want to improve society (or at the VERY least, not let things get worse).

Engaging in dialogue based on evidence and logic to come to the best possible conclusions for society IS something we are capable of (even though it's not always what we see people doing).

NOTE: MULTIPLE DEFINITIONS?

“People may use terms differently because they are assuming they carry a different meaning. For example, **liberalism in the classical sense** *differs* from **modern liberalism in American usage**.

Political terms can gain different nuance depending on the time-period, or may experience an outright change in definition.” – Kaplan AP History Prep Book

TERMINOLOGY

Tip (for class and for life):

Terminology: **Meaning depends on CONTEXT.**

Because terms are used so differently and sometimes incorrectly, **ignore labels.**

Look for **specific descriptors, explanations of goals, and PLANS** to accomplish those goals

Where do we start in our review of economic concepts and terminology?

Reminder: LIBERAL vs.
CONSERVATIVE

TERMINOLOGY

LIBERAL = SEEKS CHANGE

CONSERVATIVE = WANTS TO STAY THE SAME
(OR RETURN TO TRADITION)

GENERAL DEFINITION THAT ALWAYS APPLIES

Classical Liberalism – PHILOSOPHY:

- Rooted in Enlightenment thinking (original “liberals” included Voltaire and John Locke)
- Believed in **enlightened individualism** which is the idea that humans are self-interested creatures **capable of controlling & improving their own lives**.
- **Advocate changes to society** such as increased **tolerance, freedom, equality**, and recognition of individual **natural rights**.
- They **rejected the concept of a naturally existing hierarchy** (e.g., Divine Rights of Kings, unquestioned authority of the Church, or legal privileged classes such as “nobility”) and instead advocated for **equal opportunity** and **meritocracy**.
- They emphasized a version of freedom known as **“negative freedom”** meaning **freedom FROM something** (in other words, you are free from having to deal with it).

TERMINOLOGY

Classical Liberalism - POLITICS:

- In general, they **believed in less powerful government/limited government**
 - Viewed government as a necessary evil **needed for the protection of people's natural rights and property** (in order to avoid anarchy and chaos). John Locke said the state should have the role of a “night watchman” – **they are there ONLY to protect basic rights.**
 - Believed that you are *more free* the less the **government intervenes in your life**, arguing that government intervention impinges on individuality, free decision making, and private property rights.
 - **Argued for written constitutions in which all would have to abide by the rule of law.**
 - **Argued all had the potential for corruption, so governments must be based on separation of powers and checks and balances..**

TERMINOLOGY

Classical Liberalism:

Americans would apply many of these ideas to their political system.

TERMINOLOGY

How does this compare to Modern Liberalism?

- Modern liberalism has reformed several of the theories and ideas of classical liberals. **They still advocate the same ideas of tolerance and freedom.** However, their idea of freedom differs from that of classical liberals in that they **advocate positive freedom (freedom TO as opposed to freedom FROM).** This is the idea that people are most free when they reach their full potential and that people can only reach their full potential when the government intervenes (e.g., through welfare, progressive taxation, etc.). **Modern liberals are comfortable with far more government intervention than classical liberals.** Modern liberals think the poor should be actively supported by the community via the government and think that society should sacrifice personal freedoms and some rights of private ownership for the good of society overall. **There is less emphasis on private property and free trade.** Modern liberalism focuses more on the goal of equal outcome, while classical liberalism focuses on the goal of equal rights & opportunity.

COMPARISON

Can you apply this to modern usage of other terms:

Question: Libertarians are like hard-core old school classical liberals. So WHY are they called “conservatives?”

APPLICATION

Question: Libertarians are like hard-core old school classical liberals.
So WHY are they called “conservatives?”

Answer: Because they want to preserve a TRADITIONAL system
(the original small, hardly there, barely exists government of the early
Founding Fathers).

APPLICATION



Economic Liberalism

(AKA Market
Economy, Free-
Market, Capitalism,
Laissez-Faire and
more!)

Definitions for your reference:

Economic liberalism is an economic system organized on *individual lines*, which means the **greatest possible number of economic decisions** are made by individuals rather than by **collective (government) institutions or organizations**.

ECONOMIC CONCEPTS

Consider Context:

Historically, economic liberalism arose in response to mercantilism.

Remember: "Monarchies (which in many cases were not only corrupt but highly inefficient) closely managed their economies. In the 19th century, mercantilists practices continued as European countries continued to use colonies as a way of obtaining raw materials without having to import them from other countries and as a way of increasing exports. BUT [in some cases] European countries also permitted and encouraged the development of private investment." - Princeton Review

In the spirit of Enlightenment thought, economic liberalism wanted *less* mercantilism and *more* individual decision making (and more *individual* profit earning!).

ECONOMIC CONCEPTS

Definitions for your reference:

- **Economic Liberalism**
- **This is the basis for a “free market economy”**
 - Who decides what to produce/buy/sell? **Individuals do**
 - Who owns the valuable goods in society? **Individuals do**
 - Who decides what price things will be? **Individuals do** (this is called the **MARKET** and it is determined by **SUPPLY & DEMAND**)

ECONOMIC CONCEPTS



SUPPLY & DEMAND





MARKET ECONOMY



Who “established” and popularized this idea of classical/liberal/free-market/capitalist economics?

Adam Smith

Scottish professor (1723 – 1790)

ECONOMIC CONCEPTS

What did he say?

- Smith formulated laws that accounted for human behavior and economic developments. If followed, he believed it would generate favorable results for society.
- **Simple Summary:** Economic prosperity (increasing the wealth and well-being of the public) can be realized/achieved by society when people make individual decisions that follow their own self-interest and compete. He argued that people act according to their self-interest and compete no matter what but with this system, they can harness those behaviors to promote a more far-reaching general economic advance. Government should step back, avoid regulation, and instead rely on individual initiative and market forces. This was an important statement of economic policy during the Enlightenment and an illustration of the growing belief that general models of human behavior could be derived from rational thought. Because of the inability to remove self-interest and the ability of humans to make rational decisions without government authority, people should be left alone to create, earn, and spend in the way they wish. The resulting actions they take will not only have the potential of rewarding themselves but would indirectly promote a socially desirable outcome for the majority.

How would self-interest of the individual indirectly promotes a socially desirable outcome for the majority?

“A butcher doesn’t sell meat because he’s [a nice guy], he slices and dices to turn a profit.

But to sell the meat, he needs to pay attention to what his customers want.”

Thus to pursue his own wealth, the butcher needs to pay attention to and serve the needs of society.

He believed people should be free in all of their economic decisions. He believed that allowing people to follow their self-interest, with some limits, would enable the market to regulate itself as if guided by an “invisible hand.” **He believed that the “invisible hand” of competition that guides the exchange of goods would make everyone wealthier.**

For example, when entrepreneurs want to attract more business, they offer lower prices. When companies want to get better employees, they offer better benefits and higher pay. This market based competition is supposed to be a win-win game for the business owner, worker, and for the consumer. It’s also a self-regulating process that occurs and adjusts naturally (as long as people make economically rational decisions). **Arguing against government regulation in this “market economy” was therefore an argument against “mercantilism” for Americans. They argued this method would ensure not only freedom of choice, but greater stability, prosperity, and innovation.**

- Today, economic liberalism is also generally **OPPOSED TO** non-capitalist economic orders, such as **socialism** and **planned economies**.
- It also contrasts with **protectionism** because of its support for free trade and open markets.

*Protectionism: the economic policy of restricting imports from other countries through methods such as tariffs on imported goods, import quotas, and a variety of other government regulations. Proponents claim that protectionist policies shield the producers, businesses, and workers of the import-competing sector in the country from foreign competitors. However, they also reduce trade and adversely affect consumers in general (by raising the cost of imported goods), and harm the producers and workers in export sectors, both in the country implementing protectionist policies, and in the countries protected against.

So was he completely anti-government?

- No. Like other Enlightenment philosophers, he argued that government had a limited role.
- How? Smith argued that self-interest for wealth creation could have its limits and that government needed to step in when it came to certain tasks such as protecting private property and providing limited assistance when it facilitated trade (e.g., public goods such as roads).

Necessary Requirements (for the successful function of this system):

- **COMPETITION & FREEDOM OF CHOICE:** Open competition is a must. Works as an incentive, inspiring people to be as creative and productive as possible. Opportunity for wealth is available to everyone but not guaranteed to anyone at any particular time. If one can not make choices freely about who to work for, there is no competition among employers, and therefore no incentive to increase their pay/treat them better, etc.
- **PROTECTION OF PRIVATE PROPERTY.**

**REMEMBER AS
WE GO THROUGH...**

**The best thing for
EVERYONE in a
free-market
system is...**

COMPETITION

COMPELLION

What
system
was
avored
by
Americans?

In short...

- Economic Liberalism (a limited role of the government in regulating business)
- However, many supported government involvement when it benefitted them (high tariffs, land grants, subsidies)

Subsidies: Payment made by the government to encourage the development of certain industries

What
system
was
avored
by
Americans?

In what other ways was
this/was this NOT a truly
capitalist system?

Consider:



Equal opportunity to compete?
Protection of private property for all?

This is remembered as...

THE AGE
OF BIG
BUSINESS



**Let's
Review**



LOOKING BACK:
DEVELOPMENTS DURING THE
FIRST HALF OF THE 1800s &
FIRST INDUSTRIAL REVOLUTION

Excerpt from Chapter 14 (Changes in America: First Half of 1800s)

The new nation bounded into the nineteenth century in a burst of movement. Many **Americans pushed west** in search of land and opportunity, soon to be joined by **vast numbers of immigrants** from Europe, who also made their way to the country's **fast-growing cities**.

And not only people were in motion.

Newly invented machinery boomed the cultivation of crops and the **manufacture of goods**, while workers, free and enslaved alike, **labored ever longer, harder, and faster**. Better **roads**, faster **steamboats**, farther-reaching **canals**, and **railroad lines** all moved people, foodstuffs, raw materials, and **manufactured goods** from coast to coast and from American shores to the wider world.

The prodigious momentum of burgeoning American capitalism gave rise to an economy that was remarkably dynamic, market driven, continentally scaled, and internationally consequential.

As more and more Americans **linked their economic fate to the growing market economy**, the self-sufficient households of colonial days were transformed. Most families had once raised all their own food, spun their own wool, and bartered with their neighbors for the few necessities they could not make themselves. In growing numbers they now scattered to work for wages in the mills, or they planted just a few crops for sale at market and used the money to buy goods made by strangers in far-off factories. As store-bought goods replaced homemade products, **the home itself, once a center of economic production in which all family members cooperated, grew into a place of refuge from the world of work.**

Revolutionary advances in manufacturing and transportation brought increased prosperity to all Americans, but they also widened the gulf between the rich and the poor. Millionaires had been rare in the early days of the Republic, but by the eve of the Civil War, several specimens of colossal financial success were strutting across the national stage.

Cities bred the greatest extremes of economic inequality. Unskilled workers, then as always, fared worst. Many of them came to make up a floating mass of “drifters,” buffeted from town to town by the shifting prospects for menial jobs. These wandering workers accounted at various times for up to half the population of the brawling industrial centers. Although their numbers were large, they left little behind them but the homely fruits of their transient labor. Largely unstoried and unsung, they are among the forgotten men and women of American history.

Many myths about “social mobility” grew up over the buried memories of these unfortunate day laborers. **Mobility did exist in industrializing America—but not in the proportions that older legends often portrayed.**

Yet America, with its dynamic society and wide-open spaces, **undoubtedly provided more “opportunity” than did the contemporary countries of the Old World—which is why millions of immigrants packed their bags and headed for New World shores.** Moreover, a rising tide lifts all boats, **and the improvement in overall standards of living was real.** Wages for unskilled workers in a labor-hungry America rose about 1 percent a year from 1820 to 1860. This general prosperity helped defuse the potential class conflict that might otherwise have exploded—and that did explode in many European countries.

SUMMARY: FIRST INDUSTRIAL REVOLUTION 1790s

BACKGROUND –
DON'T NEED TO
WRITE DOWN

- Starts in the 1790s in the North
- Advances in textiles, roads, canals, steam power (railroads and steam boats), new communication system
- Cities are growing and becoming wealthier as people invest in industry (an expanded system of credit was available for large-scale and risky new ventures)
- An improved transportation system helped move raw materials and manufactured goods
- Manufacturing moves from the home to cities
- New technology and a new “factory system” increases productivity

BACKGROUND –
DON'T NEED TO
WRITE DOWN

BIG IDEAS: CHANGES IN THE EARLY 1800s

- A free-enterprise system encouraged economic growth and consumerism. As a whole, the US achieved a new level of prosperity in the 1800s.
- The growing supply of goods forever changed the pattern of American life.
- Also... the argument over the role that government should play in business, large building projects, and the economy begins and continues.

the
rise of
big
business

**What made
this growth
possible?**

how was
this
change

possible?

conditions that made it possible:

1. **business leaders had capital \$ to invest**
2. **natural resources were abundant**
3. **free-enterprise system** *AKA free-market or capitalism. This means:*
 1. *Little/no government interference (but don't forget intervention in the form of subsidies, tariffs, and land grants).*
4. **growing work force**
5. **RR**
6. **Factories left over from Civil War**
7. **SPIRIT OF INVENTION**
8. **New attitudes towards wealth**

how was
this
change

possible?

**How did inventors and entrepreneurs
get the \$ needed to start?**

OFTEN = PRIVATE INVESTMENT

Free-enterprise system → hopes of gaining
substantial profits → invest

how was
this
change

possible?

**How did inventors and entrepreneurs
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gain profits →**

how was
this
change

possible?

**How did inventors and entrepreneurs
get the \$ needed to start?**

OFTEN = PRIVATE INVESTMENT

Free-enterprise system → hopes of gaining
substantial profits → invest → **some people
gain profits** → people more willing to take
risks → people invest in what they thought
would be successful → companies and
individuals have the \$ they need to get
started

how was
this
change

possible?

How did they invest?

- Investors buy stock (a share representing a portion of ownership)
- Receives a fraction of company's profits

how big
was this

change?

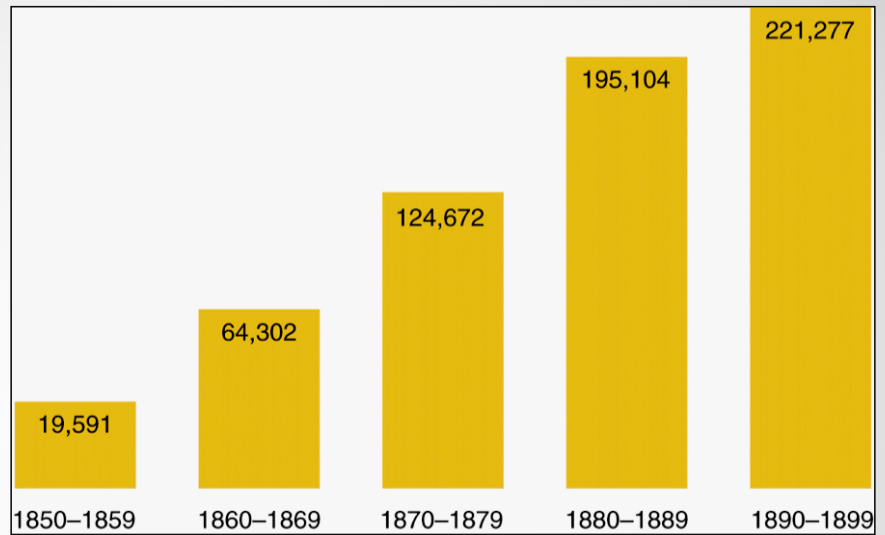
From 1859-1899, the value of the country's manufactured products rose 622%

from \$1.8 billion to \$13 billion,

and America became the world's leading manufacturer.

Patents given 1790s: 276

Patents given 1990s: 1,119,220



Patents

reveal creativity





productivity increases:

- growing industries
- more jobs
- costs decrease

How

did these developments affect **labor**,
the nature of work, and **business**



the
rise of
big
business

**Robber
Barons**

vs

**Captains
of Industry**

the
rise of
big
business

Both describe powerful business leaders of late 1800s

Robber Barons: *negative view*

drain resources
exploit employees
ruthlessly destroy competitors

Captains of Industry: *positive view*

increase supply of goods
create jobs
raise standard of living
served public good: libraries, museums,
universities

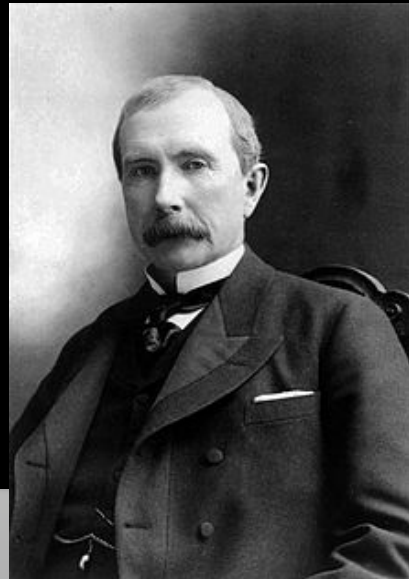
the
rise of
big
business

**BOTH
ARE
TRUE**

the
rise of
big
business

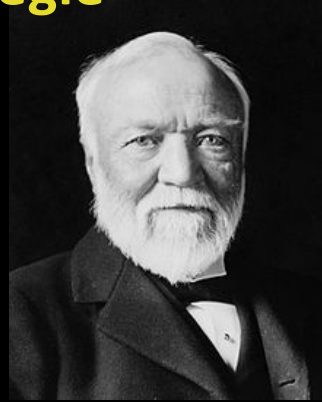
John D. Rockefeller

- Standard Oil Company
- one of wealthiest men
- Methods criticized – “colluding to eliminate competitors & predatory pricing”
- Philanthropist: \$500 million to charities; universities, research, public health, etc.



the
rise of
big
business

Andrew Carnegie



- Born in Scotland
- at 12 worked in cotton mill
- Invested in company and eventually got rich through the steel industry
- Preached "gospel of wealth" - men should be free to make as much money as possible, then they should give it away
- \$350 million given away: over 3,000 libraries; research; efforts to end war; more than 80% to education

the
rise of
**big
business**

New Kind of Business

High start up costs: limited ability of small businesses to start up

Reaches wider regions

Broader range of operations: all stages of production as opposed to specialized factories

Revised role of ownership: owners less connected to workers

the
rise of
big
business

**What else
made this
growth
possible?**

the rise of **big business**

*Why bad if they
decrease prices to cut
out competition?
Then free to raise prices
because customers have
nowhere else to go for
product/service.*

New Market Structures:

only a few companies can compete in industries
because of high start up costs

monopoly: complete control of a product or
service, usually by buying out others or driving
them out of business

oligopoly: market dominated by few large,
profitable firms
examples today?

cartel: to limit competition, formed a loose
association; made agreements to limit supply of
product so prices could be higher

the
rise of
**big
business**

Two types of monopolies:

horizontal consolidation:

- ✓ buy competitors companies, bringing together in the same business, make giant company that could lower production costs

vertical consolidation:

- ✓ buys all phases that make up a product's development
- ✓ puts smaller companies at disadvantage because they did not have the wealth to purchase all the phases, and therefore, couldn't lower prices

Vertical Consolidation

Coke fields



purchased by Carnegie



Carnegie Steel Company

Iron ore deposits



purchased by Carnegie



Steel mills



purchased by Carnegie



Owens all phases of production

Ships



purchased by Carnegie



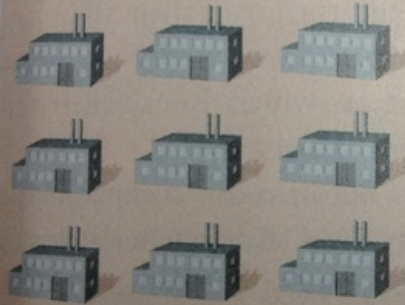
Railroads



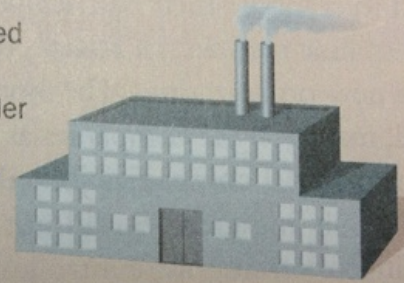
purchased by Carnegie



Horizontal Consolidation



purchased by Rockefeller



Independent oil refineries

Standard Oil Company


the
rise of

**big
business**

Why was this a problem?

**Fear that it would reduce
competition and hold
back free trade.**

**BASICALLY... TOO
MUCH POWER BY
TOO FEW PEOPLE
AND REMOVAL OF
COMPETITION**



**This hurts the consumer, the
worker, and future potential
business ventures.**

the
rise of
**big
business**

EVENTUAL Government Response

Antitrust Laws:

- **Promotes/maintains competition by regulating anti-competitive conduct of companies**
- ***Sherman Anti-Trust Act***

the
rise of

**big
business**

Antitrust Laws – How effective were they?

Act rarely enforced & its vague wording made it hard to apply in courts.

Ironically, it was often used *against labor unions* on the grounds their actions restrained trade.

Big business helped the nation grow though people disagreed about whether huge industries were good or bad for the nation.

So what is the **BIG IDEA** ?

Continuing the Gilded Age
Life at the start of
the 20th Century...



for better or
for worse?



REMINDERS:

As more and more Americans linked their economic fate to the growing market economy, the self-sufficient households of earlier days were transformed.

Revolutionary advances in manufacturing and transportation brought increased prosperity to all Americans, but they also **widened the gulf between the rich and the poor**.

Cities bred the greatest extremes of economic inequality.

Mobility did exist in industrializing America—but **not in the proportions that older legends often portrayed**.

Yet America, with its dynamic society and wide-open spaces, **undoubtedly provided more “opportunity” than did the contemporary countries of the Old World—which is why millions of immigrants packed their bags and headed for New World shores.**

Moreover, a rising tide lifts all boats, and the improvement in overall standards of living was real. Wages for unskilled workers in a labor-hungry America rose about 1 percent a year from 1820 to 1860. This general prosperity helped defuse the potential class conflict that might otherwise have exploded—and that did explode in many European countries.



A look at
“How the

other half lives”

**Understanding the challenges of cities
requires understanding the
growth of the
population.**

**A major source of growth was
immigration.**

A continuing high birthrate accounted for most of the increase in population, but by the 1840s the tides of immigration were adding hundreds of thousands more. Before this decade immigrants had been flowing in at a rate of sixty thousand a year, but suddenly the influx tripled in the 1840s and then quadrupled in the 1850s. During these two feverish decades, over a million and a half Irish, and nearly as many Germans, swarmed down the gangplanks.

Why did they come?

The immigrants came partly because Europe seemed to be running out of room. The population of the Old World more than doubled in the nineteenth century, and Europe began to generate a pool of apparently “surplus” people. They were displaced and footloose in their homelands before they felt the tug of the American magnet. Indeed at least as many people moved about within Europe as crossed the Atlantic. America benefited from these people-churning changes but did not set them all in motion. Nor was the United States the sole beneficiary of the process: of the nearly 60 million people who abandoned Europe in the century after 1840, about 25 million went somewhere other than the United States.

Yet America still beckoned most strongly to the struggling masses of Europe, and the majority of migrants headed for the “land of freedom and opportunity.” There was freedom from aristocratic caste and state church; there was abundant opportunity to secure broad acres and better one’s condition. Much-read letters sent home by immigrants—“America letters”—often described in glowing terms the richer life: low taxes, no compulsory military service, and “three meat meals a day.” The introduction of transoceanic steamships also meant that the immigrants could come speedily and cheaply. The journey to the United States now took ten or twelve days, instead of ten or twelve weeks on a sailing vessel, and was much less expensive than a voyage to more distant immigrant destinations such as Australia, Argentina, or South Africa. **The United States also received a far more diverse array of immigrants than did other countries.** Argentina, for example, had a higher proportion of immigrants relative to its population than did the United States, but they came mostly from Spain and Italy. **In contrast, the United States beckoned to immigrants from dozens of different nations.**

Immigrants were undeniably making America a **more pluralistic society—one of the most ethnically and racially varied in the history of the world**—and perhaps it was small wonder that cultural clashes would occur.

In a **pluralist** culture, groups not only co-exist side by side, but also consider qualities of other groups as traits worth having in the dominant culture. **Pluralistic societies** place strong expectations of integration on members, rather than expectations of assimilation. – *Wikipedia*

Why, in fact, were such episodes not even more frequent and more violent? **Part of the answer lies in the robustness of the American economy. The vigorous growth of the economy in these years both attracted immigrants in the first place and ensured that, once arrived, they could claim their share of American wealth without jeopardizing the wealth of others.**

Their hands and brains, in fact, helped fuel economic expansion. Immigrants and the American economy, in short, needed one another. Without the newcomers, a generally agricultural United States might well have been condemned to watch in envy as the Industrial Revolution swept through nineteenth-century Europe.

Immigration to America

How many people arrived and where were they from?

- **Around the turn of the twentieth century, mass immigration dramatically altered the population's ethnic and religious composition.**
- **Between 1865 -1920 close to 30 million immigrants arrived in the U.S.**
- **Passports were unnecessary and the cost of crossing the Atlantic was just \$10 in steerage.**
- **Unlike earlier immigrants, who mainly came from northern and western Europe, the "new immigrants" came largely from central, southern and eastern Europe and the Middle East.**
 - **Many new immigrants came from the Balkans, Italy, Poland, Russia, Greece, and Armenia, among others.**
 - **Newcomers were often Catholic or Jewish**
- **Two-thirds settled in cities**
- **In 1900, 14 percent of the American population was foreign born, compared to 8 percent a century later.**

Immigration to America

How many people arrived and where were they from?

By 1900, New York City had as many Irish residents as Dublin. It had more Italians than any city outside Rome and more Poles than any city except Warsaw. It had more Jews than any other city in the world, as well as sizeable numbers of Slavs, Lithuanians, Chinese, and Scandinavians. – *Digital History*

Immigration to America

Why were they leaving home?

- **Many of the millions of immigrants who in the late 19th & early 20th centuries did so with the intention of returning to their villages in the Old World.**
 - They came to earn enough money to allow them to return home & purchase a piece of land.
 - Many brought home new ideas & skills (labor unions, ideas about political participation)
- **Many immigrants came to stay.** For example, Jewish immigrants from Russia were fleeing a wave of anti-Semitism that swept across the region in the 1880s. Soldiers destroyed Jewish districts, burned homes and synagogues, and committed violent massacres of Jewish communities (known as pogroms).

As one Slavic steelworker put it: "A good job, save money, work all time, go home, sleep, no spend."

Immigration to America

Why were they leaving home?

- **Many sought escape from... (*PUSH FACTORS*)**

- **Political persecution**
- **Poverty & famine**
- **Lack of social mobility**
- **Overcrowding**
- **Military conscription**
- **Institutionalized religious persecution**

“There are only two classes in Sicily. The very very rich and the very very poor. We cannot survive.” – Peter Mossini

- **Many hoped for... (*PULL FACTORS*)**

- **Economic opportunity**
- **Democratic participation**
- **Opportunities for advancement**
- **Legal protection of private property**
- **Cheap land under the Homestead Act**
- **Educational possibilities (more so over time)**

“We eat here (in the US) every day what we get only for Easter in our country.” said one man from Poland.

- **Also cheap travel, limited restrictions, and encouragement from those already there all led to increased immigration.**

Immigration to America

Life for Immigrants



Immigration to America

Life for Immigrants





Immigration to America

Life for Immigrants

- **Typically settled within ethnically similar communities**
 - Sometimes voluntarily
 - Sometimes based on *restrictive covenants*: agreements among homeowners not to sell real estate to certain groups of people (mostly affected Black, Asian and Jewish Americans)
- Saw evidence of **BOTH breaking away & preserving cultural ties to their homeland**

“We wanted to be Americans so quickly that we were embarrassed if our parents couldn’t speak English. My father was reading a Polish paper. And somebody was supposed to come to the house. I remember sticking it under something. We were that ashamed of being foreign. - Louise Nagy, a Polish immigrant, 1913

“We ate the same dishes, spoke the same language, told the same stories as in Syria... To me the neighborhood was a habitat so much like the one I had left behind in Syria that its home atmosphere enabled me to maintain a firm hold on life in the face of the many difficulties which confronted me in those days.” – Abraham Ribahny, New York, 1893

Immigration to America

Life for Immigrants

“It was sometimes said that America’s streets were paved with gold. This myth held a grain of truth for the millions of immigrants who left a life of poverty behind. Many came to America because it offered, if not instant wealth, then at least the chance to improve their lives. Some immigrants did get rich through hard work and determination. Many more managed to carve out a decent life for themselves and their families. For these immigrants, the chance to come to the United States was indeed a golden opportunity.”

– America Pathways to Present, p. 527

.....

Immigration to America

Life for Immigrants

- **Approx. 2% were deported before even entering the country. Stopped at entry ports such as Ellis Island and screened for physical problems. Fear of the spread of disease led some to be turned away, while others were quarantined, being separated from families.**
- **When arrived, immigrants received virtually zero state or federal assistance in getting settled (finding housing, food, job training, food, etc.).**
- **City governments, overwhelmed by the scale of urban growth, proved “woefully inadequate to the task.”**
 - **This would open the door to the development of a relationship between “political machines” & immigrants.**

“Sometimes, if it was a young child who suffered from trachoma, one of the parents had to return to the native country with the rejected member of the family. When they learned their fate, they were stunned. They had no homes to return to.”
- Fiorello La Guardia

“Their stolid faces hide frightened, throbbing hearts.” wrote one observer of arrivals during the screening process. Health problems were identified by writing letters in chalk on their clothing “E for eyes, L for lameness, X for mental disability.”

Immigration to America

Resistance to Immigration

- Each wave of immigrants also sparked a **wave of anti-immigrant sentiment**.
- Since the first wave of mass immigration from Germany and Ireland in the 1840s, **nativists** had expressed **fear** that immigrants would:
 - depress wages
 - displace workers
 - threaten the nation's cultural values and/or security

Immigration to America

Resistance to Immigration

Examples:

- The Nativists (originally the **Know-Nothing party**, favored native born Americans and wanted to restrict/end immigration, prohibit non-natives from voting or holding office. Also wanted to restrict Catholic Church)
- **American Protective Association** (disliked Catholic immigrants; called for teaching of only American culture)
- **Immigration Restriction League** (targeted immigrants from southern and eastern Europe)



A Know-Nothing Party flag.

"Foreign control or conquest is rapidly making us un-Christian, with immorality throned in power." - prohibitionist in 1908

Immigration to America

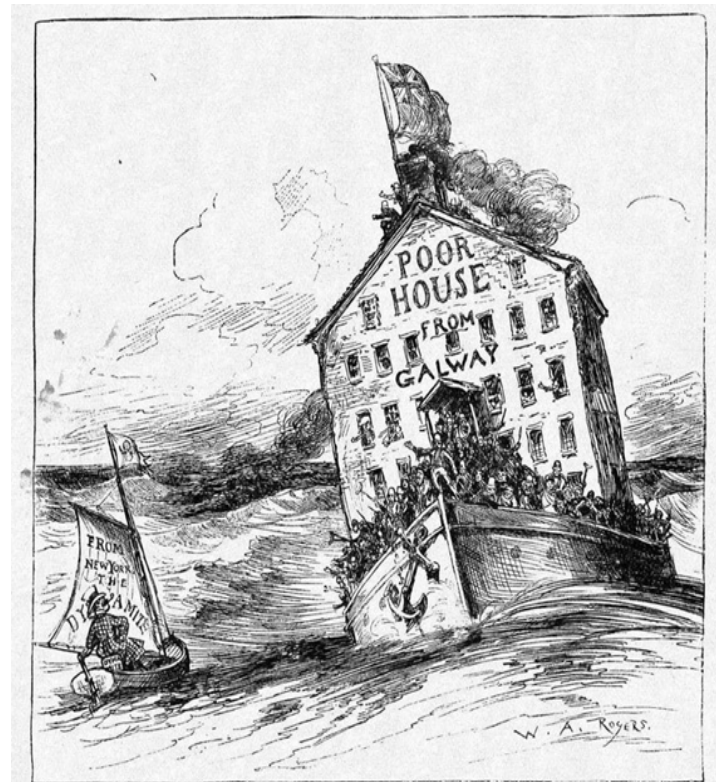
Resistance to Immigration

- **KEY IDEA TO REMEMBER:**
 - **Even though the United States conceives of itself as a **refuge** for the poor and tempest-tossed, it has also been a society that has **experienced periodic episodes of intense anti-immigrant fervor, particularly in times of economic and political uncertainty.****

Immigration to America

Resistance to Immigration – The Irish Example

- Immigration from Ireland **drastically increased in 1840s & after**
 - Why? **Decades of famine** and British control led to death of over a million
- Nearly **2 million came to the United States** (but close to 85,000 died on the way due to awful conditions on the boats).
- Some spent their own money to go, but it was also common for British landlords to pay for their shipment (to get rid of them).
- Largely destitute (**poor**), many Irish immigrants went just beyond the city docks where they arrived (**settling in cities rather than settling west**)



THE BALANCE OF TRADE WITH GREAT BRITAIN SEEMS TO BE STILL AGAINST US.
650 Paupers arrived at Boston in the Steamship *Nestoria*, April 15th, from Galway, Ireland, shipped by the British Government.

Immigration to America

Resistance to Immigration – The Irish Example

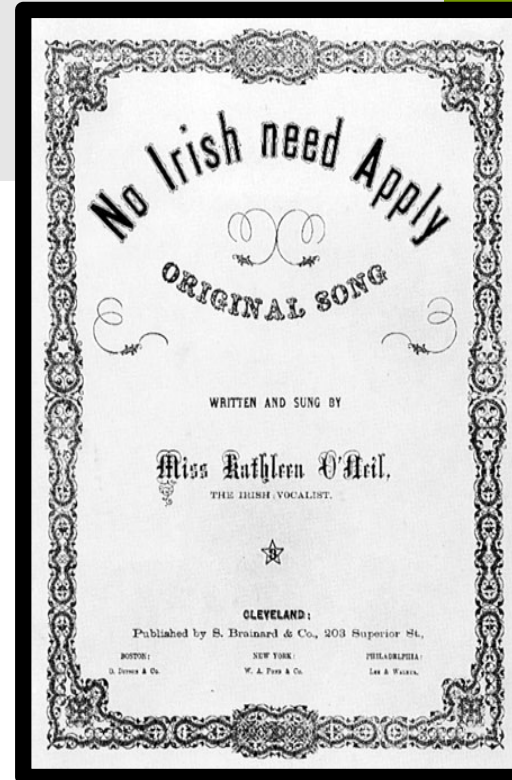
Margaret McCarthy, a recent arrival to America, captured much of the complexity of the immigrant experience in a letter she wrote from New York to her family in Ireland in 1850:

“This is a good place and a good country, but there is one thing that’s ruining this place. The emigrants have not money enough to take them to the interior of the country, which obliges them to remain here in New York and the like places, which causes the less demand for labor and also the great reduction in wages. For this reason I would advise no one to come to America that would not have some money after landing here that would enable them to go west in case they would get no work to do here.”

Immigration to America

Resistance to Immigration – The Irish Example

- Irishmen filled the **most menial and dangerous jobs**, often faced with signs reading **“No Irish Need Apply.”**
- **Anti-Catholic persecution resulted in deadly violence and destruction of property.**
- **Many Irish were deported, their weapons were confiscated, and many were illegally barred citizenship for 21 years.**
- **Over time, the Irish came to represent a strong political power (due to their large population in certain cities). They were targets of many political machines.**



Notice to Contractors.—The whitewashing and paporing of Hackett & Keefe's Saloon will be given to the lowest bidder. Bids to be in sealed proposals and not to exceed \$13—the balance in whisky. **No Irish need apply.**

HACKETT & KEEFE.

Immigration to America

Resistance to Immigration – The Irish

WANTED—A good, reliable woman to take the care of a boy two years old, in a small family in Brookline. Good wages and a permanent situation given. No washing or ironing will be required, but good recommendations as to character and capacity demanded. Postively no Irish need apply. Call at 224 Washington street, corner of Summer street.

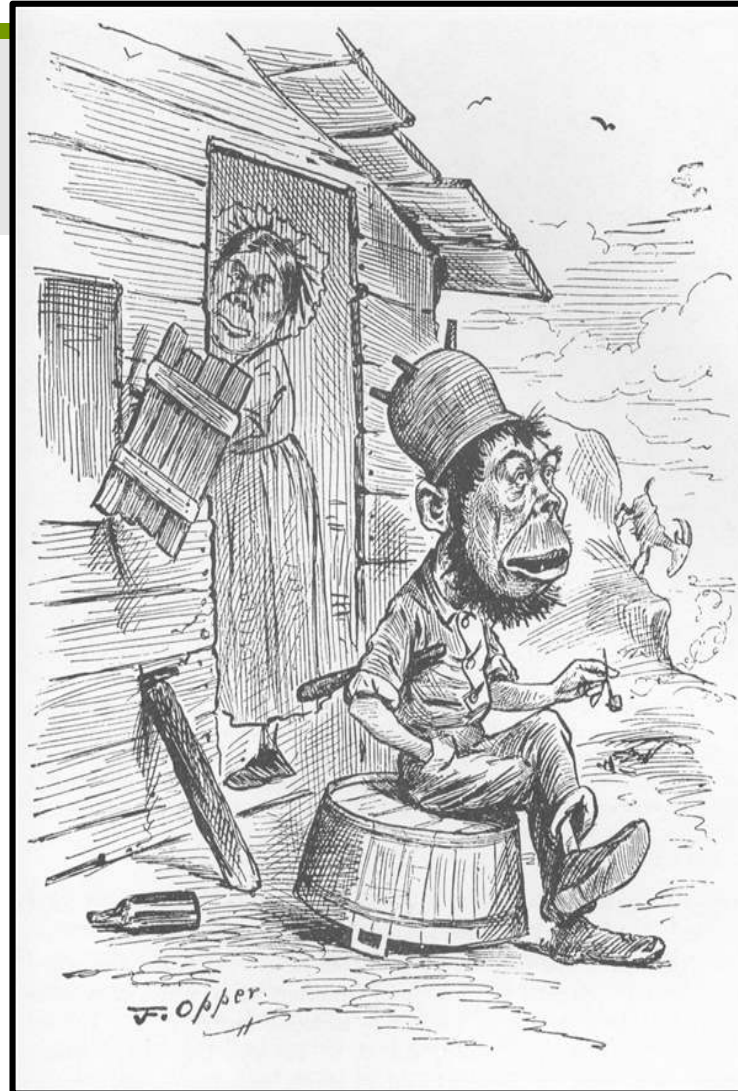
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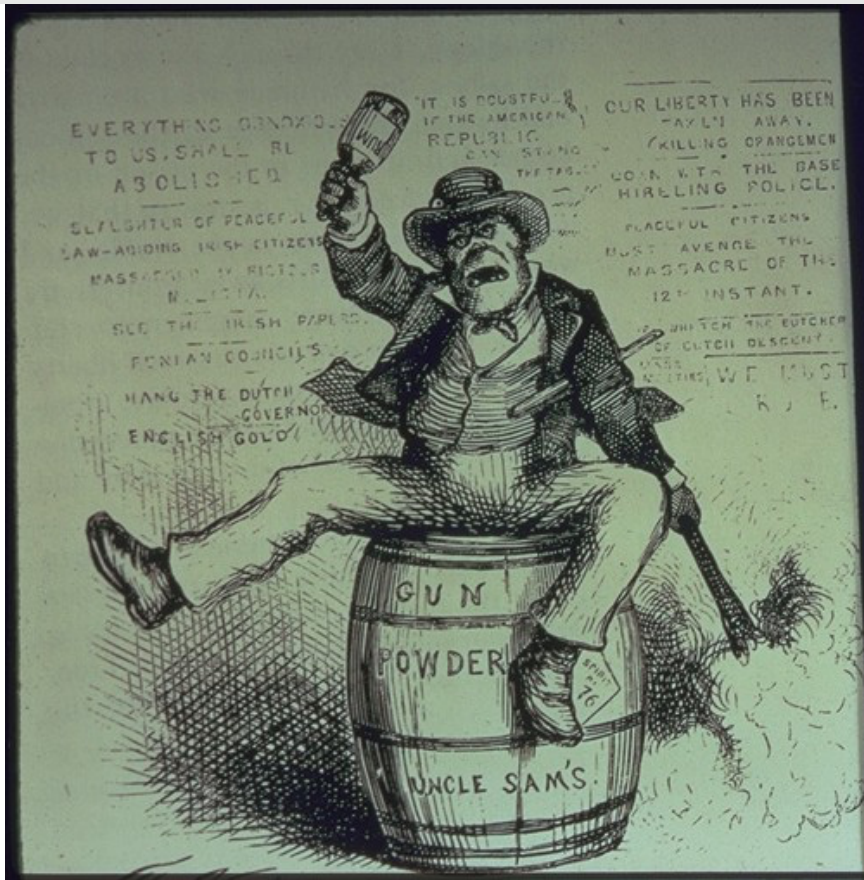
GROCERY CART AND
G—In good order, and one excellent saddle horse; can be used for any purpose. A young man wanted, from 16 to 25 years of age. No Irish need apply. CLUE Myrtle-st., corner of Myrtle-st.

BILLIARD TABLE
B—In good order; been used in the manufacture of a Bar-room. Inquire at 224 Washington-st., corner of Myrtle-st.



Immigration to America

Resistance to Immigration – The Irish Example



Title of cartoon: "The Usual Irish Way of Doing Things"

"The average Catholic Irishman of the first generation, as represented in the [New York State] Assembly ... [is a] low, venal, corrupt, and unintelligent brute."

— Theodore Roosevelt, ca. 1885

"[T]hey steal, they are cruel and bloody, full of revenge, and delighting in deadly execution, licentious, swearers and blasphemers, common ravishers of women, and murderers of children."

— Edmund Spencer



IRISH IBERIAN.



ANGLO-TEUTONIC.



NEGRO

The Iberians are believed to have been originally an African race, who thousands of years ago spread themselves through Spain over Western Europe. Their remains are found in the barrows, or burying places, in sundry parts of these countries. The skulls are of low, prognathous type. They came to Ireland, and mixed with the natives of the South and West, who themselves are supposed to have been of low type and descendants of savages of the Stone Age, who, in consequence of isolation from the rest of the world, had never been out-competed in the healthy struggle of life, and thus made way, according to the laws of nature, for superior races.

Side note...

Like Weird History

Brave Teen Completely Proves History Professor Wrong With 15 Minutes Of Google Searching



Cleo Egnal

302.1k views · 10 items

In the 1840s, thousands of Irish immigrants fled the Great Famine and came to America. If dealing with starvation, gruesome ship conditions, and persecution by the British wasn't enough, Irish immigrants faced significant discrimination in the United States. One of the major ways this discrimination made itself clear was through job postings, both in newspapers and in shop windows, that read "No Irish Need Apply." The signs were blatantly discriminatory and surfaced numerous times during the mid-19th century.

Immigration to America

Resistance to Immigration – The Chinese

- Before the discovery of gold in California, fewer than 50 Chinese are recorded to be living in the United States.
- From 1850 to 1865, political and religious rebellions within China left 30 million dead and the country's economy in a state of collapse.
- Meanwhile, the canning, timber, mining, and railroad industries on the West Coast needed workers. Chinese business owners also wanted immigrants to staff their laundries, restaurants, and small factories.
- By 1900, 300,000 Chinese migrants (mostly single men) had migrated to the United States.
 - Due to intense anti-Chinese discrimination, many merchants' families remained in China while husbands and fathers worked in the US.

Immigration to America

Resistance to Immigration – The Chinese

- Serving **mostly as unskilled laborers**, they suffered through **brutal conditions**. Sometimes arriving as **“contract laborers,”** their circumstances were so horrible that people often called the practice **“pig selling.”**
- Set up **“China towns”** wherever economic opportunities presented themselves.
- While some Civil Rights had been argued for (*look up Anson Burlingame*), **discrimination was rampant.**
- The **Chinese Exclusion Act of 1882** **barred nearly all Chinese from entering the United States for nearly six decades.**



Immigration to America

Resistance to Immigration – The Chinese

- The Chinese Exclusion Act was the nation's **first law to ban immigration by race or nationality**. All Chinese people -- except travelers, merchants, teachers, students, and those born in the United States -- were barred from entering the country.
- Smugglers continued to transport people, but **overall immigration from China sharply declined**. Federal law required Chinese aliens to carry a residence certificate with them at all times upon penalty of deportation. Immigration officials and police officers conducted spot checks in canneries, mines, and lodging houses and demanded that every Chinese person show these residence certificates.
- Federal law also **prohibited Chinese residents from becoming naturalized citizens**, no matter how long they had legally worked in the United States.
 - However, **citizenship of Chinese Americans *born here*** was determined to be **protected under the 14th Amendment**.
 - **Though they had citizenship, descendants of immigrants continued to face intense discrimination as the 20th century progressed.**

Immigration to America

Other Restrictions?

- **Japanese immigration:**
 - **Overpopulation and rural poverty led many Japanese to emigrate to the United States, where they confronted intense racial prejudice.**
 - **In California, the legislature imposed limits on Japanese land ownership, and the Hearst newspaper ran headlines such as 'The Yellow Peril: How Japanese Crowd out the White Race.'**
 - **The San Francisco School Board stirred an international incident in 1906 when it segregated Japanese students in an 'Oriental School.'**
 - **The Japanese government protested to President Theodore Roosevelt.**
 - **Roosevelt negotiated a 'gentlemen's agreement,' ending segregation in the schools in return for Japan restricting Japanese immigration to the US in 1907 (*more on this next unit*).**

Immigration to America

Other Restrictions?

Immigration from Mexico:

- Mexican immigrants for most of American history were exempted from restrictions on citizenship & quota restrictions (that limited number of immigrants) because the Southwestern states depended upon cheap, abundant Mexican laborers.
- However, American policies related to Mexican workers can be best defined in the long-term historically as cycles of recruitment in times of labor shortages, followed by restrictions & deportations.

Immigration to America

Other Restrictions?

Gradually during the late 19th and early 20th century, the United States imposed additional restrictions on immigration.

Non-Asian immigrants remained largely unregulated until the 1920s, when a quota system is put in place to limit immigration from certain countries.

Immigration to America

Consequences?

What do you think have been the effects of immigration on the United States?

Immigration to America

Consequences?

“As a result of massive immigration, the United States is becoming the first truly multi-racial advanced industrial society in which every resident will be a member of a minority group. California recently became the first state in which no single ethnic group or race makes up half of the population.

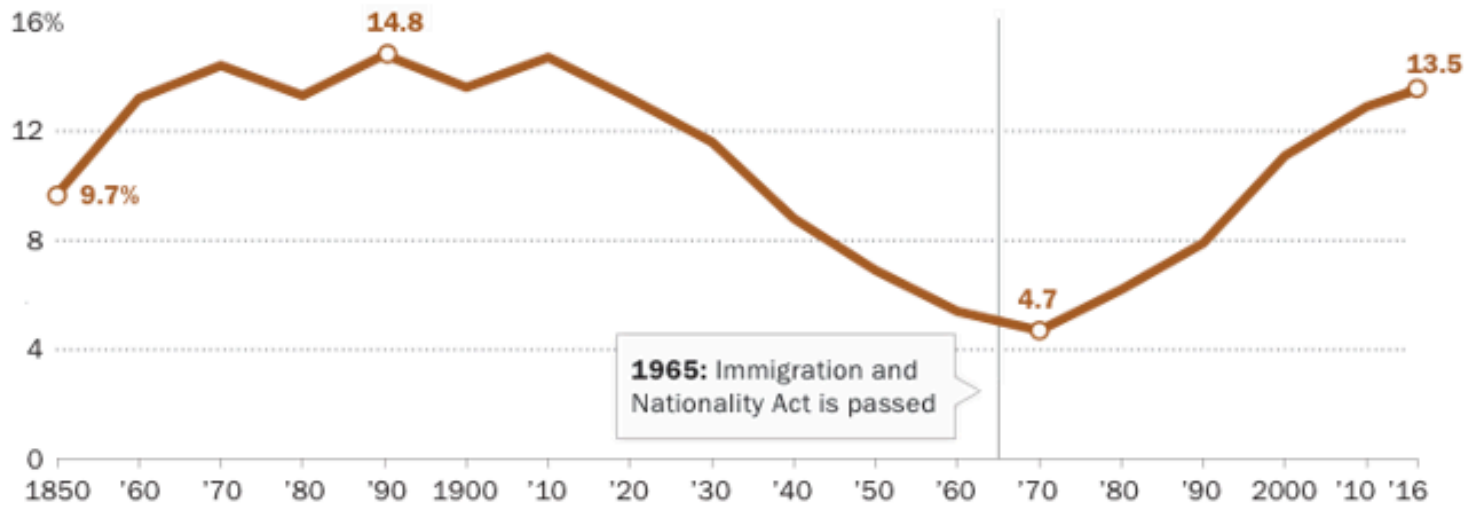
The massive movement of peoples as a result of voluntary choice, forced removal, and economic and cultural dislocation has been one of the most important forces for social change over the past 500 years. Changes produced by migration--such as urbanization or expansion into frontier regions--transformed the face of the modern world. Migration has also played a pivotal role in the formation of modern American culture. Our most cherished values as well as our art, literature, music, technology, and cultural beliefs and practices have been shaped by an intricate process of cultural contact and interaction. Because ours is a nation of immigrants, drawn from every part of the world, the study of migration provides a way to recognize and celebrate the richness of our population's ancestral cultures.” *Digital History*

Immigration to America

Immigration Today?

Immigrant share of U.S. population nears historic high

% of U.S. population that is foreign born



Source: U.S. Census Bureau, "Historical Census Statistics on the Foreign-Born Population of the United States: 1850-2000" and Pew Research Center tabulations of 2010 and 2016 American Community Survey (IPUMS).

PEW RESEARCH CENTER

Immigration to America

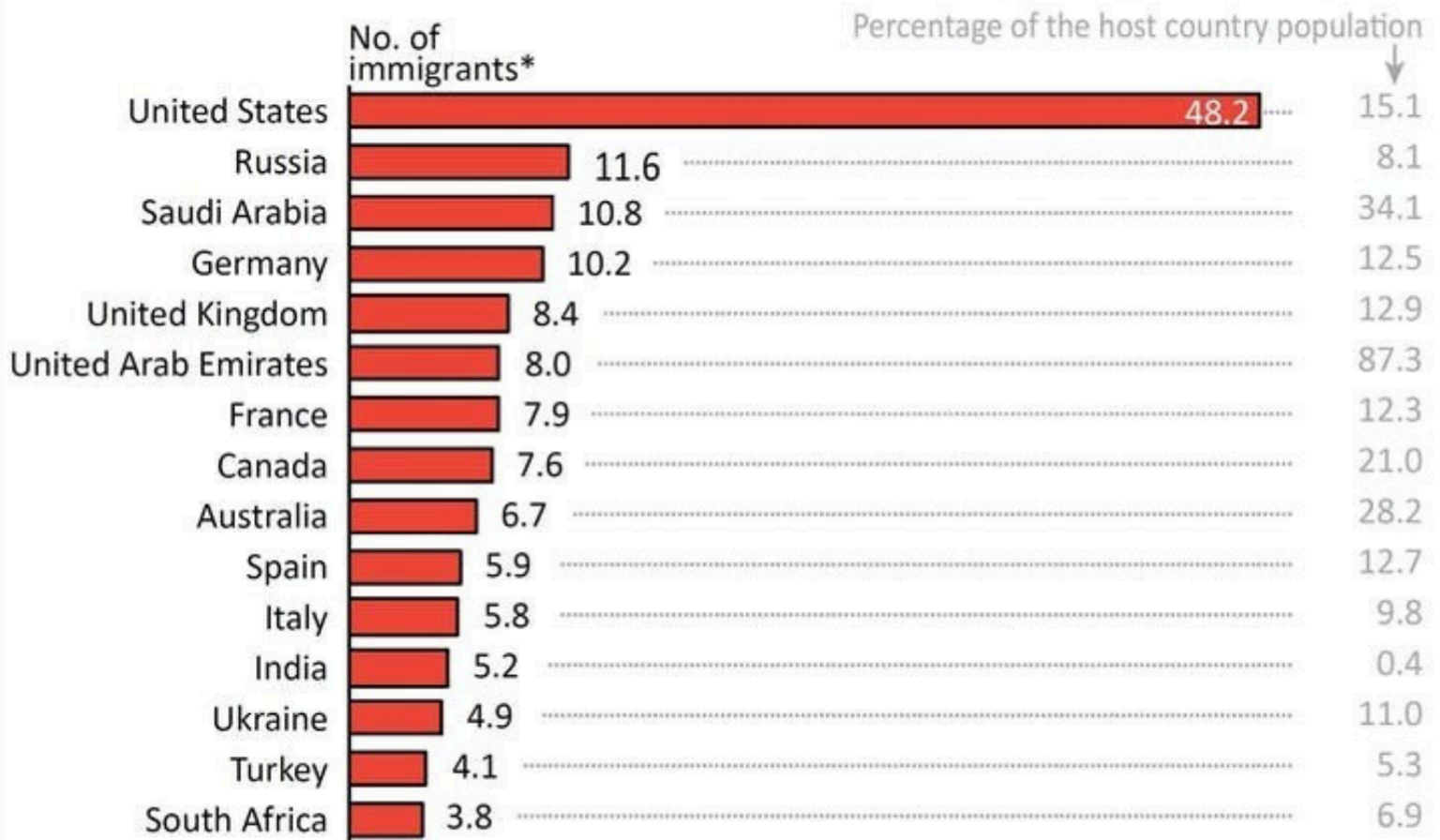
Immigration Today?

IMMIGRANTS TO THE UNITED STATES, BY COUNTRY OF ORIGIN (2016)



- **U.S. continues to rank highest in terms of immigration numbers** (more immigrants are traveling to the United States than any other country in the world). Over 1 million new migrants enter the country each year.
- **Our current population includes 48.2 million immigrants** (approx 14-15% of the population)
 - 76% are said to be here legally while the rest are unauthorized
 - As of 2016, 45% of those were naturalized citizens
- **The largest countries of origin include China, India, Mexico, Philippines, El Salvador, Cuba** with smaller numbers arriving from **Europe and Canada, the Caribbean, South America, the Middle East, and Sub-Saharan African**
- **Asian immigration is said to surpass Hispanic immigration by 2055**
- **The U.S. has been ranked #1 in terms of refugee resettlement for decades** (accepting over 100,000 each year) but that number has been halved since 2017.

The 15 countries with the most immigrants (in millions)



* Foreign-born.

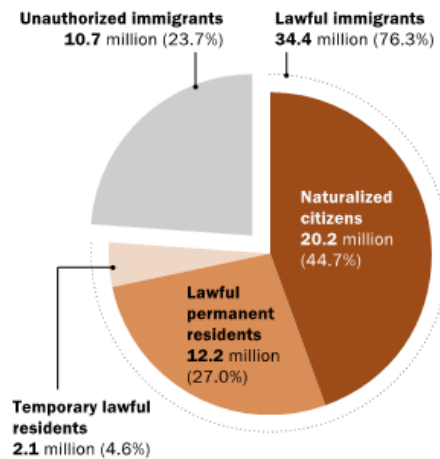
G. Pison, *Population & Societies* no 563, 2019.

Immigration to America

Immigration Today?

Unauthorized immigrants are a quarter of the U.S. foreign born population

Foreign-born population estimates, 2016



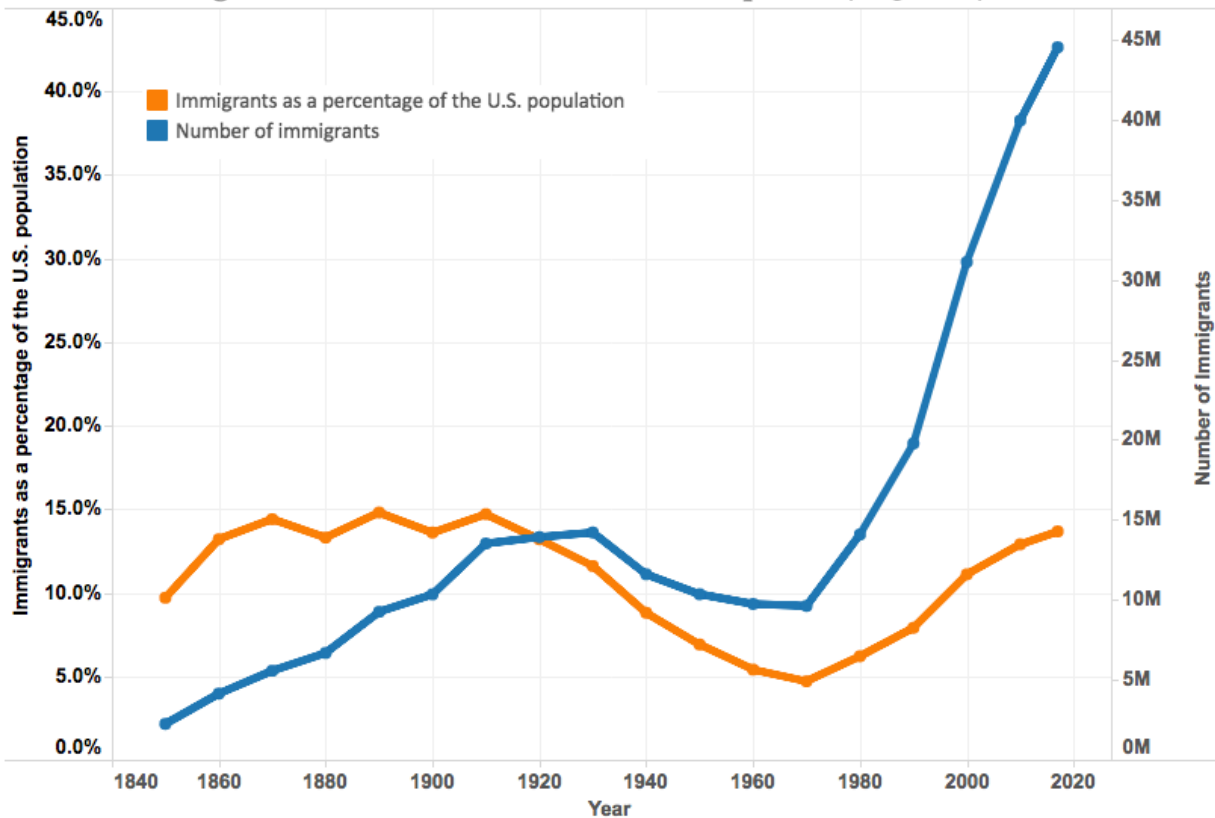
Note: Figures for the total and subgroups differ from published U.S. Census Bureau totals because census data have been augmented and adjusted to account for undercount of the population. All numbers are rounded; see Methodology for rounding rules. Unauthorized immigrants include some with temporary protection from deportation under Deferred Action for Childhood Arrivals (DACA) and Temporary Protected Status (TPS). Source: Pew Research Center estimates based on augmented U.S. Census Bureau data. See Methodology for details. "U.S. Unauthorized Immigrant Total Dips to Lowest Level in a Decade"

PEW RESEARCH CENTER

Immigration to America

Immigration Today?

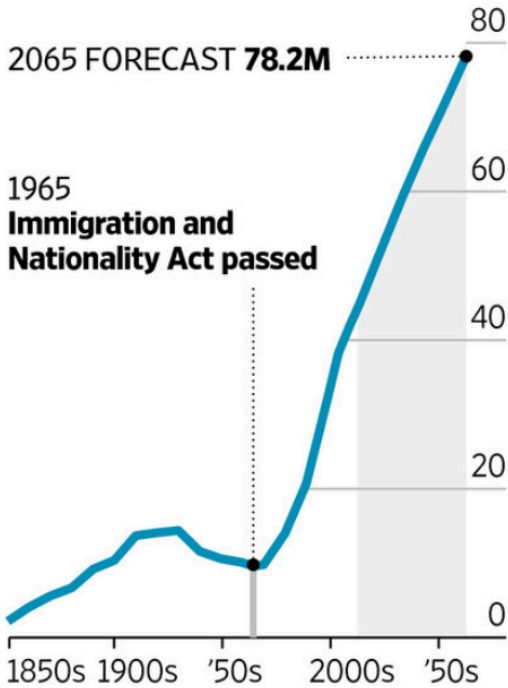
Number of Immigrants and Their Share of the Total U.S. Population, 1850-2017



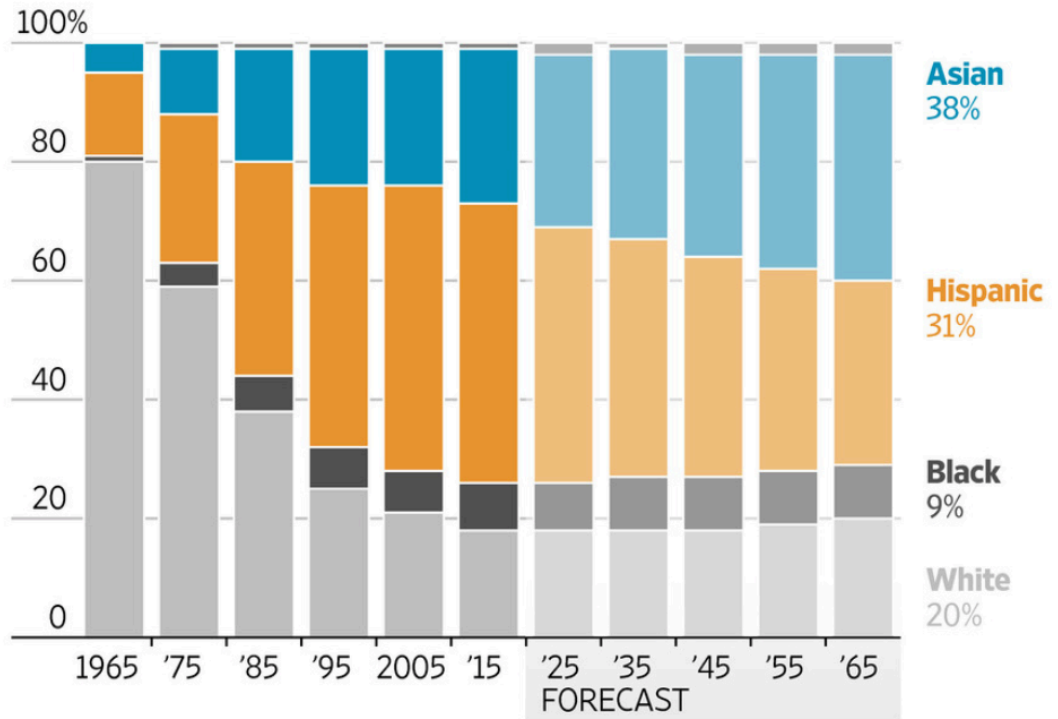
Immigration Nation

By 2065, immigrants are expected to account for a record 18% of the population, up from 14% now.

U.S. foreign-born population, in millions



Asians are projected to become the largest immigrant group, surpassing Hispanics as a percentage of the immigrant population

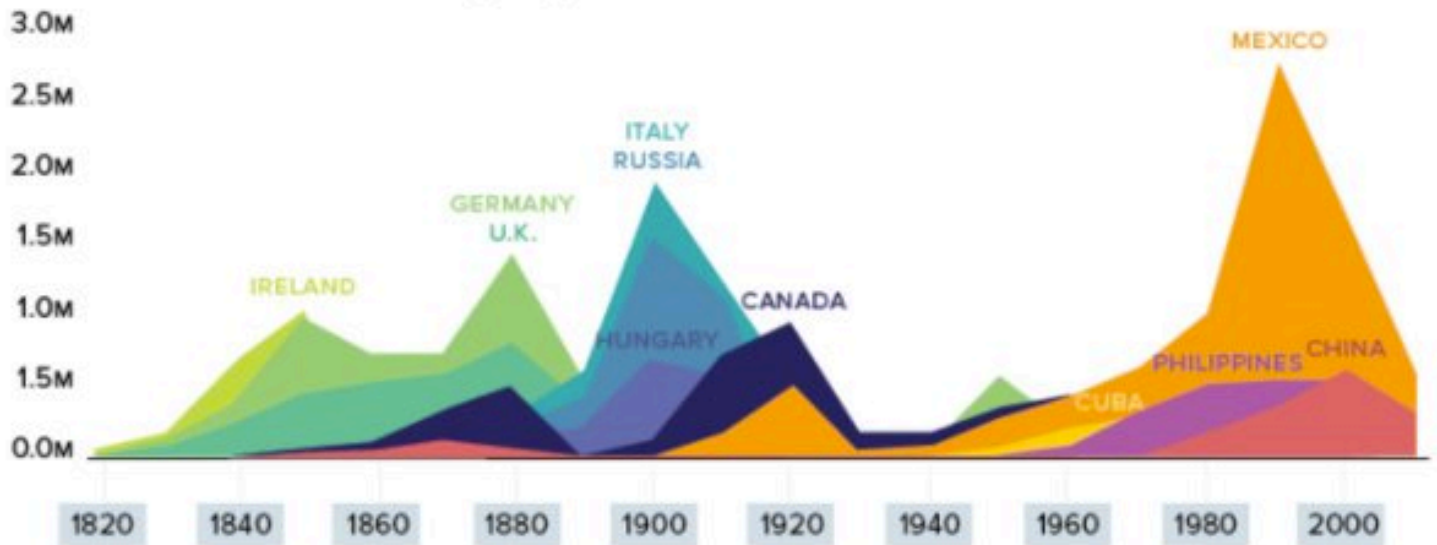


Source: Pew Research Center

Immigration to America

Immigration Today?

IMMIGRATION INFLOWS BY COUNTRY (TOTAL)





Seeking a better life: Movement of Americans

The population grows in Northern Cities

- 1866-1915: 25 million immigrants settling in cities
- 1880-1920: 11 million Americans go from farms to cities
 - Population on farms falls from 72-54%
- African Americans leaving South

**Key
Concept =
NO
SHORTAGE
OF LABOR.**

Working Conditions

Factories:

- Workers are easily replaced
- piecework (paid by amount produced) led to sweatshops
- division of labor/assembly lines = no joy in work
- ruled by clock
- unsafe conditions
- child labor



Average woman made \$2-5 a week
*Shirt cost=\$1, skirt=\$2, pair of shoes=\$1.50,
carfare = \$.05 each way, dormitory bed = \$2.50 a
week*





<https://www.youtube.com/watch?v=FguWSsW21CQ>

The Triangle Shirtwaist Factory Fire

On March 25, 1911, the Triangle Shirtwaist Company factory in New York City burned, killing 145 workers. **It is remembered as one of the most infamous incidents in American industrial history, as the deaths were largely preventable—most of the victims died as a result of neglected safety features and locked doors within the factory building.** It was a true sweatshop, employing young immigrant women who worked in a cramped space at lines of sewing machines. Nearly all the workers were teenaged girls who did not speak English, working 12 hours a day, every day. **The danger of fire in factories like the Triangle Shirtwaist was well-known, but high levels of corruption in both the garment industry and city government generally ensured that no useful precautions were taken to prevent fires.**

The tragedy brought widespread attention to the dangerous sweatshop conditions of factories, and led to the development of a series of laws and regulations that better protected the safety of workers (these reforms will be discussed in next unit: the Progressive Era). — *History Channel*

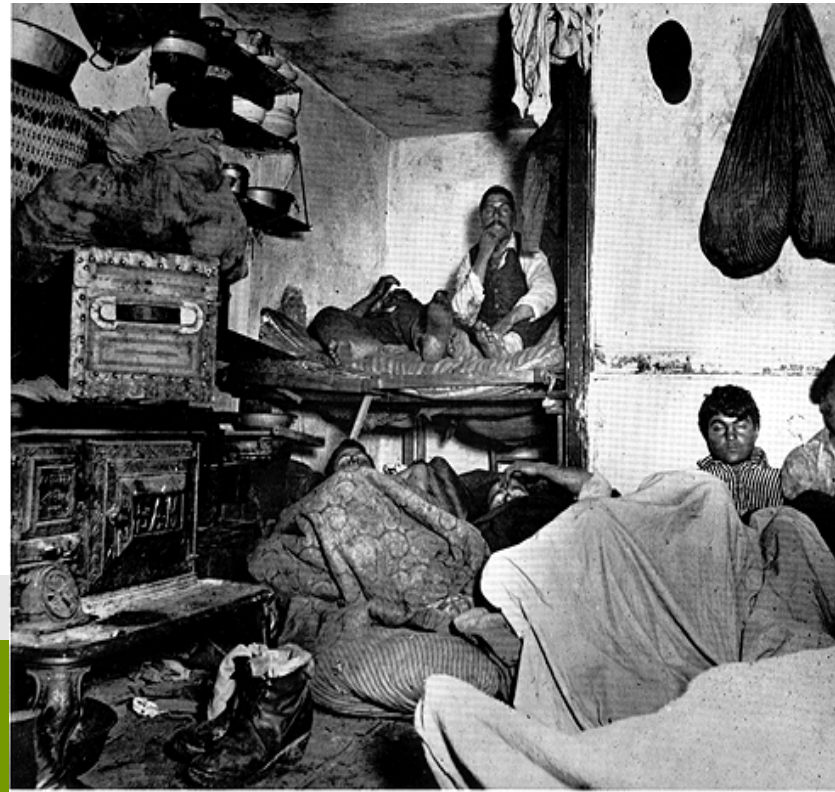
Other Challenges of Northern Cities

- **Poverty**
- **Overcrowding**
- **Dangerous conditions:**
 1. **Tenement living**
 2. **Fire hazards**
 3. **Contamination and disease (preventable epidemics killed many)**

Examples:

- Aug 5-13 '96: 400 NYs die during heat wave
- 80% of deaths seen as preventable
- 6/10 babies in one district of tenements in NY died before their first birthday

Tenement slums were called **Hell's Kitchen, Bone Alley, or Poverty Gap.**









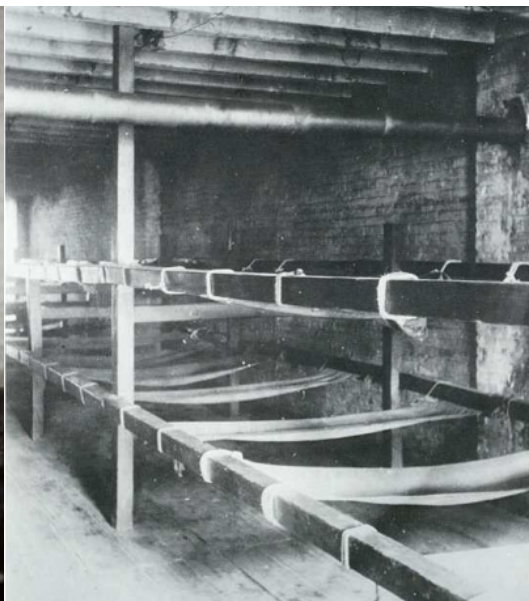


















Challenge of Northern Cities

- **VICE** (immoral or corrupt behavior) was big business: drugs, gambling, prostitution
- police could be paid off in big cities



Politics:

Why didn't the government

do more to reform the
social problems that developed
out of industrialization and
urbanization?

- **Belief in limited government and laissez-fair economics**
- **Ideas of Social Darwinism**



Politics:

Why didn't the government

do more to reform the social problems that developed out of industrialization and urbanization?

- **Federal Courts?**
 - narrow interpretation of gov't's regulatory power. (This limited the influence of laws that Congress *did* pass)
- **Politics?**
 - Closeness of elections led parties to avoid controversial issues that might alienate voters (issue free campaigns focused on party loyalty, regional ties, and religious/ethnic ties)
 - Politicians focused on holding office, not on issues or legislation



Politics:

What did they stand for *if not reform?*

- **1876-1900: String of forgettable Presidents with limited influence (mostly Republican, mostly pro-business) and congressional supremacy.**

Democrats

- continued to support states' rights & limited federal government
- **Solid South: after 1877 Democrats won every election in former confederacy 'til mid 20th c.**
- typically opposed Protestant temperance & prohibition reforms
- Support from:
 - Northern political machines
 - the immigrant vote
 - Catholic, Lutheran, and Jewish followers

Republicans

- pro business
- protective tariffs
- typically supported blue laws (restrictions on immoral behavior)
- Support from:
 - businessmen
 - industrialists
 - bankers
 - middle class Protestants in north and west
 - African Americans

Conditions were ripe for

CORRUPTION

and PATRONAGE

Despite “laissez-faire” many supported
govt involvement when it benefitted them

Examples:

- *high tariffs*
- *land grants*
- *Subsidies: payment made by government to encourage development of certain industries*



WHERE THE CORRUPTION COMES IN:

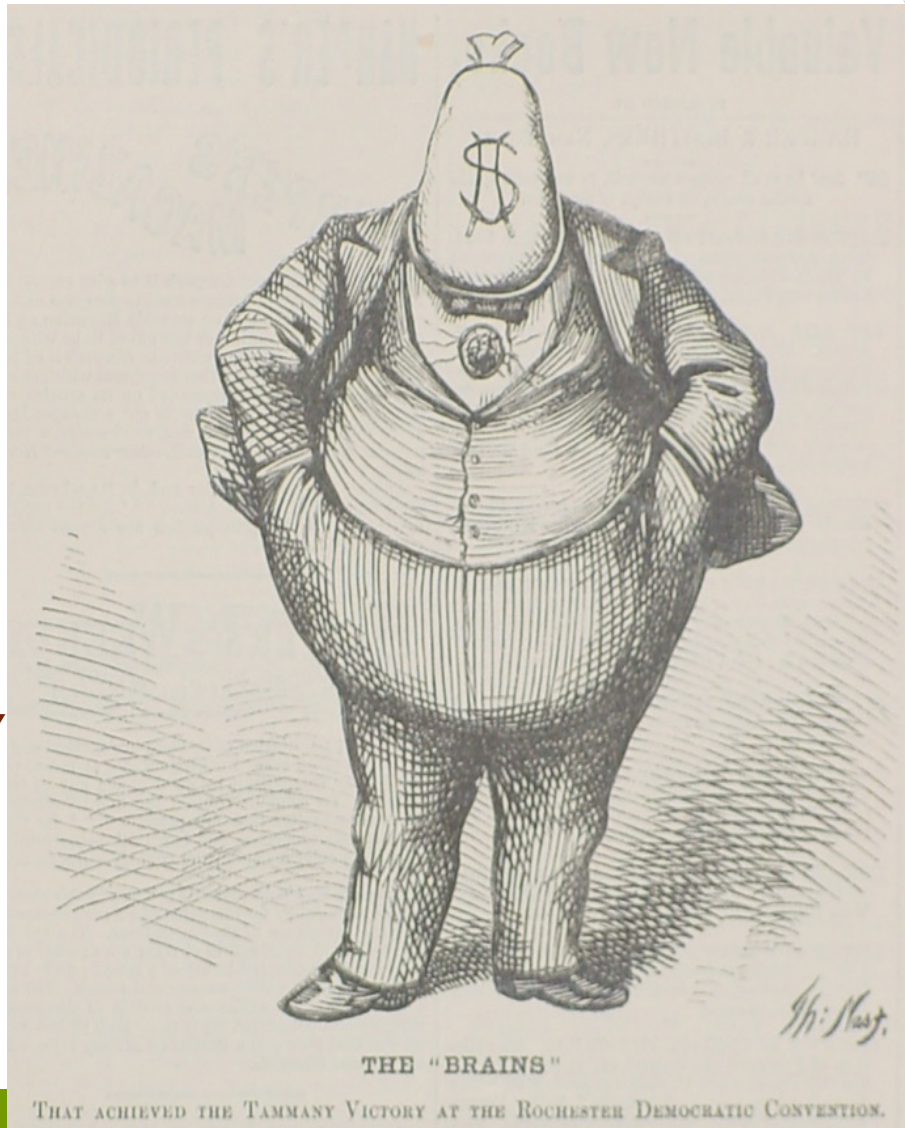
- **Spoils System: elected officials appoint friends/supporters to govt jobs**
 - Handed out jobs to people who helped them get elected
 - Bribery common
- **Common System:**
 - To ensure gov \$, business giants supported friendly politicians w/ gifts of \$ (some legal some illegal)
 - Those politicians could push for federal subsidies for those business
 - Both business owners and politicians pocketed cash
 - *Example: Credit Mobilier Scandal*

Politics:

Corruption

and Patronage

- City governments were dominated by **POLITICAL MACHINES**
 - Def: unofficial group/organization that kept certain people in power
- headed by a boss
- worked by exchange of favors
 - *(companies/people who wanted a favor from the city would pay money into the machine)*
- often supported by new immigrants because they provided some form of social welfare
 - **Housing/food/jobs for new immigrants or poor families during hard times**



THAT ACHIEVED THE TAMMANY VICTORY AT THE ROCHESTER DEMOCRATIC CONVENTION.

Politics: Corruption and Patronage

- led to corruption (stole millions from taxpayers)
- Most famous = **BOSS TWEED** of Tammany Hall
- **William Tweed** was a star in New York City politics during the 1850s and a member of Tammany Hall. He was exposed of having stolen between \$75 million and \$200 million from the city over the years.



German immigrant Thomas Nast help reveal his corruption. "Boss" Teed controlled Tammany Hall (political club that controlled New York City's Democratic party). Used city treasury to get rich. He pocketed 65% of NYC building funds!

WHERE WE LEFT
OFF...

GROWTH &
CHALLENGES
DURING THE



GILDED AGE

"All that glitters isn't..."

Ideas for Reform

Anti-Alcohol Groups:

- Woman's Christian Temperance Union
- Prohibition party
- Anti-Saloon League

Social Gospel Movement of 1880s and 1890s:

- churches provided social services
- Goal = apply the teachings of Jesus (charity and justice) directly to society

Settlement Movement

- Helped immigrants improve their lives w/ education, child care, health care

Purity Crusaders:

- sought to get rid of political machines and stop unwholesome and illegal activities
- Remember the Comstock Law? *"Suppression of Trade in, and Circulation of, Obscene Literature and Articles of Immoral Use"*



**the
great
strikes
of the late
1800s**

The Rise of Labor Unions

Gap between rich and poor grows larger.



Tensions increase between workers and business owners.



Workers organize into UNIONS.



Business leaders oppose Unions.



The era of large violent strikes begins in 1877 with a nationwide railroad strike.



Major strikes include the Haymarket Riot, Homestead Strike, and Pullman Strike.



Government sides with business leaders often using troops to put down strikes.



Labor Unrest

Haymarket Riot (1886)

The depth of labor conflict in post-Civil War America is illustrated by bitter disputes that erupted:

- Rally at Haymarket Square was organized to protest the killing and wounding of several workers by the Chicago police during a strike the day before (they were striking for an 8 hour work day).
- When police arrived to disperse the crowd, a bomb killed 7 cops and injured 67 others. Police and possibly some members of the crowd opened fire and 4 more were killed.
- **Aftermath of the Haymarket Riot:**
 - set off national wave of xenophobia
 - many foreign-born radicals and labor organizers were rounded up by the police in Chicago and elsewhere.
 - Eight men, labeled as anarchists, were convicted in a sensational and controversial trial in which the jury was considered to be biased and no solid evidence was presented linking the defendants to the bombing. Four men were executed.
 - Public opinion was divided. For some people, the events led to a heightened anti-labor sentiment, and many saw this as an example of how the labor movement was being controlled by “anarchists” and “radicals,” while others (including labor organizers around the world) believed the men had been convicted unfairly and viewed them as martyrs.

Other Examples: The Haymarket Strike and the Pullman Strike

Labor Unions to Know About

National Labor Union (NLU) was one of the earliest national-scale unions that unified workers across locations and trades. It excluded the Chinese and made it difficult for women and men to join. This was a political-action movement that from 1866 to 1873 sought to improve working conditions through legislative reform rather than through collective bargaining (the ongoing process of negotiation between representatives of workers and employers to establish the conditions of employment).

Labor Unions to Know About

The Knights of Labor was one of the most important early labor organizations in the United States. It wanted to organize workers into "one big brotherhood" rather than into separate unions made up of workers who had a common skill or who worked in a particular industry. The Knights of Labor declined rapidly after the 1886 Haymarket Square riot in Chicago.

Labor Unions to Know About

The American Federation of Labor, a union of skilled workers, gradually replaced the Knights as the nation's largest labor organization. Unlike the Knights, which sought to organize workers regardless of craft, rejected the strike as a negotiating tool, and had a broad-based reform agenda, the American Federation of Labor was made up of craft unions and committed to "bread-and-butter" unionism. Its goals were narrower but also more realistic than those of the Knights. It sought to increase workers' wages, reduce their hours, and improve their working conditions through negotiations and "collective bargaining."

Labor Unrest

SIGNIFICANCE:

Important pattern set → factory owners appealed frequently for court orders against unions.

Federal government responded, refusing to recognize unions as legally protected organizations.

This official government opposition helped limit union gains for over 30 years (as well as other issues weakened union strength).

Other important points made in the reading?

- **Over 23,000 strikes took place from 1881-1900, involving over 6.6 million workers, with losses adding up to over \$450 million. The strikers lost about half and won/compromised on the remainder. Their greatest weakness was that they still embraced only a minority of all working people (about 3% in 1900).**
- **Attitudes towards labor began to change by 1900, evident in the adoption of Labor Day in 1894.**

In-Class Reading excerpt...

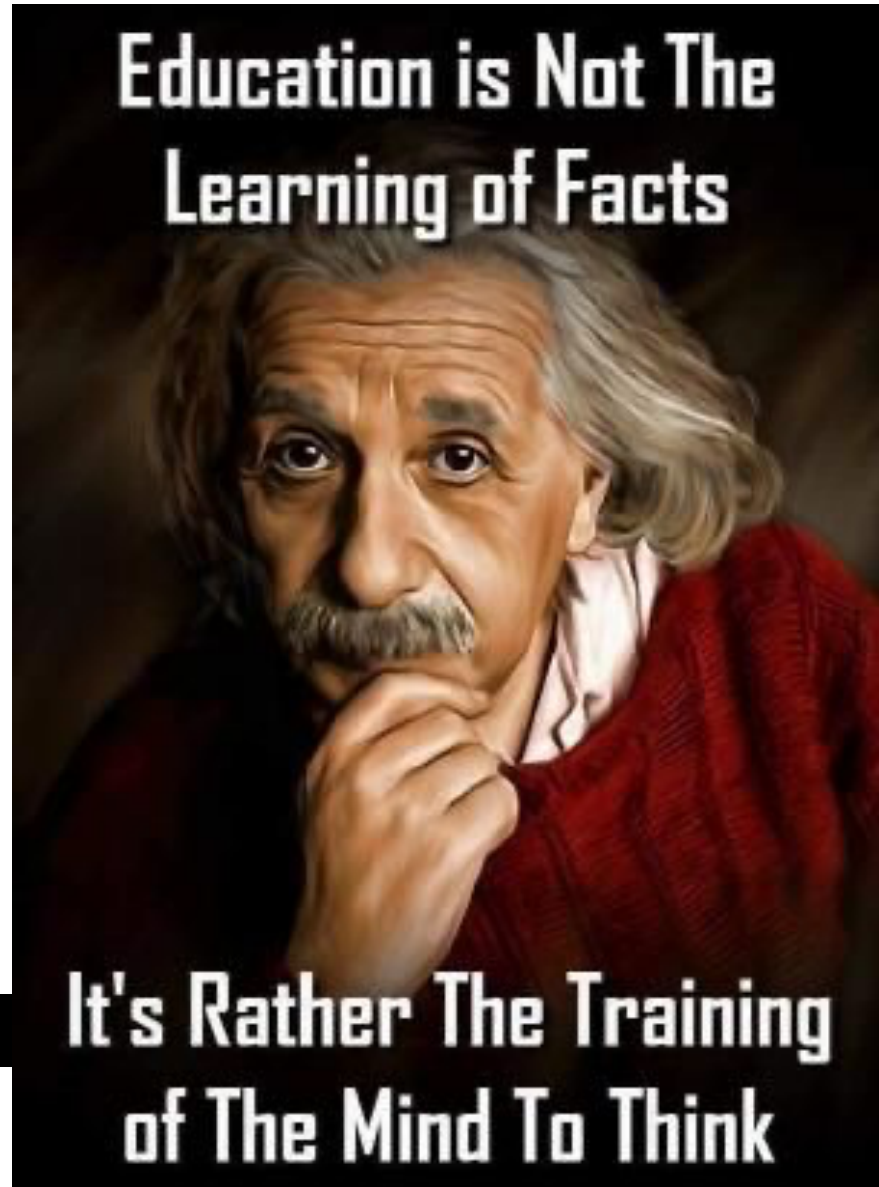
“What was at stake in these debates was the very meaning of American democracy in a modern, industrial society. Among the crucial questions was government's role in labor disputes: Would government, at the local, state, and federal levels, align itself with labor or management?”

One of the most contentious questions that late 19th century workers debated was whether labor should agitate for higher wages, shorter hours, and better working conditions, or for more fundamental transformations in the nation's economy (changing the nation's economic system altogether).”

**One idea for fundamentally
transforming the nation's economy was
SOCIALISM.**

BACK TO ECONOMIC SYSTEMS!

Welcome to
History!



**Education is Not The
Learning of Facts**

**It's Rather The Training
of The Mind To Think**

What is economics?

- Economics can be defined in a few different ways!
- It is...
 - the study of how people use resources and respond to incentives
 - the study of decision-making
 - the study of scarcity

Scarcity: Because of unlimited wants, people would like to consume more than it is possible to produce.

Why Study Economics?

Economics is not primarily a collection of facts to be memorized (though there are plenty of important concepts to be learned). **Instead, economics is better thought of as a collection of questions to be answered or puzzles to be worked out.** Most important, economics provides the tools to work out those puzzles.

If you have yet to be bitten by the economics “bug,” there are other reasons why you should study economics:

**Virtually every major problem facing the world today,
from global warming, to world poverty, to the conflicts in Syria, Afghanistan, and Somalia,
has an economic dimension.**

If you are going to be part of solving those problems,
you need to be able to understand them.

Economics is **crucial**.

What is economics?

“While people tend to associate economics with money, economics [actually] helps you understand that money isn’t the only thing that matters in life...

Economics can help you appreciate complexity and how seemingly unrelated actions and people can become entangled...

What is economics?

“Economics helps you understand that life is all about choices.

Getting the most out of life means choosing wisely and well.

And making choices — being aware of how choosing one road means not taking another, being aware of how my choices interact with the choices of others — **that’s the essence of economics.”**

- Economist Russ Roberts

WHAT DO WE KNOW ALREADY?

ECONOMIC CONCEPTS

ECONOMIC & POLITICAL TERMINOLOGY

NOTE: MULTIPLE DEFINITIONS?

People may use terms differently because they are assuming they carry a different meaning.



Economic Liberalism

(AKA Market
Economy, Free-
Market, Capitalism,
Laissez-Faire and
more!)

ECONOMIC LIBERALISM

Why is it called a “free market” economy?

- FREEDOM OF CHOICE

- A **free market** is one where **voluntary exchange** and the laws of supply and demand provide the sole basis for the economic system, **as opposed to government intervention**.
- A key feature of free markets is the **absence of coerced (forced) transactions** or conditions on transactions.

Necessary Requirements (for the successful function of this system):

- **COMPETITION & FREEDOM OF CHOICE:** Open competition is a must. Works as an incentive, inspiring people to be as creative and productive as possible. Opportunity for wealth is available to everyone but not guaranteed to anyone at any particular time. If one can not make choices freely about who to work for, there is no competition among employers, and therefore no incentive to increase their pay/treat them better, etc.
- **PROTECTION OF PRIVATE PROPERTY.**

Who “established” and popularized this idea?

Adam Smith

Scottish **moral philosopher**

Wrote about a mix of psychology, philosophy, and what we now call behavioral economics in the mid-1700s.

Famous Books?

Theory of Moral Sentiments

The book was Adam Smith’s attempt to explain where morality comes from and why people can act with decency and virtue even when it conflicts with their own self-interest.

Wealth of Nations

Explains how people will automatically contribute to the well-being of others simply by pursuing their own self-interest.
Often called the “Father of Economics” because of this book.

MISUNDERSTANDING OF SMITH

Self-Interest vs. Selfishness

Smith is **NOT** an advocate of selfishness, nor is he an “advocate” of self-interest.

He simply **acknowledges that self-interest exists** and suggests the best way in which society can function given human nature.

THIS IS WHAT ALL ENLIGHTENMENT PHILOSOPHERS WERE DOING!

How would following self-interest of the individual indirectly promote a socially desirable outcome for society as a whole?

1: It forces people to pay attention to the needs of society

Remember the example? “Thus to pursue his own wealth, the butcher needs to pay attention to and serve the needs of society.”

2: It allows for specialization (division of labor)

which leads to greater productivity

(and greater potential for innovation/better quality).

If we specialize and get good at something, we then rely on the opportunity to get the rest of what we desire from others.

Trading—offering something in return for my neighbor’s help—is how we sustain the power of specialization.

How would following self-interest of the individual indirectly promote a socially desirable outcome for the majority?

Arguing against government regulation in this “market economy” was therefore an argument against “mercantilism,” but was even more than that.

Smith argued this method would ensure not only **freedom of choice**, but **greater stability, prosperity, and innovation**.

Analysis of ADAM SMITH'S POINT OF VIEW: What assumptions are being made?

- **Adam Smith**

- **Humans are okay with and capable of dealing with inequality and remaining incentivized IF there is a reasonable probability that either you or someone you love can be successful (you think the game is fair and there is opportunity)**
- **Humans are rational beings that are likely to act within their own self-interest**
- **Ready availability of goods, free-choice, and innovation will reduce the causes of suffering**
- **Punishing wealth creation (by taking from those who create it) removes incentive (e.g., slavery) and therefore decreases wealth creation**

**What are some of the benefits of
this system?**

**What are some of the downsides
of this system?**

Next up... SOCIALISM

Economic liberalism/free market economies are
OPPOSED TO
command or **planned economies** in which the government,
rather than the free market, makes the economic decisions in
society.

(the government determines what goods should be produced, how much should be produced, how much they should cost, how money will be invested and how much people will earn.)

**One idea for fundamentally
transforming the nation's economy was
SOCIALISM.**

Responding to this with a new idea: **Socialism**

- Definitions for your reference:
 - Proletariat: the working class
 - Bourgeoisie: the middle class and capitalists who owned the machinery and the factories where the working class produced goods.
 - Means of production: machines, factories, mines, and land

Responding to this with a new idea: Socialism

- How old is this idea?
 - Depends on how you are defining it! Examples of Incas? Christian Socialist? Revolutionaries in France in the 1700s?
- Who popularized this idea?
 - Karl Marx (1818-1883)
 - Wrote pamphlet *The Communist Manifesto* in 1848 with Friedrich Engels

ECONOMIC CONCEPTS

What does Karl Marx argue?

- Argues history has been one of “oppressor” and “oppressed” that has always ended in an “open fight... either in a revolutionary [change] .. or in ruin of [both groups].”
- Argues that the old traditions that bound man to his “natural superiors” were replaced and now the only connection between people was “naked self-interest” and “callous cash payment.”
- Argues that this system has “converted the physician, lawyer, priest, the poet, the man of science, into its paid wage laborers.” Also says it has “reduced the family relation into a mere money relation.”
- Argues that capitalism will destroy any existence of a "middle class" of people.
- Argues that “old-established national industries have been destroyed and are being destroyed” replaced by “new industries.”
- Argues that society desires more goods as a result of capitalism: “in place of old wants, satisfied... we find new wants.”
- Argues that society has created “the epidemic of overproduction” (which he argues is problematic).
- Argues that because of “the use of machinery and the division of labor, the work of the proletarians has lost all individual character and consequently all charm for the workman... It is only the most monotonous...”
- Separates capitalism from industrialization. Thinks that industrialization has created the potential for great wealth (the wealth that would make *socialism* possible because not everyone would need to work).
- Argues that capitalism is in the process of splitting society into two basic classes. He sees “more and more into two great hostile camps, into two great classes directly facing each other – bourgeoisie and proletariat.” He argues that the rich are getting richer and the poor are getting poorer.

- Develops an argument about “exploitation.”
- Argued that capitalism has led to the social conditions he was seeing and that “Free Trade ... had [led to] naked, shameless, direct, brutal exploitation.”
- Argues that the capitalist system has allowed the bourgeoisie to “exploit” the proletariat endlessly for the sake of profit. **Under his definition, all workers are exploited.**

EXPLOITATION

- Why? Marx argues that the labor (as a commodity) is not being recognized or rewarded appropriately. He sees it as the worker lending “wealth” to the employer and giving them products in advance of being paid.
- Argues that with this unfair surplus of money, the employers can use this extra money to grow and expand, making the problem even worse over time and increasing the divide in society into two groups that grow farther and farther from one another (i.e., making the rich richer and the poor poorer).

KEY POINTS MADE BY MARX:

- Capitalism has therefore developed an unfair, unenjoyable, and unsustainable system. Basically, because the bourgeoisie owns the means of production, they receive the most profit, while the proletariat, who do the physical and dangerous work, received little of the wealth they produced.
- Marx argued that revolution and a socialist future was an inevitable certainty. He argued that capitalism had created the system that would bring “death to itself.” The “middle class – the small tradespeople, shopkeepers, handicraftsmen ... will all sink gradually into the proletariat.”
- So what should happen?
 - Marx said workers should take control of the means of production and **establish a temporary dictatorship to redistribute wealth equally** (prices and goods would be determined by the central government). The end of capitalism then would **usher in an era of equality and justice.**

How does he think this whole process will take place?

- The proletariat will become the ruling class and will “centralize all the instruments of production in the hands of the state”
- Of course, in the beginning, this can only happen with “**despotic inroads on the rights of property**”
 - In other words.... **end of private property rights** and *dictatorship of the proletariat.*

Economics Graphic Organizer

Where we left off...

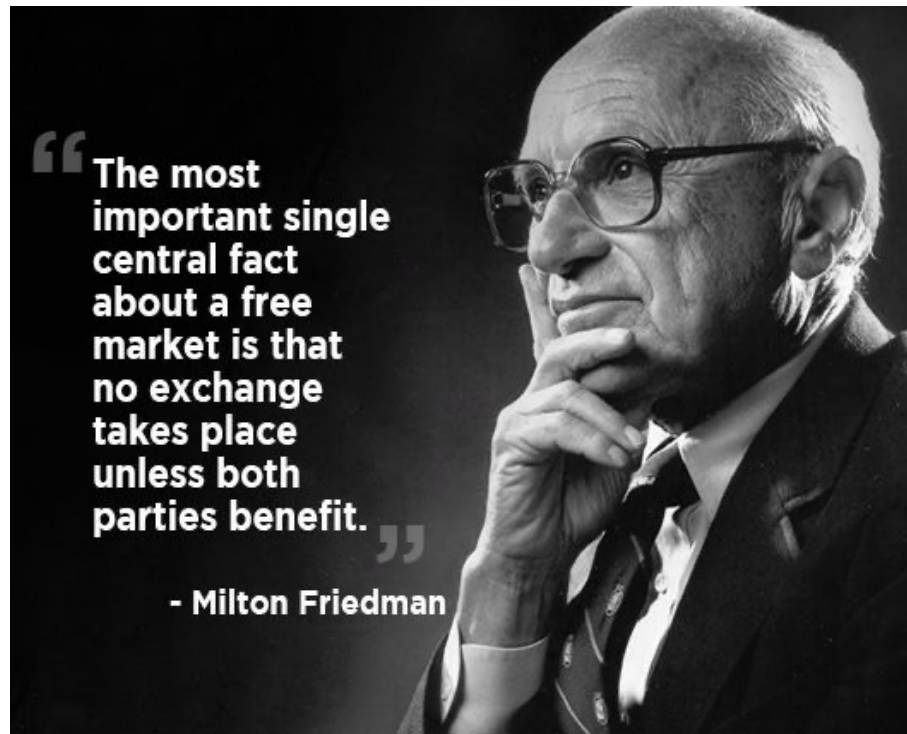
Economic Systems

Adam Smith

Inequality can't be removed, so don't allow it to be arbitrary. Consistently aim at creating a meritocracy and don't guarantee the success of any one group (allowing the top 1% to be changing all the time). Class difference will persist, but the overall wealth of everyone, including those at the bottom, will improve.

Incentive for society's productivity include
1) free-choice or 2) opportunity to be rewarded for one's contribution/achievement

CAPITALISM



Where we left off...

Economic Systems

SOCIALISM

Karl Marx

Inequality is the cause of suffering and it is caused by the capitalist industrial system and if we adjust society properly it will go away.

If we dispossess the owning class and redistribute wealth to the working class, eliminating the concept of private property, class differences will no longer exist.

Incentive for society's productivity include 1) the elimination of class differences → the elimination of greed/corruption 2) the understanding that everyone's *needs* are being met 3) Focusing on needs instead of "wants" means that not everyone needs to work all the time. 4) The state will enforce this policy: everyone who can **MUST** contribute

Where we left off...

Economic Systems

DISCUSS

Which system is more “moral”? Why?

Which system is more materialistic?

Which system is most likely to encourage
voluntary charitable action?

Analysis: What assumptions are being made by Marx?

Consider: Is he right or wrong? HOW DO YOU KNOW?

1. Inequality of outcome = unfair (and leads to suffering)
2. To end suffering, people need access to basic resources (not unnecessary goods)
3. There is no capacity for reform/improvement within a free-market.
4. Circumstances for all but the rich have gotten worse as a result of capitalism.
5. The “meritocracy” does not exist – the “owning class” has done far less than the “working class.”
6. Elimination of class distinctions is attainable.

Analysis: What assumptions are being made by Marx?

Consider: Is he right or wrong? HOW DO YOU KNOW?

7. Under socialism, the government is most likely to bring about the greatest improvements to human society, rather than the action of individuals.
8. (If democratic) the general public will be able to agree on who should do what work and what everyone's needs are.
9. Once the process of redistribution has reached its goal, the government will be willing to sacrifice its power. It has none of its own "self-interest."
10. He assumes there is no such thing as economic scarcity.
11. The only cause of wealth inequality is oppression.

KEY TAKEAWAYS

- Capitalism is a market-driven economy. The state does not intervene in the economy, leaving it up to market forces to shape society and life.
- Socialism is characterized by state ownership of businesses and services. Central planning is used to attempt to make society more equitable.
- Most countries are mixed economies, falling in between the extremes of capitalism and socialism.

Next up...

We will see varying degrees of implementation.

These ideologies will play out over the course of the 19th and 20th centuries. You should pay attention to what features of these economic plans are implemented and evaluate how they work.

How much weight did these new ideas carry during THIS period?

**In other words (Reading Guide Question):
Were there people suggesting utopian socialist reform ideas as a solution to America's problems?**

ANSWER: YES!

**These ideas did have a following/interest!
BUT the majority were NOT interested.**

Why *wasn't* the majority interested in utopian socialist ideas for reform?

#1: Things were improving

#2: There was capacity for reform within the current system (large-scale charitable giving, legislative reform)

#3: Most thought it conflicted with long-cherished American ideals:

- protection of private property
- free-choice & individual liberty
- skepticism toward government authority

#4: Small scale attempts at communal ownership were unsuccessful

#5: Many saw how it failed to resolve the original issue: TOO MUCH POWER BY TOO FEW PEOPLE and removal of competition (much of the inequality/corruption had been caused by special privileges granted by government)

**Were there other
new political parties popping up?**

YES – THE POPULISTS

AKA The People's Party (Farmers)

Populism refers to a range of political stances that emphasize the idea of "ordinary people" and often juxtapose this group against "the elite".

Final Topic:

**The End of the
Frontier**

The End of the Frontier



In 1860, most Americans considered the Great Plains the “Great American Desert.” Settlement west of Minnesota, Iowa, Missouri, Arkansas, and Louisiana averaged just 1 person per square mile. The only parts of the Far West that were highly settled were California and Texas. Between 1865 and the 1890s, however, Americans settled 430 million acres in the Far West-- more land than during the preceding 250 years of American history. By 1893, the Census Bureau was able to claim that the entire western frontier was now occupied.

The discovery of gold, silver, and other precious minerals in California in 1849, in Nevada and Colorado in the 1850s, in Idaho and Montana in 1860s, and South Dakota in the 1870s sparked an influx of prospectors and miners. **But the expansion of railroads and other innovations attracted ranchers and farmers to the Great Plains in the 1860s and 1870s.**

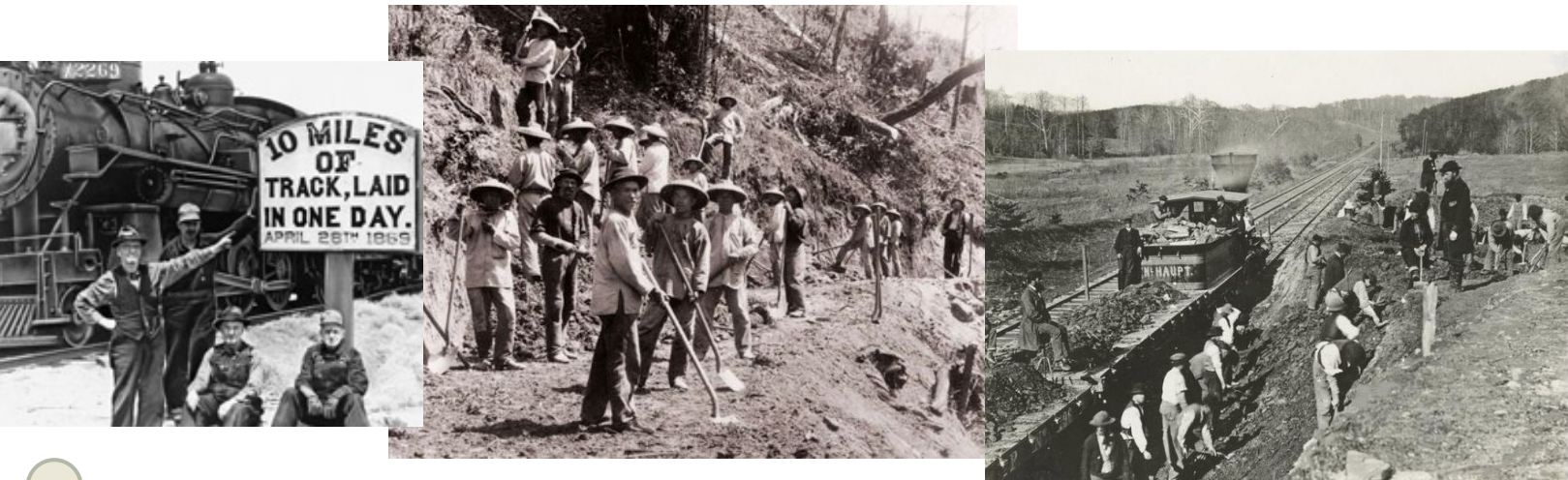


Transcontinental Railroad – 1860s

STARTED: 1863
FINISHED: 1869







Transcontinental Railroad

The construction of a transcontinental railroad was one of the United States' greatest technological achievements.

Railroad track had to be laid over 2,000 miles of rugged terrain, including mountains of solid granite. Before the transcontinental railroad was completed, travel overland by stagecoach cost \$1,000, took five or six months, and involved crossing rugged mountains and arid desert. The alternatives were to travel by sea around the tip of South America, a distance of 18,000 miles; or to cross the Isthmus of Panama, then travel north by ship to California. Each route took months and was dangerous and expensive. The transcontinental railroad would make it possible to complete the trip much faster and cheaper - in just five days at a cost of \$150 for a first-class sleeper.



Transcontinental Railroad

Can add to your notes:

- Federal government funded (with huge loans and land grants)
- Two companies competed:
 - Central Pacific – went west to east
 - Workers: Mainly Chinese immigrants
 - Union Pacific – went east to west
 - Workers: Mainly Irish immigrants, ex-slaves, and former soldiers
- Perception: Unorganized territory, viewing Plains Indians as an obstacle to opportunity that should simply be removed



Transcontinental Railroad

Can add to your notes:

- Corruption and bribery?
 - LOTS - Construction of the railroad provided many opportunities for financial corruption and bribery
 - Greatest scandal of 19th century = **Credit Mobilier Scandal of 1872**
 - Union Pacific Railroad company bribed congressmen so they could receive public funds to build the railroad. Then they diverted that money into fake "construction" accounts that they could use for themselves.
 - Eventually, the scandal became public.

NDAY, MAY 10, 1869.

ATURE.

The Springfield Reports—Recon-
nor Bill.

nday night, May 8.

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THE PACIFIC RAILROAD—OPEN.

THE JUNCTION EFFECTED, TO-DAY

The Great Celebrations in California.

AT SAN FRANCISCO AND SACRAMENTO.

By Telegraph to The Republican.

The Pacific railroad celebration at San Fran-
cisco, Cal., Saturday, was one to be remembered
for all time in that city. The day was ushered
in by a salute of 100 guns. All the federal forts
of the harbor, fired salutes, the city bells were
rung and steam whistles were blown. At night
the whole city was illuminated and presented a
brilliant appearance. The procession was the
largest and most enthusiastic ever witnessed in
San Francisco. The people were eager and will-
ing to observe an event of so much importance
to that city and the Pacific coast and turned
en masse. Business was gener-
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What was the impact? How did it revolutionize business and industry?

Can add to your notes:

- Had PROFOUND effects on American life
 - Faster, more practical, cheaper production
 - people could reach coast in a matter of days instead of months for 1/10 the cost
 - National markets created
 - Stimulated new industries and supported the rise of big business
 - New towns/settlements – people rushed into the frontier (“filling it” 1890)
 - Timezones created



Quick Review: Moving West *1850s-1900*

“The West was seen as a bottomless treasure chest of resources to exploit.” — Weigand, pg. 192

Moving West

1850s-1900

Why? PUSH and PULL FACTORS

PUSH FACTORS:

- Eastern farmland expensive
- Civil War had displaced farmers, slaves, workers
- Flee exploitation that followed Reconstruction (called Exodusters - 50,000)
- Ethnic & religious repression
- Shelter for outlaws

Moving West

1850s-1900

Why? PUSH and PULL FACTORS

PULL FACTORS:

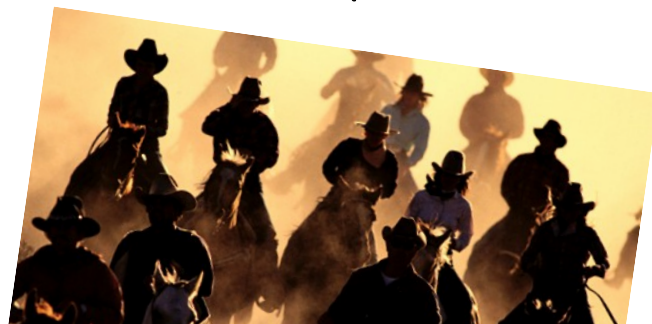
- Government Incentives:
 - **Homestead Act** : Granted Americans 160-acre plots of public land for the price a small filing fee.
 - It is considered one of the United States' most important pieces of legislation because it led to Western expansion and allowed citizens of all walks of life—including former slaves, women and immigrants—to become landowners.
- Private property! Legally enforceable, transferable property rights
- Land ownership like this was something **unavailable anywhere else in the world.**



1860-1880

Cowboys & the Cattle Frontier?

- Need to drive cattle to railroad lines (from Texas a thousand miles northward to reach Kansas)
- Becomes a staple of American pop culture. Built the real-life legend of “cowboys”
- At least 1/3 were African Americans or Mexican American
- Eventually...
 - By 1880s cattle drives die out.
 - Corporate owned ranches will replace individually owned ranches (pattern)





1860-1880

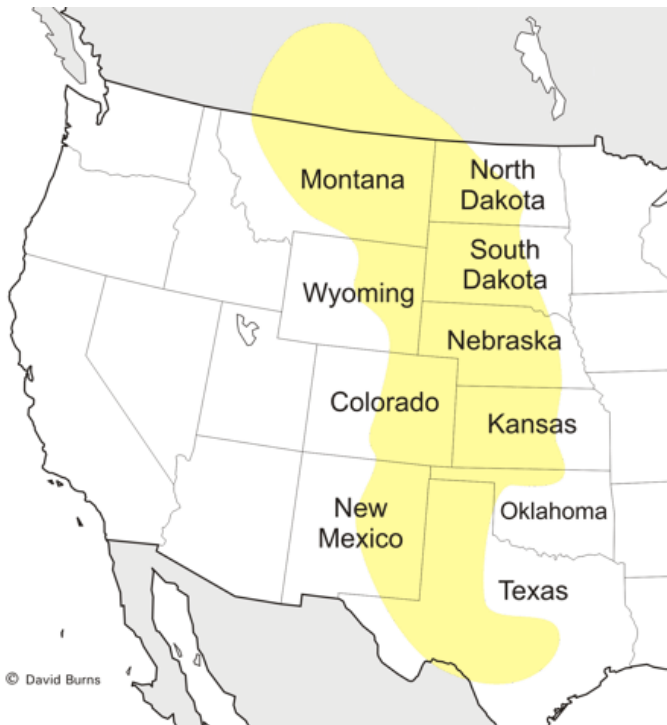
Life for Homesteaders & Others

- Farmers, ranchers, miners, and homesteaders
- Included: Chinese, Irish, Italians, European Jews, Mexicans, African Americans
- Life = not easy! (Soil tough, insects, weather)
- **EVENTUALLY**, farming became primarily controlled by large corporations.
 - Impact = huge increase in nations food output, less private ownership

But where is this land coming from?

1850s-1900

Pushing out the Native Americans



• Status in 1865:

- $\frac{1}{2}$ million American Indians were scattered across West
- The Fed. government had traditionally regarded tribes as independent nations → had to negotiate treaties with them that required ratification by the Senate
- Many treaties were signed by compromised/self-appointed leaders on behalf of tribes that didn't consent
- Many treaties were also ignored, and American Indians lacked the political power to make them abide by those terms

American Indians

1850s-1900

- In the 1850s & 60s:
 - began policy of “concentrating” American Indians to smaller locations (north and south) of white settlement
- Why would they surrender ancestral lands?
 - Promise to be left alone
 - Provided with food, clothing, other supplies
- But, promises NOT kept
 - Example: BIA (The Bureau of Indian Administration)
 - **Poor administration** and **corruption** resulted in constant conflicts between tribes and nearby white settlers



1860-1880

Plains Indians

- Competition for land caused clashes particularly in the Great Plains area (where 2/3 of Natives lived)
- What were the two views here?
 - productivity vs. invaders



1860-1880

Plains Indians

Major decisions:

- 1871: Fed govt. stops recognizing tribes as separate, independent governments
 - Fed govt says no more treaties, would recognize no more chiefs...
- 1887: Dawes Severalty Act: Placed Natives on reservations, allotting land to individual Indians in units.
 - “Supposed to” encourage Indians to become farmers, but the land proved unsuitable for farming and too small to support livestock.



1860-1880

Great Plains Wars

- Years of inconclusive, deadly battles followed
 - More than 200 between 1859-1876
- **Custer's Last Stand (Battle of Little Big Horn)** was the beginning of the end... after that tribes were worn down by hunger & continual pursuit
 - *Contributing to the suffering? Buffalo were decimated (from 30 mil -> 100)*



1860-1880

Great Plains Wars

- Wounded Knee = last major clash between US troops & American Indians (1890)
 - White settlers (afraid) asked for help from “Ghost Dance”
 - US Army will kill 300 Sioux men, women, and children in South Dakota
- Results of Indian Wars:
 - By 1890s, all tribes on reservations
 - Accelerated decay of traditional Indian culture

Other Changes: Assimilation Movement

1860-1880

- **Forced assimilation** followed the movement onto reservations
- **National sentiment supported “assimilation”** movement (well-intentioned but **FLAWED** idea)
 - Helen Hunt Jackson, *A Century of Dishonor* 1881
 - Will record deceit & violence toward American Indians
 - **Army style boarding schools** were set up for American Indians (prohibiting exercise of any aspect of their culture)