

A

VISUAL HISTORY

OF THE

UNITED STATES

ECONOMIC SUBORDINATION
OF COLONIES TO ENGLAND

UTILIZING
TRADE THROUGH ENGLAND

STRUGGLE FOR
MORE HOME RULE

LIMITING OF COLONISTS TO
NEW MATERIALS PRODUCTION

APPEARANCE OF MANY
SKILLED COLONISTS

THE FACTS AND FIGURES OF AMERICAN
HISTORY PRESENTED IN 100 PICTO-
GRAPHS, PICTORIAL MAPS, VISUAL DIA-
GRAMS, GRAPHIC STORIES, AND 75,000
WORDS OF NARRATIVE.

by

Harold U. Faulkner

Illustrated by

Graphics Institute

A
VISUAL HISTORY
OF THE
UNITED STATES

B Y

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HENRY SCHUMAN · NEW YORK



Dedication

To the children—Pamela & Shirley, Larry, Steve & Robby—who have inspired this book. We hope they and their generation will get from it a picture of their heritage of freedom—and a sense of what they must do to preserve it.

Publisher's Preface

This book grew out of a World War II Army Education Program project to make American history more vivid and meaningful. Graphics Institute received an assignment to develop a number of wall charts, using one of the Faulkner books as a basis. These charts were so well received that the logical next step suggested itself: to use the same technique for a comprehensive visual history.

Harold Faulkner eventually came in as a collaborator, made suggestions for improving the layouts of the graphs, and joined wholeheartedly in the rather novel idea of subordinating the text to the graphic idea in the book.

The seventy-six graphic idea layouts were worked out in collaboration with Graphics Institute's Director, Herbert Rosenthal, who supervised preparation of the illustrations. Credit for the further development of the visual elements goes to a number of artists. Mel Bernstein put into comprehensive sketch form about fifty of the illustrations, and in so doing both simplified and enriched them. The remaining sketches and all the final drawings were imaginatively executed by members of the Graphics Institute art staff, under the direction of the Art Director, Bill Dove. Elena Beck, Vera Deutsch, Muriel Sullivan, Dick Read, Ruth Wissoky and Bill Drayton made particularly outstanding contributions. And to Robert Goldston of the publisher's staff goes credit for the basic design and typographic styling of this book.

Researching the data for the charts was another extensive project. Graphics Institute's Research Director, Joseph Schutzman (who also helped immeasurably in the production of this book), and two of his assistants, Robert Levine and Lawrence Rabino-witz aided greatly in securing this data.

Graphics Institute moved into many areas that had never been visualized before. Unfortunately, space permits only a general but sincere "thank you" to the large number of people in government agencies and organizations who supplied information and in many cases ran off special tabulations. Sources by agency are, however, listed on pages 191-192.

Warm thanks are also due Margaret Rosenthal and Marian Bonstein for typing many drafts of the manuscript, and for raising questions and making helpful suggestions in the process.

This book has been in preparation for eight years—eight very decisive years for our country. The atomic bomb has already been overshadowed by the hydrogen bomb. We are in a desperate race of armaments and minds with the Soviet bloc—eight years ago our ally, today a menacingly strong antagonist. Yet we can still hope to *talk out* our differences in the UN, which these eight years have also seen come into existence.

Any solution we work out will be founded on our strength—political and moral as well as economic and military. For three hundred years, the secret of America's strength has been freedom. More freedom for more people than has ever been seen before. The freedom to develop as individuals. The freedom—and the wish—to make our contribution to our communities and to our country.

America's kind of freedom has always been under attack. Yet it has survived. In this book, the attempt is made to picture the struggle and how previous generations have won it. For it is up to the present generation to win again the never-ending battle. We trust this book—by making our past achievements and present problems vivid and meaningful—will play some small part in victory.

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A Note on the Graphics

Most of the statistical charts in this book are pictographs. Pictorial symbols are used to represent *increases or decreases in quantities*—population, cotton, slaves, etc. Within each chart, each identical symbol represents the same quantity—say 100,000 people, or \$1,000,000. On most of the charts, we have also put in, in type, the *exact quantities*, at the end of each line of symbols. But for a general impression of the trend, all you have to notice is whether the number of symbols increases or decreases for any particular year.

In some cases, we have used the more conventional line and bar charts, with a pictorial symbol as a signpost. In reading these line and bar charts, it's well to note first the years that are covered. Then the upward or downward movement of the line—or the increase or decrease in height of the bars—shows you the trend.

In all cases, the main headlines over the charts will give you the general idea. For a more detailed view, read carefully any subheadlines and scale markings. They will tell you about the exact quantities upon which the charts are based.

If you are interested in the sources upon which the charts are based, consult the index on pages 191-192.

From Settlement to Independence

In search of a new route to Asia, Columbus and those who followed him discovered and explored the coast of America. But more than a century went by before European colonies dotted the coast from Canada to the Argentine. It was another century before the thirteen British colonies were firmly established. As these colonies expanded they gradually developed a new way of life. Their interests and problems, notably in their economic life, came into conflict with those of the mother country. Refusing longer to remain in a dependent and subordinate position in the British Empire, they finally declared their independence, and in a long war won their freedom.

Why the New World Was Discovered

At the end of the eleventh century there began a series of expeditions from Europe against the Mohammedans whose power then covered much of Asia Minor (including Palestine), Northern Africa, and part of Spain. These expeditions or Crusades, as they are known, started after Pope Urban II had called the Council of Claremont in 1095. There he addressed the belligerent and greedy nobles, stressing the sanctity of Jerusalem and the harm which the infidels were rumored to have wrought on the holy places of Christianity. He urged the nobles to cease fighting among themselves, to "enter the road to the Holy Sepulcher" and "wrest the land from the wicked race and subject it to yourselves."

Although the Crusades have been regarded primarily as holy wars, they were actually more complex in character. They have also been described as feudal forays, as commercial and colonizing expeditions and as a phase in the long struggle between the peoples of the East and the West.

Some eight crusades covering a period of over 150 years were launched against the Turks. They failed in the end to win the Holy Land for Christianity. But they did serve as a liberal education for the Crusaders, the most vigorous members of a stagnant, half-savage European society. The Crusades introduced them to the culture and luxuries of the East.

TRADE WITH THE EAST

Trade between East and West—which had dried to a trickle in the five hundred years since the fall of the Roman Empire—began to increase steadily. Europe's simple diet was made tastier by pepper from India, by cloves, cinnamon and nutmeg from the East Indies, and sugar from Arabia and Persia. From Asia came drugs and precious stones, dyes for the textile industry, glass, cutlery, silk and linen. In exchange for these, Europe offered woolen goods and heavy metals—goods too bulky to be easily transported across the long routes to the East. And since the goods Europe imported were worth more than the goods she exported to the East, Europe had to pay the difference in gold and silver. In addition to the drain of precious metals, buyers in Western Europe had to transport their goods over a series of long sea and overland lanes. These routes were subject to commercial regulations, customs tolls, and attacks by robbers. Once they had reached the Mediterranean, these Oriental wares were subject to a distribution monopoly controlled by Italian merchants.

Thus, there were motives aplenty for trying to shorten and cheapen the trade routes from Western Europe to the Far East, and for trying to find precious metals to pay for Oriental goods. Prince Henry the Navigator, a member of Portugal's ruling family, sent out one expedition after an-

other to seek a route around Africa. Meanwhile maps were improved, and such navigational aids as the compass, astrolabe and chronometer were perfected. These aids—and the voyages they made possible—strengthened a long-held conviction on the part of astronomers, geographers and studious ship-captains that the earth was round.

One of this group was Christopher Columbus, who was convinced that a shortcut to the riches of the East lay in sailing westward. Persevering in his belief despite many rebuffs, Columbus finally persuaded Ferdinand and Isabella, the rulers of Spain, to underwrite an expedition. He set sail west on August 3, 1492, with three tiny ships and 100 men, and after many hardships landed in the Bahamas on October 12. After cruising for several weeks among the islands of the West Indies, he returned to spread the great news in Europe.

Until the end of his days, Columbus believed he had discovered the outlying islands of Asia. He returned to continue his explorations in 1493, 1498 and 1502. On his third trip he sighted the northern coast of South America, and on his fourth skirted the coast of Central America. But instead of the great wealth he expected, Columbus met with continued disappointment. He passed away in 1506, ignored by the King.

SEARCH FOR WESTERN ROUTES TO THE INDIES

However, for over a century other mariners pursued the quest for a western route to the Indies. In 1497 John Cabot, sailing for the King of England, touched the coast of Canada and laid the basis for the subsequent claims of England to the continent of North America. Backed by the King of Spain, Balboa crossed the Isthmus of Panama to discover the Pacific in 1513, while an expedition led by Ferdinand Magellan sailed under the southern tip of South America, and continued around the world (1519-22).

In 1524, Verrazano, under the French flag, skirted the North American coast from North Carolina to Nova Scotia, while Jacques Cartier gave France a claim to Canada by sailing up the St. Lawrence in 1535. In 1609, Henry Hudson, under the flag of the Dutch East India Company, sought vainly for a northwest passage by exploring the river that now bears his name.

Others, such as Martin Frobisher and John Davis, searched unsuccessfully through a baffling network of seas, inlets and bays for a short route around the northern coast of North America. No passage to the East Indies was found, but in these unsuccessful efforts much of the coastline of North America was mapped, and some of its great rivers explored. The motives for much of this activity are shown in the chart.

Why the New World Was Discovered

2. Growth in trade for eastern spices and other products

5. Desire for wealth and territorial expansion

4. Increased geographical knowledge suggested western route

3. Trade routes harassed by tolls and brigands

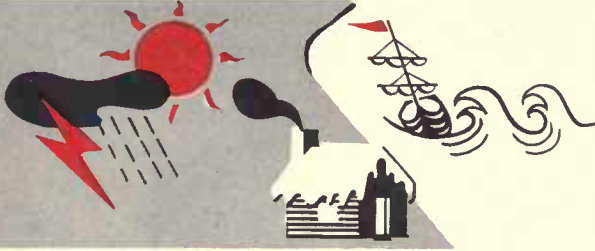
7. Crusades brought large scale contact with East

6. Religious zeal





1 Innumerable navigable rivers and excellent harbors



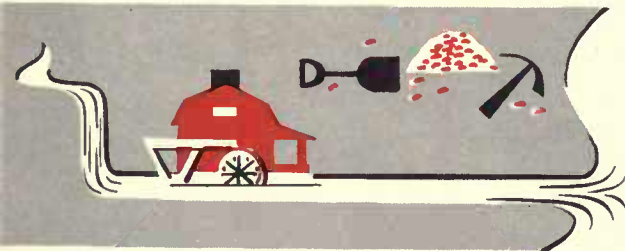
2 Climate like Western Europe with adequate rainfall



3 Fertile soil for European and native food crops



4 Ample supply of game and fish



5 Abundant mineral resources and water power



6 Timber for constructing homes and ships

Resources of the New World

The first Europeans who landed on the shores of the present United States sought sudden wealth in gold and spices. This they did not find, but they did discover a land well fitted for settlement by their fellow countrymen.

In the South, innumerable small rivers, navigable by the small boats of the colonial period, were highways for colonization and commerce. In the North, where rivers were not so abundant, excellent harbors welcomed settlers and trade. Except in New England, there were no high mountains close to the eastern coast to cut off movement inland.

SUITABILITY FOR COLONIZATION

Not only was the American coast easy to enter, but it was also endowed with an excellent climate. For the development of a superior civilization, many scientists believe, the weather must not be extreme in either temperature or humidity—and must be subject to frequent and rapid changes. Such a climate is typical of the United States, which lies between the lines of 40 to 70 degrees, average temperature.

Quite as fundamental as climate is rainfall. 20 inches of rain annually is essential for agriculture, and 30-50 inches is ideal for most crops. The average annual rainfall in the United States varies from below 6 inches in the western desert regions to over 60 inches in certain areas of the Gulf and Northwest coasts. Large areas are in the most favorable range.

In addition to favorable climatic conditions, European settlers found a land receptive to their traditional food crops—wheat, barley, rye, oats, garden vegetables and fruits. Corn and potatoes, two native Indian crops new to Europeans, supplemented this diet, as did the abundant supply of game and fish from forest and stream. Tobacco, another native crop, soon proved to be a good source of cash income, as did the cotton plant in later years imported from the Mediterranean. With large forests as a seemingly inexhaustible source of timber for homes and ships, America offered an abundance of almost everything needed for civilization before the machine age.

Two hundred years later, when the Industrial Revolution got under way, it was discovered that America was

Early Economic Bases for Colonies of

FRANCE SPAIN ENGLAND



Furs, Fishing



Feudal Agriculture



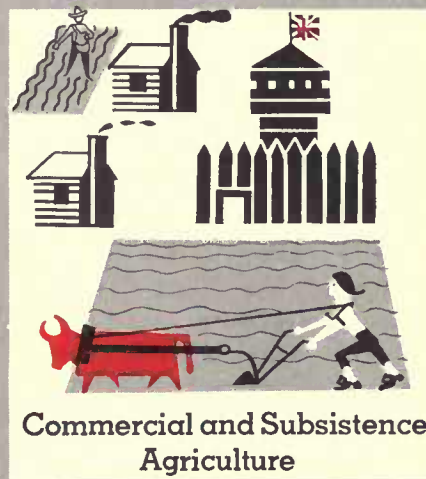
Mining,
Cattle Raising



Serfdom



Furs, Fishing, Forest Products



Commercial and Subsistence
Agriculture

rich, too, in the raw materials of technology. Water power, as well as coal, iron, oil, copper and many other minerals necessary for a machine civilization, were discovered in good measure. These important resources which the New World had to offer are noted on the chart.

Since America's natural resources were not evenly distributed, their location determined the leading industry of each region. New England, nearest to Britain and the fishing shoals of Newfoundland, and with a less fertile soil than the other colonies, built up a maritime industry. Later, when New England largely relinquished the shipping trade to European competitors, the region's business leaders turned to manufacturing. With abundant water power at hand, the textile industry soon became a source of wealth.

In the Middle Atlantic regions, rich farm lands were joined with good harbors, rivers and water power to form the bases of a varied economic system. The South, with soil well adapted to the growth of tobacco and cotton, developed a rural civilization.

THE COMMERCIAL REVOLUTION

The discovery of this fertile New World and its colonization speeded the process of jarring Europe out of the groove of the Middle Ages. The immediate results brought a Commercial Revolution. The Italian monopoly on Oriental trade was broken, and the center of world commerce shifted from the Mediterranean to the Atlantic seaboard. The new all-water trade routes brought Asiatic products to Europe more cheaply, while the store of precious metals found by the Spaniards in Mexico and South America provided the gold and silver for payment. Increased commerce stimulated the development of manufacturing to provide goods for the new trade channels and colonies.

The wealth and power of the middle class traders and manufacturers increased, while the position of the landholding aristocracy became relatively less important. Rallying around the king, who would protect them against interference by the petty nobles, the traders and manufacturers formed the basis for the development of strong national states.

Britain Begins Her Colonization

Why should anyone have wanted to move to America in 1600? Prospective settlers were faced with a 3000-mile voyage in a flimsy boat, across a largely unmapped ocean, to an unexplored shore where hostile savages lurked.

Yet there were motives compelling enough to make this grim picture attractive to many Englishmen. As the chart shows, many agricultural workers were driven from their farms when it became more profitable for the big land-owners to use this land to raise sheep for the wool market. Unskilled in other work, these farmers saw in America's fertile land an escape from the poverty in English cities.

MOTIVES FOR EARLY COLONIZATION

In addition, religious dissenters found England difficult to live in. King Henry VIII had broken with the Pope, and had proclaimed himself the head of the resulting English state church. A long background had prepared England for this break, but there were many loyal Catholics who opposed Henry's move. There were others, called Puritans, who would go farther than he in shifting from the Catholic faith. Under Henry's descendants, both Catholics and Puritans were subject to persecution and many looked to America as a place to find religious freedom. This effect of the "Protestant Revolt" also applied in the 1600's to other areas in northern Europe.

With manpower supplied by the poor and the persecuted, the money necessary for colonizing was also at hand. The uprooting of the Catholic Church had given the King of England a chance to shower its great wealth on his favorites. Many of these nobles decided that America would be an attractive field in which to invest their new wealth. In this belief, the nobles were joined by the English merchants who were making large profits in foreign trade and the manufacture of wool.

The King, too, could see the reasons for settling the New World, for in America he could counter the growth of Spanish and French settlements. Unwilling to bear the expense and trouble of founding colonies, the Crown was willing to grant charters to companies or individuals ready to risk their own fortunes.

SETTLEMENT OF VIRGINIA

The earliest English attempts to plant permanent colonies were made late in the sixteenth century by Sir Humphrey Gilbert and Sir Walter Raleigh. But the difficulties and expense involved were too great to be sustained by either man, and their attempts ended in failure.

Nevertheless, interest in colonizing the new world was

still keen. In 1606 a group of "Knights, Gentlemen, Merchants and other adventurers of our city of London and elsewhere," secured a charter from King James I giving them the right to trade and colonize between 34-41 degrees longitude. While the charter granted wide powers for economic exploitation, the King maintained ultimate control through a series of councils appointed by him to rule the colonies. Important for the colonists was the clause that they "shall have and enjoy all Liberties, Franchises and immunities . . . as if they had been abiding and born within this Realm of England."

Under this authority, an expedition sailed from London late in 1606. Months later, its 3 small vessels entered Chesapeake Bay and in May, 1607 founded Jamestown some 30 miles inland from the mouth of the James River. The early years of this Jamestown settlement were a period of incredible hardships. Instead of hard working farmers, many of the first colonists were "gentlemen" unused to manual labor, or craftsmen ready to start such skilled industry as hatmaking. In addition, malaria or other diseases killed off many of the settlers. Not enough food was raised nor brought from England, and bad relations developed with the Indians.

NEW EFFORTS BY A REORGANIZED COMPANY

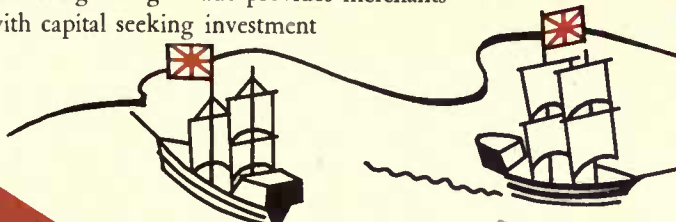
However, in 1609 a reorganized home company began sending new colonists and supplies, and the colony's economic system was also reorganized. Originally, most of the colonists were considered servants of the company, bound to work for a certain number of years to pay for their transportation and maintenance. In 1609, a new arrangement provided that all colonists over 10 years of age were to receive a share in the company. At the end of 7 years, 100 acres of land for each share which they owned would be given to the settlers. This provided an incentive for hard work.

Perhaps the most important factor for the prosperity and permanence of the Jamestown settlement, however, was John Rolfe's experiments in 1612 that produced tobacco suitable for the English market. With Europe serving as a ready market for the crop, a sound economic basis for the colony was established.

By the time this stage was reached, the company had spent \$1,000,000 and had sent to America over 5000 colonists. But the expenditure had proved a total loss to its investors. Nevertheless, its fame is great today, because it established the first permanent English settlement in America.

Motives for early English Colonization

Increasing foreign trade provides merchants with capital seeking investment



Confiscation of church property provides nobility with capital to invest



Enclosure movement provides labor looking for new livelihood

Growth of woolen manufacturers provides goods looking for markets



Religious persecution provides dissenters looking for freedom



National ambition encourages settlements to check Spain and France

The Spread of Colonization

Plymouth, the second permanent English settlement in America (1620), was established by a group of Protestant dissenters, in search of religious freedom and economic betterment. Wishing to worship in a manner different from that of the Church of England, these Separatists emigrated to Holland. But they found life difficult among the Dutch, and America—with its opportunity to maintain their language and traditions—seemed more attractive. With a grant of land from the Virginia Company, and expenses underwritten by a group of London merchants, an expedition of 104 men, women and children sailed from Plymouth on the Mayflower in September, 1620.

Arriving off Cape Cod on November 12, the Pilgrims found themselves beyond the jurisdiction of the Virginia Company. Since that meant they had no title to the land and no charter of government, the Pilgrims drew up the Mayflower Compact. This democratic agreement pledged them to obey “such just and equal laws as shall be thought most meete and convenient for ye generell good of the colonie.”

SETTLEMENT OF NEW ENGLAND

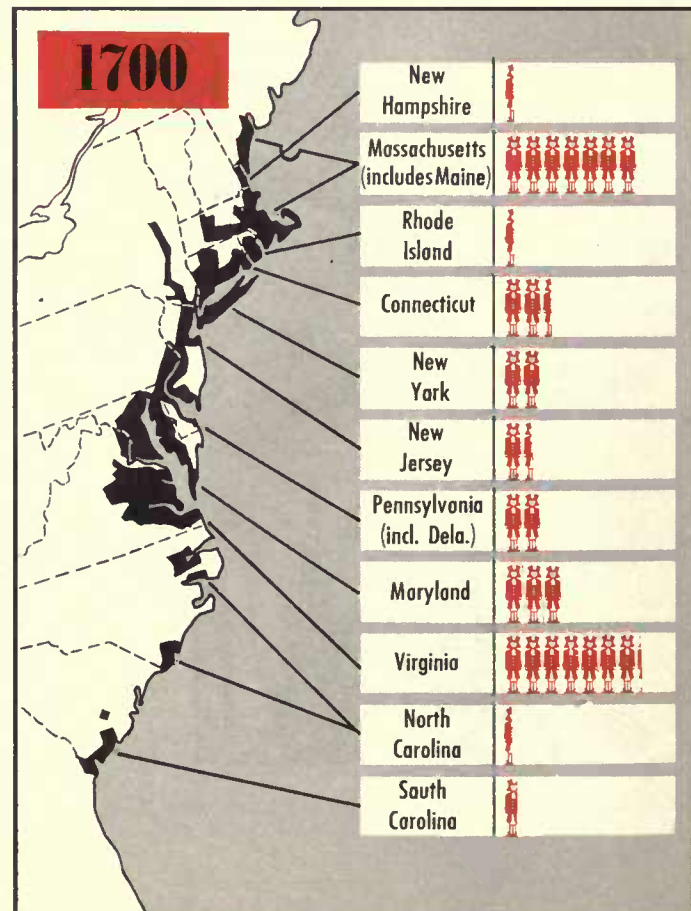
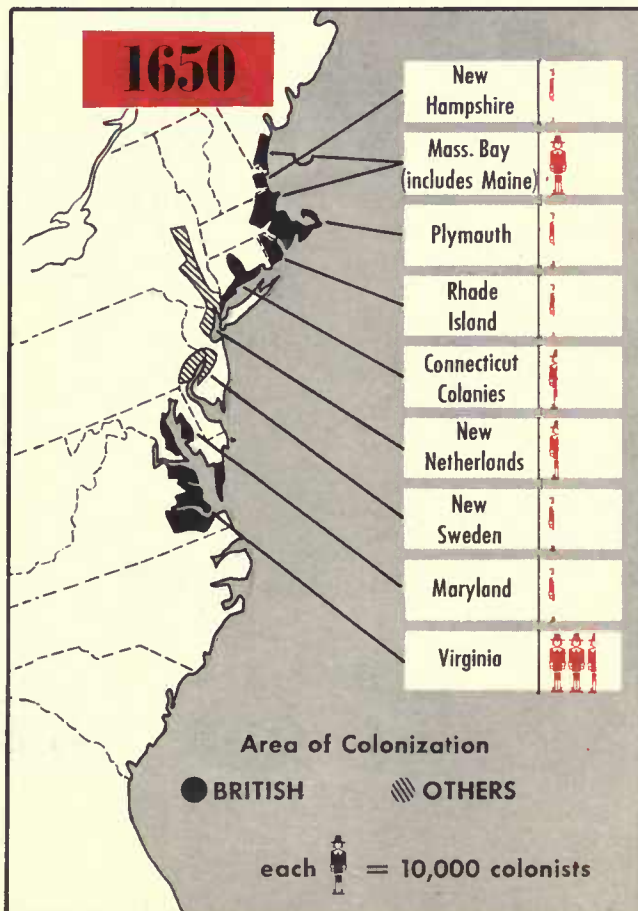
Disembarking at what is now Plymouth, Massachusetts, in the middle of December, the Pilgrims suffered through a winter of terrible hardships. Almost half their number died. But not one of the survivors returned to England when their ship sailed back in the spring.

However, their perseverance was gradually rewarded.

Their rights to their land were strengthened in 1621 by a grant from the Council for New England, an English group which held title to the land. With the help of Squanto and Samoset (two Indians who knew English from previous contacts with explorers), the Pilgrims established friendly relations with the neighboring Indians. After building a thriving fur trade, the Pilgrims seemed in a good position to pay off their debts. Unfortunately, fur cargoes sent back to England were sometimes lost in storms, hijacked by pirates, or pilfered by their swindling business agent. It was 28 years before their major debts were paid, and then only after their London backers had scaled down the debt.

Ten years after the Pilgrim landing, a large, well organized group of Puritans established a colony around Boston. Having acquired the charter of the Massachusetts Bay Company, which granted the Company self-government within the scope of English law, the Puritans used this instrument for establishing a community based on their own religious ideals. With 20,000 colonists flocking to the colony from 1630-40, it soon overcame initial hardships and established a firm footing.

Dissenters from the official religion in England, the Puritans set up a strict government of church and state which soon produced its own crop of dissenters. Roger Williams, pastor at Salem, aroused the authorities by preaching that the land belonged to the Indians, not the king; that the state should have no official ties with the church: and that the



state had no right to interfere with an individual's religious life. Driven from the colony in 1636, he purchased land from the Indians and set up a settlement at Providence. Soon afterward he was joined by Mrs. Anne Hutchinson, another refugee from Massachusetts, who founded a community at Portsmouth in 1638. In 1643, Williams obtained a charter for the colony of Rhode Island, covering both settlements.

Fanning out from the established New England centers, other colonists populated the neighboring territories. Maine and New Hampshire were settled by northward moving settlers from Massachusetts. Others, moving south-westward from Massachusetts, were given a charter to Connecticut in 1662.

Earlier, in 1632, the colony of Maryland was founded by Lord Baltimore, upon land granted his father by King Charles I. Since the family was Catholic, this colony became a haven for Catholic settlers.

THE MIDDLE COLONIES AND THE SOUTH

In 1663, Charles II granted the area of Carolina, stretching from Virginia to Florida, to eight of his favorites. The owners and their descendants proved inefficient administrators. In 1729 King George II made the colony a royal province, and separated it into the two regions of North and South Carolina. In 1732, he granted part of South Carolina to James Oglethorpe, who wanted land so that unfortunate English debtors might there start life anew. This colony of Georgia was finally taken over as a royal province in 1754.

Farther north, in the Middle Atlantic region, the British had been busy squeezing out foreign competition. The Dutch had started colonizing Manhattan and vicinity in 1614, and had managed to take over the Swedish colony of Delaware in 1655. However, the Dutch in turn were pushed out of the Connecticut Valley by the British. And in 1664 the area along the Hudson River occupied by their New Netherlands colony was granted by Charles II to his brother the Duke of York. With the aid of the British fleet, the Duke forced the surrender of the Dutch, and the colony was renamed New York.

From this territory, the Duke turned over the land forming New Jersey to two of his friends. New Jersey eventually came under the control of William Penn and the Quakers, who in turn ceded it to the king in 1702.

In Pennsylvania, however, Penn founded a much more successful and permanent colony. To pay off a debt of money and gratitude owed Penn's father, Charles II granted to the son the site in 1681. In the following year the Duke of York turned over to Penn the territory of Delaware. Penn threw these territories open to his fellow Quakers, who were widely persecuted because they followed their own personal "revelations" from God, despite conflict with religious or political authorities. In addition to Quakers, Penn welcomed all who were subject to religious persecution. He granted them religious tolerance and home rule, and was rewarded by seeing his colony become the fastest growing and most prosperous in America. How population grew and spread out in the succeeding years can be seen on the map.



Self Government and Religious Freedom

In 1619, the liberal political views of the Virginia Company and the need to limit the power of the colonial governor led to the granting of a measure of local self-government. An assembly, called the House of Burgesses, was formed, composed of 2 representatives from each settlement. Later, when the charter was revoked, the King appointed a governor and 6 councillors who acted as the combined executive body, supreme court, and upper house of the legislature. A similar pattern was followed in the other royal colonies.

The Burgesses had the power to levy taxes, appropriate money, and make local laws—providing that they were not contrary to the laws of England. However, the governor and king had the power to veto any of these laws. All freemen who owned a small amount of property were permitted to vote, but in time the large plantation owners gained control of the government.

GROWTH OF POLITICAL AND RELIGIOUS FREEDOM

The Pilgrims, having landed outside the boundaries of their original charter, were forced to improvise a government. They developed a simple, effective form—an elected governor, and laws made by a majority vote of the free male settlers. But by 1643 the colony had grown to 9 towns, and getting a decision on problems from such a large group was no longer practicable. Therefore, each town chose representatives who attended a General Court at Plymouth, elected the governor and passed necessary laws.

Under the Massachusetts Bay Colony's charter, a General Court of the freemen was to meet four times a year, elect a governor, deputy governor and 18 assistants, and make the laws. But the number of freemen was so restricted and the concentration of power so great that strong protest developed. It forced the governing group first to enlarge the number of freemen, and then, in 1634, to grant the representative assembly the power to make laws and levy taxes.

However, Governor Winthrop and his coterie were able to maintain Puritan control of the colony. The right to vote was limited to church members, and new land was granted only to God-fearing Puritans. No dent in this religious control of the government was made until 1684, when James II annulled the charter. In the new charter, granted in 1691, property holding rather than church membership became the basis for the right to vote.

Rhode Island led all the other colonies in religious freedom. It had no religious qualifications for voting and no taxes for the support of the church. In contrast, at the end of the colonial period the Episcopal Church was the official religion in Georgia, North and South Carolina, Virginia, Maryland and southern New York. The Con-

gregational Church was the official denomination in Massachusetts, New Hampshire and Connecticut. Pennsylvania and Delaware, as well as Rhode Island, were free from attempts to establish a state church, while attempts in New Jersey were unsuccessful.

Although there could be no religious freedom without separation of church and state, there could be religious toleration—and that was eventually established everywhere. This was a result of two factors: the liberal offers made by king or proprietors in order to attract colonists; and the large number of groups dissenting from the state churches in Europe who took advantage of these offers.

In many ways, the struggle for political and religious freedom in America was bound up with the same struggle in England. During the period when Charles I was deposed and England was a republic (1649-60), Berkeley, the Royalist governor of Virginia, was removed from office by the colonists. However, he returned to power with the restoration of Charles II, forced through the House of Burgesses laws depriving the people of the right to elect certain local officials, and levied oppressive taxes.

The poor and middle class farmers were angered by this, and finally aroused to rebellion by Berkeley's failure to push vigorously a war against the Indians in 1676. Headed by one Nathaniel Bacon, these farmers gained control of the assembly and passed laws which provided for a broadening of democracy in the colony. However, Bacon died at the height of the rebellion, and Berkeley was able to regain power and revoke the liberal laws.

DESPOTISM IN NEW ENGLAND

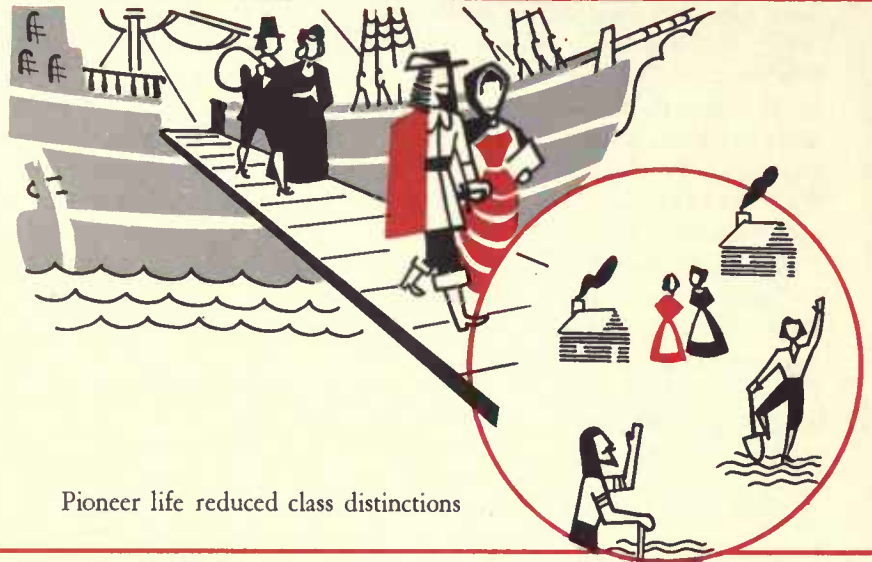
New England, too, was having its difficulties with an autocratic royal governor. In 1686, Sir Edmund Andros came from England with instructions to rule over New York, New Jersey and all New England. Massachusetts opposed the new governor in every way. Andros retaliated by dismissing the legislature, abolishing the courts, arbitrarily arresting citizens, collecting taxes without consent, and establishing the Anglican (Episcopalian) Church as the official religion. When the news of the "Glorious Revolution" of 1688 in England reached America, the colonists quickly threw Andros into jail and reestablished their rights.

The passage of the Bill of Rights in England in 1689, striking a deathblow at unlimited royal power, furthered political freedom for the colonists as well. In the colonial legislatures, this liberty was used to debate and act on their leading problems: the fight against domination by royal officials; the struggle of the small farmer against the big landholder; the conflict of the western frontiersman with the eastern towns. In these political conflicts, the leaders of the fight for American Independence were trained.

Factors Contributing to the Development of Democracy in the English Colonies



Charters were made attractive to promote emigration



Pioneer life reduced class distinctions



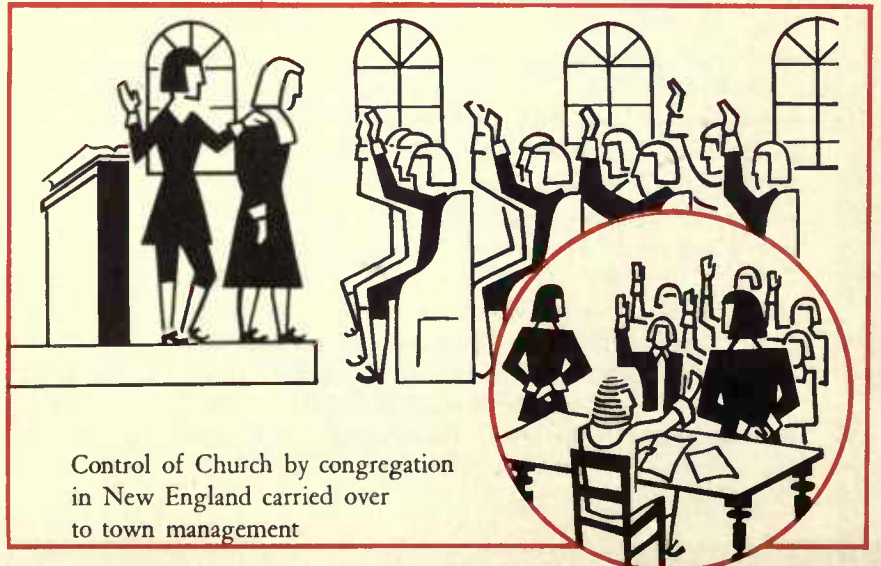
Protests against religious autocracy continued in the New World



Popular opposition to domination by Royal Governor



Democratic traditions were brought from England



Control of Church by congregation in New England carried over to town management

Conflict of Rival Colonial Systems

While the British colonists were building permanent homes, industries and governmental institutions, the French were colonizing North America in a different manner. Interested chiefly in the wealth that could be gained from the fur trade, the French set up a system of forts and trading posts along the waterways traveled by their brilliant explorers. This chain extended along the St. Lawrence to the Great Lakes, and from there down the Ohio, Wabash, and Mississippi Valleys.

The establishment of unquestioned French sovereignty in these regions would have meant permanently pinning the English colonies to the Atlantic coast. This status was opposed vigorously by frontiersmen looking for fresh farmland; land speculators preparing to exploit the territory beyond the Alleghenies; fur trappers competing with the French for the pelts of the region; and empire builders eager to advance Britain over France. These antagonisms in America ran parallel to a series of global conflicts between the mother countries that lasted almost continuously from 1689 until 1815, and involved disputes in Europe and India as well. This long conflict is known as the Second Hundred Years' War.

Although the colonial wars were primarily between England and France, they were complicated by the fact that Spain also had an American colonial empire and was involved in certain of these wars. Her American empire of planters, ranchers, and miners was populous and wealthy. It impinged on the present United States in Florida and the Southwest. Her colonial ambitions in America came into direct conflict with Great Britain and France.

EARLY COLONIAL WARS

The first American encounter, King William's War (1689-97), was inconclusive. The French and their Indian allies raided the English frontier towns from Schenectady, New York, to Portland, Maine. For the English, a New England fleet was able to capture Port Royal (Annapolis), Nova Scotia, but expeditions against Quebec and Montreal failed. The Treaty of Ryswick (1697) settled nothing, and within five years war broke out again.

Queen Anne's War (1702-13) saw a repetition of French and Indian raids on the English colonists' border towns. In addition the Spaniards, allied with the French, attacked the Carolinas from their base in Florida. The English responded by an unsuccessful effort against Quebec and a second capture of Port Royal. The war ended with the Treaty of Utrecht (1713). Under it France ceded Acadia (Nova Scotia), Newfoundland, and the Hudson Bay region to Britain. This gave Britain a flanking position in back of French territory, and regions rich in fur and fish.

But the richest plums, the Mississippi and Ohio Valleys, were not settled by the Treaty. King George's War (1744-

1748), featured only by the capture of the strong French fortress of Louisburg off the mouth of the St. Lawrence by a New England expedition, was inconclusive.

The struggle was renewed within ten years by the French and Indian War (1754-63). It began after Governor Duquesne had sent French troops to oust traders and Virginia militia from western Pennsylvania, and had built Fort Duquesne on the site of the present city of Pittsburgh. An expedition of British regulars commanded by General Braddock, and accompanied by Virginia militia under Washington, was dispatched to capture Fort Duquesne. It was ambushed and routed by a smaller force of French and Indians.

In 1756, a great French soldier, the Marquis de Montcalm, arrived in America. He aggressively ousted the British from their most advanced posts in northern New York and prepared for a larger conflict.

Four years of defeats in America plus failure in India brought a reorganization of the British government, under the leadership of William Pitt. He brought new energy into the British war machine and got the disunited colonies to cooperate with him and with each other in supporting the war.

The results were soon apparent. In 1758, Lord Jeffrey Amherst recaptured Louisburg, which had been returned to the French after King George's War. In the same year, the British regained the French-deserted Ft. Duquesne, and in 1759 an integrated series of British expeditions brought victory.

First, a drive northward captured Niagara, Crown Point, and Ticonderoga on Lake Champlain. Then, after a two months' siege, Britain's General James Wolfe was able to set troops ashore above Quebec under cover of nightfall. On the next day, September 13, they defeated the French under Montcalm. With the capture of Montreal by Amherst the next summer, all Canada was in British hands.

THE TREATY OF 1763

In the treaty of 1763, which wrote an end to the series of colonial wars, France ceded to Britain: Canada, all French claims east of the Mississippi except the two little fishing islands of St. Pierre and Miquelon off Newfoundland, and New Orleans. To her ally Spain, France gave up New Orleans and all her claims west of the Mississippi in compensation for Spain's loss of Florida—which Britain had exacted from Spain. However, Britain returned to France the rich West Indies sugar islands of Martinique and Guadelupe, which she had captured earlier.

Thus Britain ousted France from the American continent. But the struggle had given the colonists training in military and political tactics that they were soon to put to vital use.

Rival Colonial Systems at War

FRANCE



ENGLAND



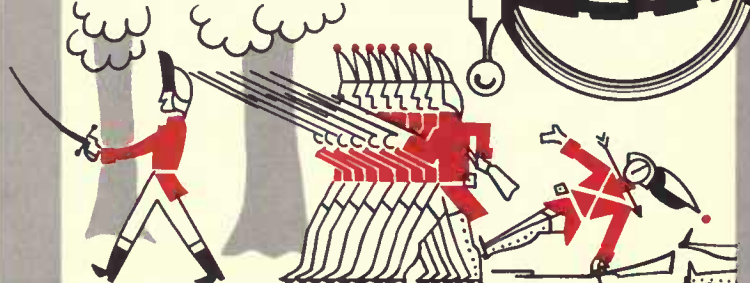
Centralized, autocratic government



Disunited colonial governments



Able, trained, military leadership



Military leadership untrained in American warfare



Friendship with a majority of the Indians



Friendship with only the Iroquois



Small scattered population – largely occupied in fur trading



Large stable population – with varied economic interests

Britain's Mercantilist Policy

The most important aftermath of the French and Indian War for the colonies was the stiffening of British economic policy toward America. Known as mercantilism, this policy had been established a century earlier. It aimed at building a strong homeland by achieving economic self-sufficiency and a favorable balance of trade. This self-sufficiency was to be achieved by obtaining colonies, by developing a large merchant marine, and by building a strong navy to protect both. In such a plan, colonies served primarily as suppliers of raw materials for British manufacturers and purchasers of British manufactured products.

The foundation of English mercantilism was laid by three "Navigation Acts" of Parliament. The act of 1651 provided that all goods from Asia, Africa and America imported into England or her colonies must be carried in English or colonial ships; and that all goods imported into England or her colonies from Europe must go in English or colonial ships, or in those of the nation where the goods were produced. This act aimed to develop English sea power by giving English and colonial shippers a near monopoly on the carrying trade.

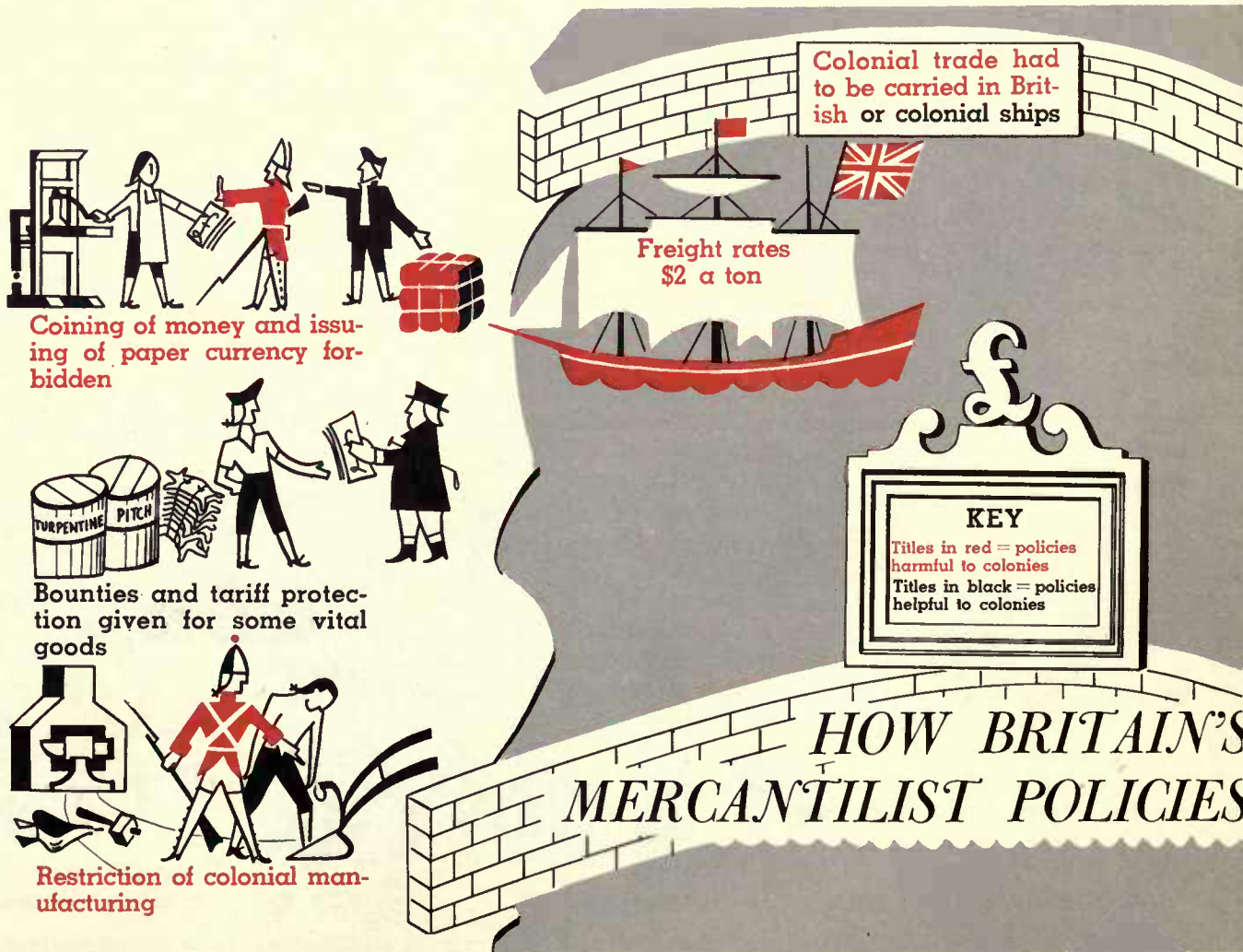
DEVELOPMENT OF BRITAIN'S ECONOMIC POLICY

In 1660, a second act provided that these English ships had to be built in England or the colonies. More important,

certain "enumerated" colonial articles could be shipped only to England: such commodities as sugar, tobacco, cotton-wool, indigo and ginger. Later, naval stores, fur, molasses and many other products were added. Thus, many American commodities had to be sold through British merchants at prices fixed in the British market, without competitive bidding by foreign merchants.

A third act, in 1663, regulated imports from Europe to the colonies in such a way that they had to be brought in English or colonial ships, through English ports. This confirmed the English shipping monopoly, and gave her an opportunity to collect duties and commissions as the goods passed through her ports on their way to America. It also, as the chart shows, removed the competition of foreign ships and raised the cost of transportation.

In addition, Parliament passed laws restricting colonial manufacturing. Forbidden was the export by the colonists of woolen goods and beaver hats—even from one colony to another. Also prohibited were the manufacture of steel or finished iron products. And colonial finance was crippled by laws forbidding the establishment of mints or the issuance of paper money. Some colonial agricultural products, such as foodstuffs, were excluded from the English home market by high tariffs. On the other hand, bounties were



paid the colonists to produce naval stores and other commodities desired in Britain.

Until the end of the French and Indian War, however, these generally restrictive policies did not seriously hamper colonial economic development. One reason was that nine-tenths of the colonists were farmers who were benefited by British bounties as well as hurt by prohibitions. More important, none of the Navigation Acts was strictly enforced until 1763. Smuggling and evasion were general.

Taking stock at the end of the French and Indian War, the British government decided to revise its colonial policy. During the war only Massachusetts among all the colonies had made a sizeable contribution. The colonial assemblies had often seemed more interested in winning victories over royal governors than in uniting against the foe. Many private citizens had profited by illegal trading with the enemy. With expanded territory to police and an expanded public debt to shoulder, the British government resolved to make the Americans carry a bigger load.

A great Indian uprising headed by Chief Pontiac on the Northwest frontier led to the first new legislation. This was the proclamation of 1763, setting forth government policy in respect to the Indians and western land. All traders with the Indians were required to get a license from the Crown. Colonial governors were forbidden to allow surveys or grant lands in the territory west of the source of the rivers flowing into the Atlantic. No purchase of land from the Indians or settlement west of this proclamation line was allowed.

This was a blow to land speculators, particularly in the

South where the wealthy landowners were engaged in western land speculation. Ten thousand soldiers were to keep the Indians under control and police this frontier, at an estimated cost of over one million dollars a year.

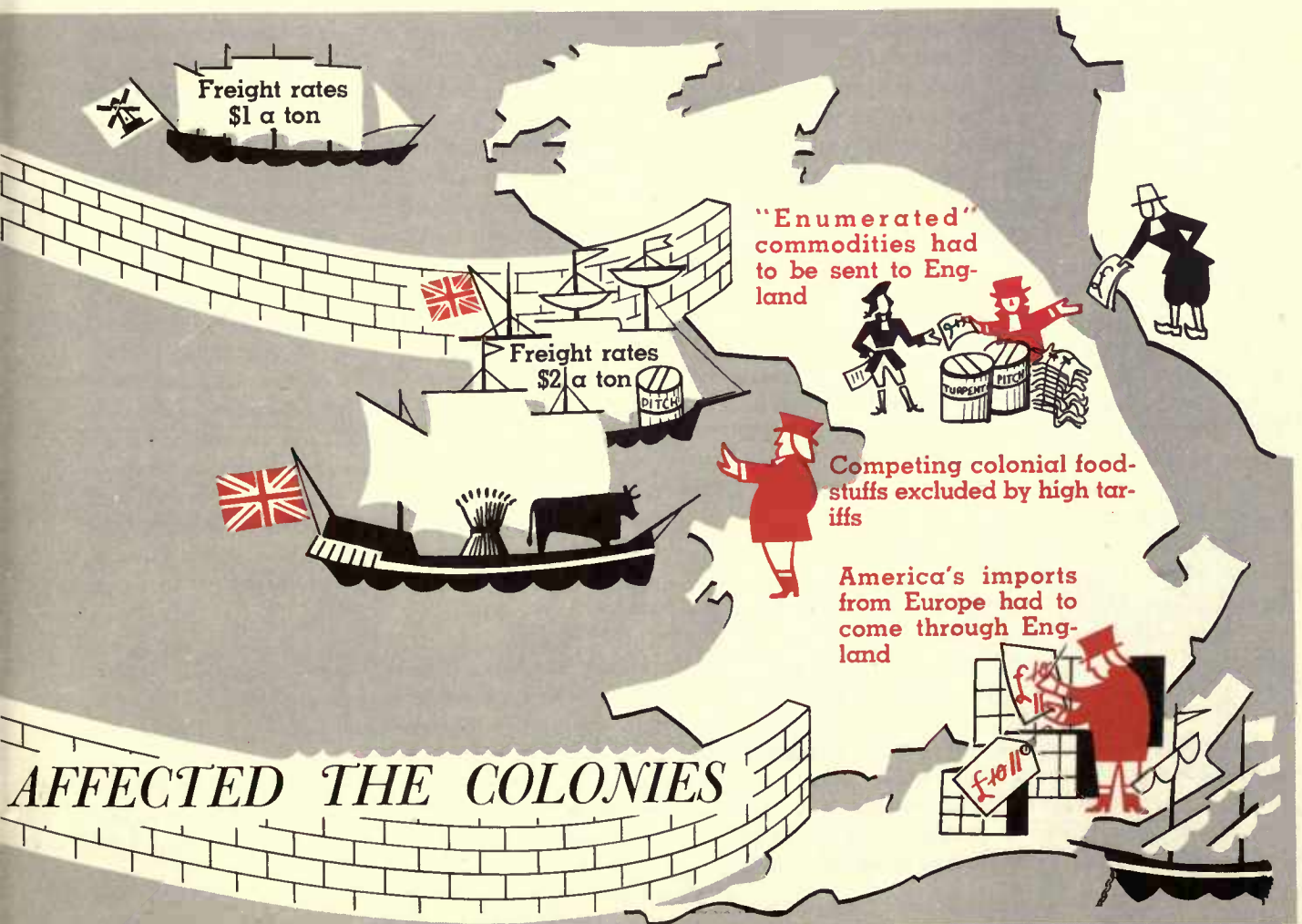
THE SUGAR AND STAMP ACTS

To help meet this cost of what they thought of as protection for the colonists, the British government passed the Sugar Act of 1764. It cut the existing import duties on foreign molasses by half, in the hope that the colonists would stop smuggling sugar and pay the lowered duty. Enforcement provisions were strengthened, and duties were also laid on other important colonial trade items.

Since these duties alone would not raise the revenue needed, a Stamp Act was passed in 1765. This provided that newspapers, pamphlets and legal papers should be required to bear a stamp and pay a tax. This aroused great opposition in America, especially from such articulate groups as lawyers and publishers.

The colonists also held that there was a difference between external and internal taxes. Tariff duties, they considered external taxes. These had long been imposed and in theory were not resented. But the Stamp Tax was an internal tax which, they insisted, only their own colonial governments could impose.

The colonists' main legal objection was that they were being taxed by a Parliament in which they were not represented. As free British subjects, they felt that their contribution to the cost of the empire's government should be met by grants from their own colonial legislatures.



Drift Toward Revolution

The colonists demonstrated their opposition to the Stamp Tax on several fronts. Patrick Henry introduced a resolution in the Virginia House of Burgesses stating that “the general assembly of this colony have the . . . sole exclusive . . . power to lay taxes . . . upon the inhabitants of this colony.” An organization known as the Sons of Liberty staged demonstrations and frightened stamp agents. A Boston mob destroyed the home of the conservative lieutenant governor of Massachusetts.

In addition, Massachusetts’ legislature called a meeting of delegates from all the colonies to form a united opposition. Representatives from 9 colonies met in New York in 1765 (the Stamp Act Congress) and drew up “declarations of the rights and grievances of the colonists in America.” It reaffirmed the position that only colonial legislatures could constitutionally tax the colonists since conditions made impossible their representation in the British House of Commons.

BOYCOTT OF BRITISH GOODS

Perhaps the strongest weapon the colonists used, however, was a boycott of British goods. Faced with strong colonial opposition, which made the Stamp Tax unenforceable, and pressured by British merchants hurt by the boycott, Parliament repealed the Stamp Act in 1766, and revised the Sugar Act downward. But this legislation was accompanied by a statement of policy in opposition to that of the Stamp Act Congress. Parliament asserted that it “had, hath, and of a right ought to have full power . . . to make laws . . . to bind the colonies and people of America . . . in all cases whatsoever.”

In accordance with this theory, Parliament passed the Townshend Acts in 1767. These imposed duties on painters’ colors, paper, glass, lead and tea—raising the cost of living because these were articles of common use. These acts also provided for the use of Writs of Assistance—which permitted custom officials to search private premises for smuggled goods. Persons accused of violating the tariff acts were to be tried without juries. The revenue raised by the acts was to be used to pay the salaries of British officials in America, freeing them from their former dependence on colonial legislatures for payment.

The colonists reacted by re-instituting the boycott of British goods. Citizens agreed not to consume British goods, and merchants not to import them. Unsympathetic merchants were threatened or actually subjected to a coat of tar and feathers. Imports into New England and the middle colonies dropped more than 60 percent from £1,363,000 in 1768 to £504,000 in 1769.

At the request of Royal customs officials, two regiments of British troops were sent to Boston in 1768 to enforce the law. Eighteen months of friction between the colonists and the redcoats exploded into the Boston Massacre on March 5, 1770, when a group of soldiers fired into an antagonistic

crowd. Five were killed and several wounded. A Negro, Crispus Attacus, was among the first to die.

However, on the same day as the Massacre the new British Prime Minister, Lord North, proposed the repeal of all the Townshend duties except the 3 penny tax on tea, which was retained to uphold the principle of Britain’s right to tax the colonists. The more conservative colonial citizens and merchants accepted this conditional surrender, and the boycott was broken.

The more militant colonial leaders, however, maintained their intercolonial contacts through the Committees of Correspondence, led by such men as Samuel Adams, Patrick Henry and Thomas Jefferson. Another opportunity to fan the flames for independence came when the British government granted the East India Company the right to ship tea directly to the colonies. This bypassed the American importer, and the merchants rallied to the radical side. If a tea monopoly eliminating the functions of one American business group could be granted, there was no telling what other commodities might be included next.

BOSTON TEA PARTY

Colonial opposition caused the tea ships to turn back from Philadelphia and New York without landing. At Annapolis the tea cargo was burned, at Charleston placed in storage. In Boston 50 men disguised as Indians boarded the ships and emptied into the water 342 chests valued at £15,000.

In reprisal, the British Parliament early in 1774 passed what the colonists called Five “Intolerable Acts”: (1) The port of Boston was ordered closed until the tea was paid for. (2) The Massachusetts Charter was amended so that the Governor’s Council, previously nominated by the legislature, was to be selected solely by the Crown; and town meetings in the colony were prohibited, unless authorized by the governor. (3) Colonial officials and British soldiers accused of violence in the course of their duty were to be sent to England for trial—far from the scene of the incident. (4) The Quartering Act of 1765 was revised for the purpose of stationing British troops in Massachusetts—partly at the colonists’ expense. (5) The territory between the Ohio River and the Great Lakes was awarded to Quebec, setting aside the claims of Massachusetts, Virginia, and Connecticut to this region, and putting it under an autocratic regime.

From New Hampshire to South Carolina came money and supplies for the distressed people of Boston. In addition, the Virginia House of Burgesses sent out a call to the other colonial legislatures for a meeting to consider “the united interests of America.” The result was the convening in Philadelphia, September 5, 1774, of the First Continental Congress.

CAUSES of the AMERICAN REVOLUTION

Stricter British enforcement of mercantile policy



Colonial resistance to taxation by Britain



Colonial opposition to maintaining a British Army in America



Weakening of ties through space and time barriers



Royal decree preventing sale of western land



Emergence of many skilled colonial leaders



Struggle for more colonial home rule



Factors For & Against a Successful War of Independence



3000 miles between British army and home supply base



Inefficient, overconfident British leadership



British aided by Tory colonists



Inexperienced American officers and untrained men

CHAPTER 9

The Revolution Begins

THE DECLARATION OF INDEPENDENCE

Aiming to create favorable public opinion for its cause, the Continental Congress drew up a declaration of grievances. Congress petitioned King George to remedy these complaints, and sent a statement of its case to the people of Great Britain, Quebec, and the 13 colonies. On the economic side, a boycott of trade with Britain was proposed. The Congress adjourned, planning to meet in the following May if its grievances had not been rectified.

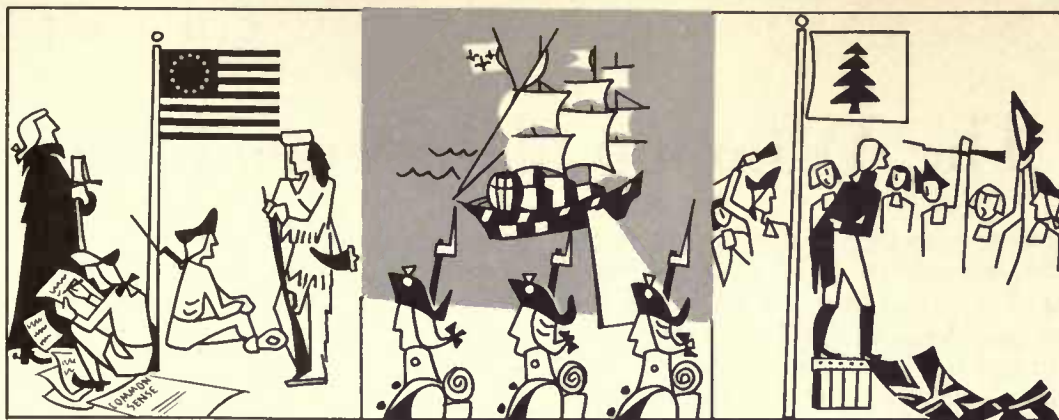
However, by this time the argument had been transferred to the battlefield. In April, 1775, General Gage, who had arrived in Boston from Britain a year before with 5000 men, sent an expedition of 1000 to Concord with a dual purpose. It was to destroy some military stores the colonists were collecting there, and by this show of force to frighten the Americans.

A preliminary skirmish between the redcoats and colonial militia took place at Lexington and a sharp exchange at Concord. On the march back to Boston the British were subjected to such a barrage from snipers that their losses of 273 men were about three times that suffered by the militia. At the succeeding battle of Bunker Hill, American casualties were less than half that of the King's forces.

These first conflicts touched off revolutionary activity throughout the colonies. Colonial legislatures were taken over, and royal governors ousted. The Second Continental Congress (meeting at Philadelphia on May 10) assumed responsibility for the militia around Boston, appointed George Washington Commander-In-Chief of the Continental Army, and organized an expedition against Canada. Nevertheless, the great majority of the Congress and people were still not ready to declare for independence. A new petition was sent to the King, seeking a peaceful solution within the Empire.

George III's answer, in August 1775, was a proclamation declaring the colonies in a state of rebellion. His next step was the hiring of 20,000 Hessian soldiers to put down the rebellion. In October the Royal Navy burned Falmouth Harbor (near Portland, Maine) and in January put the torch to Norfolk, Va. Then Parliament passed a law forbidding all trade with the colonies.

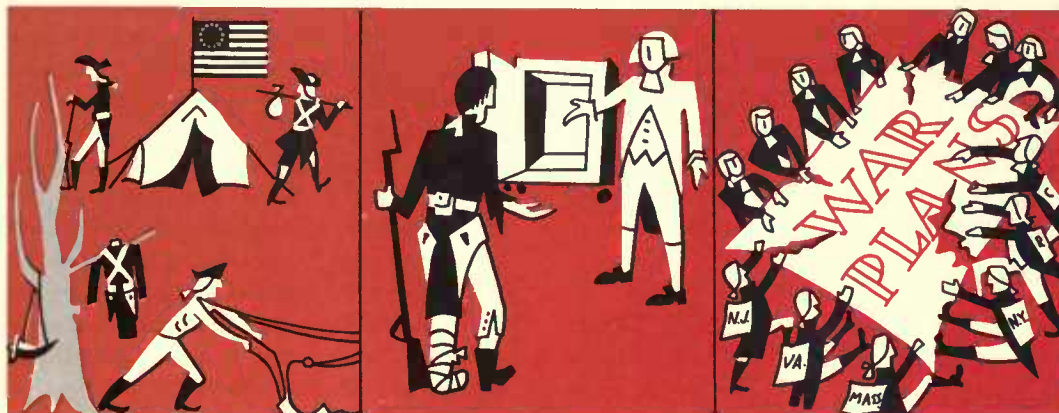
British actions and Tom Paine's pamphlet *Common Sense* so stimulated the desire for a break with Britain that in July 1776 Congress acted. It wrote and passed the Declaration of Independence. Authored principally by



Firm core of devoted patriots

Some supplies and help from the French

Superior local political organization



Soldiers frequently went home without leave

Lack of government funds for vital supplies

Conflict of interest among colonies

Thomas Jefferson, the document had three main parts. (1) It contained a statement of the current democratic beliefs: that men are created equal and endowed with inalienable rights; that they have the power to establish governments to protect these rights; and that any government which destroys these rights can be altered or abolished. (2) It enumerated 27 arbitrary and oppressive acts charged to King and Parliament. (3) It ended with a formal declaration of independence. A stirring propaganda document, the Declaration publicly proclaimed the break with England, rallied European liberal support, and stimulated the fight against absolutism throughout the world.

Although all the delegates to the Congress signed the Declaration, the American people were hardly unanimous in support of the Revolution. Evidence indicates that only in Massachusetts and Virginia was there mass support for independence. The regions of New York, Pennsylvania and New Jersey were almost hostile to the American cause until after the coming of the Hessian mercenaries.

Social and economic position was important in determining the colonist's attitude toward the Revolution. Support came mainly from small farmers, shopkeepers, seamen, craftsmen and frontiersmen, led by able young lawyers, discontented importers and land speculating planters. These were the groups upon which Britain's mercantilist policy fell most heavily. Supporting the King were the royal officials, most of the wealthy professional men, large merchants and big northern farmers. These Tories contributed thousands of men to the British army—almost as many troops as enlisted in the American forces.

PROBLEMS OF BRITAIN AND THE REVOLUTIONISTS

In addition to the existence of a large Tory group, the Revolutionists had to face other staggering handicaps, as shown in the accompanying chart. Financing was difficult, since gold and silver were scarce. During the war, Congress issued over \$190 million of paper money, and eleven of the states issued more. The money soon depreciated until it was of little value in the struggle to feed, clothe and supply the army. As a result, although it was estimated that 250,000 colonists of military age supported the American cause, its army only occasionally reached as high as 30-40,000. There were times when as few as 2,000 or 3,000 were in the field.

The British, however, had their liabilities—as the chart shows. Especially inadequate were their choices for high military office. The first British Commander-In-Chief, Gage, was recalled because his reliance on uncovered frontal attacks forced his army to sustain heavy casualties at Concord and Bunker Hill. His successor, Sir William Howe, a Whig in English politics, had opposed the measures that brought on the war. Howe preferred the luxuries of life in New York or Philadelphia to active campaigning in the field. The next commander, Sir Henry Clinton, was a man of mediocre military talents. This was also true of Burgoyne and Cornwallis.

So in the test of combat the Americans found that their opponents, too, had many weaknesses. Fighting for their homes and principles, the Revolutionists—after a bitter struggle—learned how to exploit these weaknesses and achieve victory.

The Winning of Independence

Lacking the forces necessary to attack the colonists along their entire 1000 mile coast, the British decided on a strategy of cutting off one region from its neighbor, and then destroying the opposition in each section by turn.

The first attempt had been made in New England in 1775, but was brought to an unsuccessful close in March 1776 when Washington seized Dorchester Heights, the key to Boston. This forced the British to evacuate their New England base. The second major British campaign was staged in the New York theatre of operations, in 1776-77. Its object was seizure of the Hudson River-Lake Champlain route to Canada, thus cutting off the Middle Atlantic states from New England. As a first move, British General Carleton ended Benedict Arnold's blockade of Quebec and forced his retreat to New York. However, the pursuing Carleton was finally forced to halt near Ticonderoga.

REVOLUTION IN THE MIDDLE COLONIES

In the meantime, a British army under General William Howe joined a fleet commanded by his brother Lord Howe to attack New York City in June 1776. Landing on Long Island with 20,000 soldiers, Howe had little trouble routing 8,000 ill-trained militia under Washington in battles at Brooklyn, Manhattan, and White Plains during August-October 1776. As Washington retreated across the Hudson to New Jersey and then into Pennsylvania, desertions by his militia reduced his forces to barely 3000 men. Lost too, in this retreat, were much of his food, guns and equipment.

Washington, however, rallied from these depths when he made his famous crossing of the Delaware on Christmas night, 1776. Attacking a group of 1400 Hessians at Trenton, he captured 1000 of them. He followed this up by administering a sharp defeat to 3 British regiments at Princeton. Washington then established winter headquarters at Morristown, New Jersey, from which base he so effectively harassed British communications that they were forced to retire to New York.

For 1777, the British planned a 3-pronged campaign. Burgoyne with 8000 men was to march south from Canada along Lake Champlain to the head of Hudson River navigation at Albany. There he was to be met by General Howe coming up the river from New York City and Colonel St. Leger driving hard from Oswego in western New York. Thus the northern colonies would be sliced in two.

The first casualty was St. Leger, who retreated to Canada after a bloody battle at Oriskany on the Mohawk River, and an unsuccessful siege of Ft. Stanwix. Meanwhile, as a result of over-confidence on the part of the British War Office, General Howe diverged from the original plan and moved south against Philadelphia.

Burgoyne could well have used Howe's help. The farther he got from his Canadian base, the more difficult became his supply problems, and the stronger and more confident became his American opposition. At Bennington, 2000 Vermonters under John Stark defeated Burgoyne's forag-

ing expedition of 1300 Hessians and a British detachment sent as reinforcements.

By mid-October, the Americans had gathered 20,000 militia to oppose Burgoyne's army of 6,000. After losing two battles Burgoyne surrendered near Saratoga on October 17. This victory gave the Americans permanent control of the Hudson Valley and removed one-quarter of the king's effective troops. More important, it brought France into active participation on the American side. Convinced that the revolutionists had a fighting chance, the French in February 1778 signed an alliance recognizing our independence. This meant large supplies and the aid of the French fleet.

Many rugged months were to pass before this help proved decisive. While Burgoyne was meeting defeat, Howe captured Philadelphia—turning back Washington's troops at Brandywine Creek (September 11, 1777) and Germantown (October 4). Ragged, half-starved, and without adequate shelter, the Continental army spent a bitter winter at Valley Forge while the British enjoyed the luxuries of city life in Philadelphia.

Eluding Washington's attempt to stop them at the battle of Monmouth, the British in the early summer of 1778 withdrew from Philadelphia. Their further activity now centered in the West and South. In 1778 and early 1779, a band of Virginians under George Rogers Clark defeated the British along the Wabash and Mississippi, and won military occupation of the Northwest.

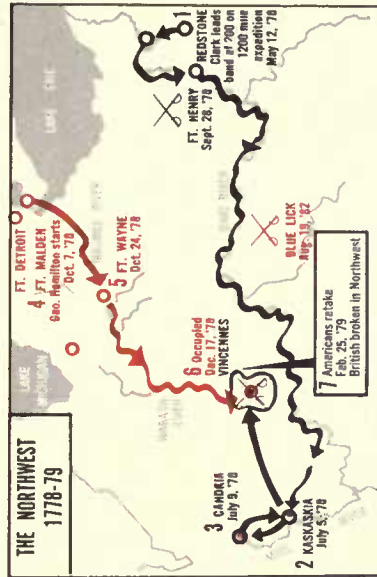
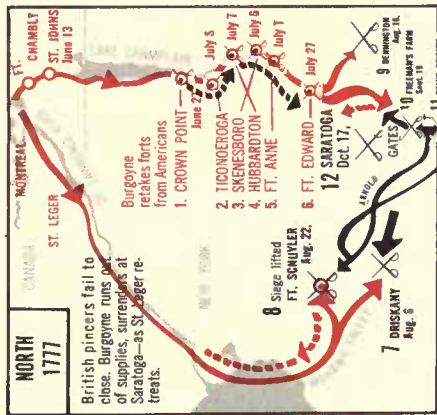
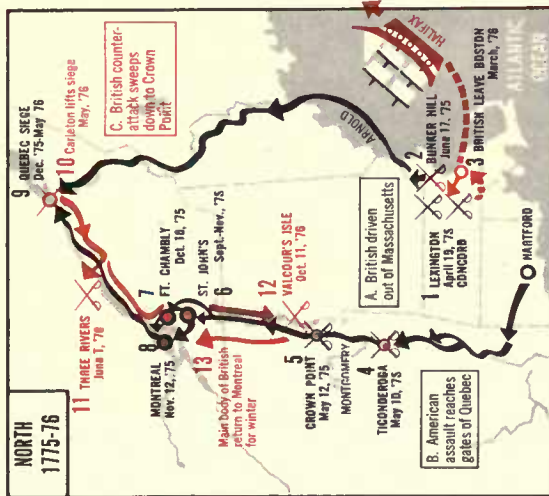
FIGHTING IN THE SOUTH

Meanwhile, the British were more successful in the South. They captured Savannah in December 1778 and Charleston in April 1780, and devastated large sections of the Carolinas and Virginia. American armies under Benjamin Lincoln and Horatio Gates were crushed by Cornwallis, but effective guerilla warfare against the British was maintained by bands under Sumter, Marion and Pickens. And after Gates' defeat at Camden (August, 1780) he was replaced by the very able Nathaniel Greene, who lost battles to the British but won his campaign to pin them in the seacoast towns.

In the spring of 1781, Cornwallis moved his main force to Virginia where he was maneuvered by Lafayette into a position on the Yorktown peninsula. Washington seized this opportunity to make a feint at New York—thus keeping the British under Clinton busy there—while throwing a combined American-French army of 16,000 men against Cornwallis' 8000. In addition, a French fleet under Admiral De Grasse cut off the prospects of escape or help by sea by driving off a relief-bringing British fleet. After several weeks of siege, Cornwallis surrendered.

Military operations were now practically over. During 1782, the British evacuated the Southern ports, and occupied only New York when the peace treaty was signed on September 3, 1783.

Principal Campaigns of the American Revolution



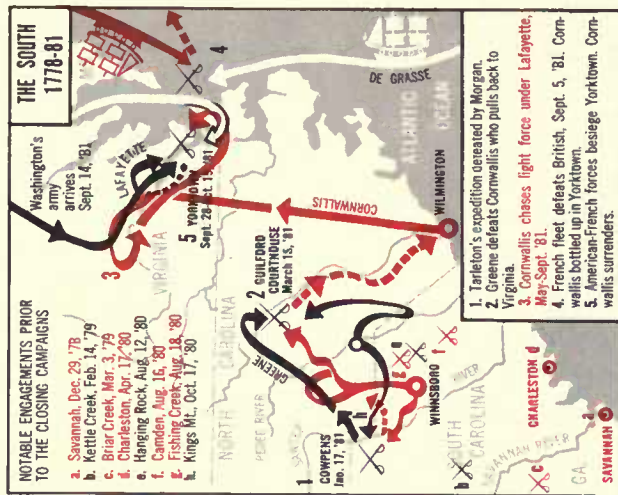
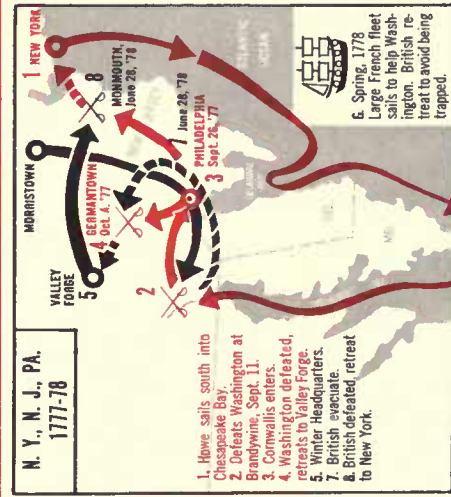
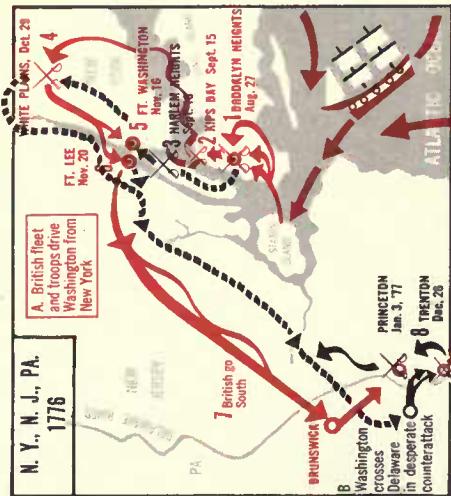
LEGEND

○ GARRISON
○ PLACE TAKEN FROM ENEMY
➡ ADVANCE
➤ WITHDRAWAL
⊗ MAJOR BATTLE

○ BRITISH
➡ AMERICAN

○ WATER
○ STATE LINE

Names in RED = BRITISH
Names in BLACK = AMERICAN



The Revolution Changes American Life

The peace treaty which ended the Revolution granted most of the American demands. The territory gained by the new republic stretched from the Atlantic Ocean to the Mississippi River, and from the Great Lakes to Florida. The Mississippi was thrown open to the commerce of both England and the United States. A demand for the payment of debts owed to British subjects at the opening of the war was met by a phrase that the British creditors would "meet with no lawful impediment in seeking to recover their debts." The treaty promised to "earnestly recommend" the restoration of confiscated Tory property.

The sale of land confiscated from large Tory landholders was one of the major social changes brought by the war. From Maine to Georgia happy small farmers were able to buy lots cut out of rich Tory estates. Before the war these small farmers would have been lucky to farm them as tenants.

ECONOMIC EFFECTS

Another democratic result of the war was the abolition of feudal land laws. As a result the large estates, which had been preserved intact from generation to generation by the laws of entail and primogeniture, were now divided up as they passed into the hands of succeeding generations.

Aside from the changes in land ownership, agriculture was little affected by the Revolution. After the first year, New England was scarcely touched by the war. In the Middle Atlantic States, center of the fighting, the farmers profited from the needs of both armies. The South, however, suffered from the destruction of property and the confiscation of slaves during the last two years of the active war.

Since the British blockade forced the Americans to supply many of their own needs, the war encouraged manufacturing. Both the states and Congress offered bounties and other aid for the manufacture of munitions and other military necessities.

American shipping was stimulated in two ways by the war: (1) blockade runners carried American agricultural supplies to European ports and brought back munitions and manufactured goods; and (2) more than 1500 vessels were commissioned by the states and Congress as privateers, authorized to seize British merchant ships. In fact, privateering proved so profitable that as many as 90,000 men were engaged in it—a force comparable to the American army at its greatest strength. Staggering losses were inflicted on the English merchant class, thus making the war more unpopular in Britain.

Political changes also took place within the states as a result of the war. Having learned from past experience

that the legislatures, not the governors, were the best guardians of liberty, the new state constitutions placed the main power with the legislative branch. They also provided for frequent elections. And to protect the individual, the states followed Virginia's example in including a Bill of Rights with such provisions as freedom of speech, press, and religion.

The right to vote was given to more people, too. Before the Revolution, most colonial governments required that colonists be members of the official church, and own a certain amount of property before they could vote. Thus, at the time of the Revolution only six percent of the white population was entitled to vote, compared with more than 50 percent of the total population today.

During the Revolution most of the states reduced their property qualifications for voting. In addition, many of the new states redrew their electoral districts to give fairer representation to the pioneers who had moved westward from the seacoast.

RELIGION AND EDUCATION

In the southern states, where the Anglican (Episcopalian) Church had been officially recognized and supported by the colonial governments, new state constitutions cancelled this arrangement. An act to separate church and state was introduced in Virginia by Jefferson in 1779. Fought for years by Patrick Henry, but supported by Madison, it finally passed in 1784. By that time the church had been disestablished in every state of the Union except Massachusetts, New Hampshire and Connecticut where the descendants of the Puritans still held control.

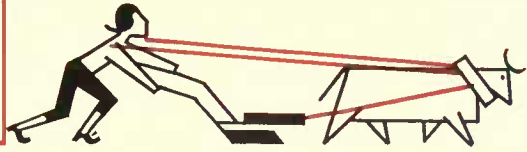
However, Massachusetts did lead America in the provision of free public education. By a law passed in 1647, the Bay Colony had required the setting up of public schools in every town of 50 families or more. Other New England colonies followed, but in the Middle Atlantic and Southern colonies, education was left to private schools.

In 1785, public education was given a boost by one clause of the Land Ordinance enacted by Congress. This provided that in each township to be formed in the Northwest Territory, one section of land (one square mile) was to be reserved for the support of public schools.

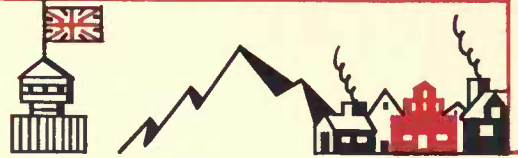
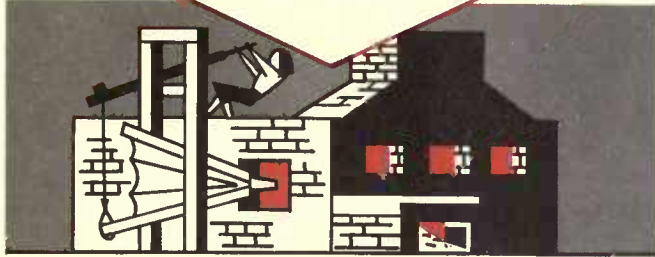
Thus, the War for Independence had resulted in social progress along many fronts. Dr. Benjamin Rush, one of the colonial leaders, wisely remarked at the time:

"There is nothing more common than to confound the terms of the *American Revolution* with those of the *late American war*. The American war is over: but this is far from being the case with the American revolution . . . It remains yet to establish and perfect our new forms of government."

How the Revolution Changed American Life



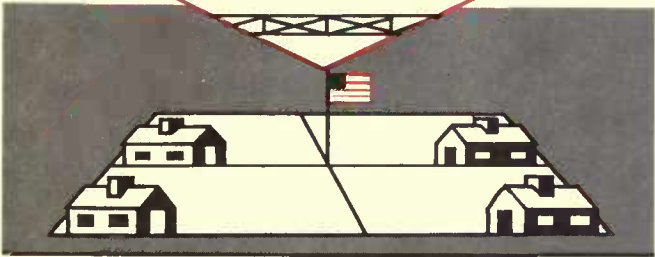
Impetus to manufacturing



Regions West of Alleghenies opened for settlement



Breaking up of Tory Estates and Crown Land Grants



Abolition of Feudal Land Laws



Privateering serves to build up Merchant Marine



Disestablishment of Church in Many States



The Early Growth of Democracy

After less than a decade under the weak Articles of Confederation, the new independent states established a firm and strong union under the Constitution. The new federal government was set up under Washington and Adams, but conflicts over policy developed a party system. The more democratic group under Jefferson took control, and democracy grew steadily through the Jacksonian Era. But independence was not maintained without another struggle. Unable, despite all her efforts, to preserve neutrality during the wars between France and Britain, the young Republic found herself in a second war with Britain. From this war emerged a stronger nation and a new feeling of nationalism.

Problems of the New Republic

For most citizens of the new Republic, the social and political changes outlined in the previous chapter were soon overshadowed by economic events. Of prime importance was the depression which set in at the close of the war, and lasted until the end of 1786.

Independence had meant the application of severe British tariffs to American raw materials. With the market thus restricted, the value of American exports fell far below prewar levels. At the same time British manufacturers dumped a flood of cheap goods on the American market, underselling and putting out of business many American manufacturers who had sprung up during the war.

WEAKNESS OF THE CONFEDERATION

This unfavorable American trade position was made worse by certain weaknesses of the Articles of Confederation, which formed the legal framework of our government from 1781 to 1789. Each state, for example, was free to make its own tariff laws, with the result that European countries refused to deal with the national government. Not only did the states make tariff laws relating to imports from abroad; they even passed provisions taxing imports from neighboring states. Thus New York levied import duties on the farm products of Connecticut and New Jersey. New Jersey retaliated by taxing the Sandy Hook lighthouse erected by New York on New Jersey territory, while Connecticut business instituted a boycott against goods from New York.

Another weakness of the Articles of Confederation, as the chart shows, was the inability of Congress to enforce its own treaties. Charging that America had not abided by provisions of the peace treaty protecting British property and claims, Britain refused to withdraw her troops from the northwest trading posts. There was also friction with Spain, which plotted to seize territory in the Southwest. Spain also asserted that the British had had no right to grant the United States free use of the Mississippi.

In addition, trouble arose over finances. Without the ability to levy taxes, Congress had to depend upon grants from the states. These grants were inadequate—less than one-fourth the amount requested by Congress. This prevented the Government from paying interest on its foreign debt, thus killing its credit abroad.

Great variations arose from state to state in their currency systems. The depression brought demands for cheaper paper money from small farmers and other debtors, so that they could pay their mortgages and other debts more easily. Wealthy and conservative creditors, desirous of collecting their debts in as valuable a currency as possible, prevented the issuing of paper money in six states. This conflict of interest was so serious that it resulted in Shays's Rebellion, an armed revolt of poor Massachusetts farmers against the rich merchants. Though easily dis-

persed by a hastily enrolled militia, this revolt underlined the lack of a strong central government to prevent uprisings.

However, Congress did make one great contribution to the future of America in its handling of the Northwest Territory. When the states slowly ceded to the National Government their conflicting claims to this western land, Congress was faced with two possibilities. It could either govern this new area as a colony, or prepare it for speedy admission to the Union on an equal basis with the other states. Congress chose the latter course. By the Northwest Ordinance of 1787, it provided a simple democratic road for territories to travel to statehood:

- 1— At the beginning a temporary government was established, consisting of a governor and 3 judges appointed by Congress. They might adopt and enforce such laws of the older states as seemed appropriate.
- 2— After the population reached 5000 free male inhabitants over 21, the territory might elect its own legislature. It was also permitted to name a delegate to Congress who could debate but not vote.
- 3— When the population of a territory reached 60,000, it was to be admitted to the Union "on an equal footing with the original states, in all respects whatever." Out of the entire territory north of the Ohio, from 3-5 states were to be formed.
- 4— Provisions were made for the prohibition of slavery, development of free public education, and religious freedom.

TWO POINTS OF VIEW

Despite the passage of this progressive legislation, Congress had fallen so low in public estimation that the most capable leaders generally refused membership. The Northwest Ordinance was passed with only 18 delegates out of 91 present.

Farmers and planters who were heavily in debt had no objection to this weak central government nor to inflated currency and cheap foreign goods. Other groups, however, demanded a stronger federal government. The manufacturer wanted a protective tariff. The shipowner wanted protection on the high seas and the opportunity to trade in foreign ports. The banker wanted a stable currency, protection against paper money of doubtful value and against laws postponing the payment of debts. Owners of securities issued by the Continental Congress wanted a government strong enough to redeem them. Land speculators hoped for a police force on the frontier. These groups furnished powerful backing for the movement for a new, stronger constitution.

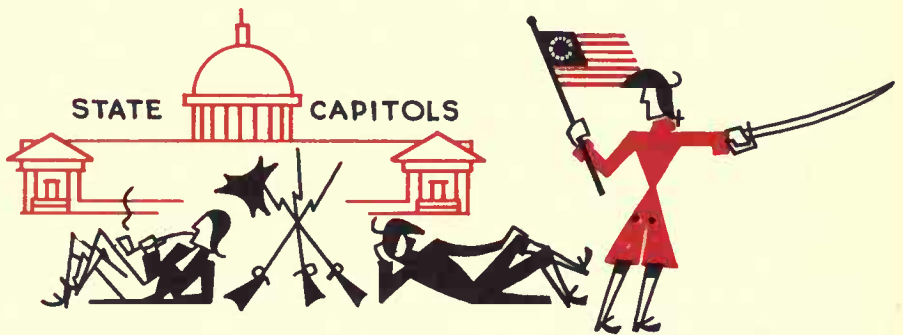
Weaknesses of the U. S. Government under the Articles of Confederation



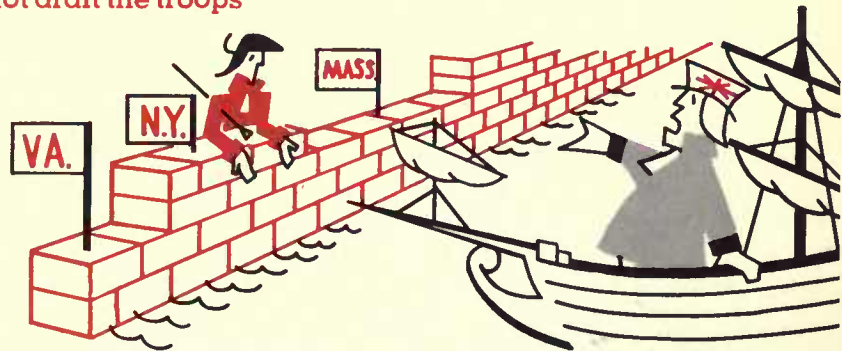
Could ask States for money ... BUT could not levy taxes



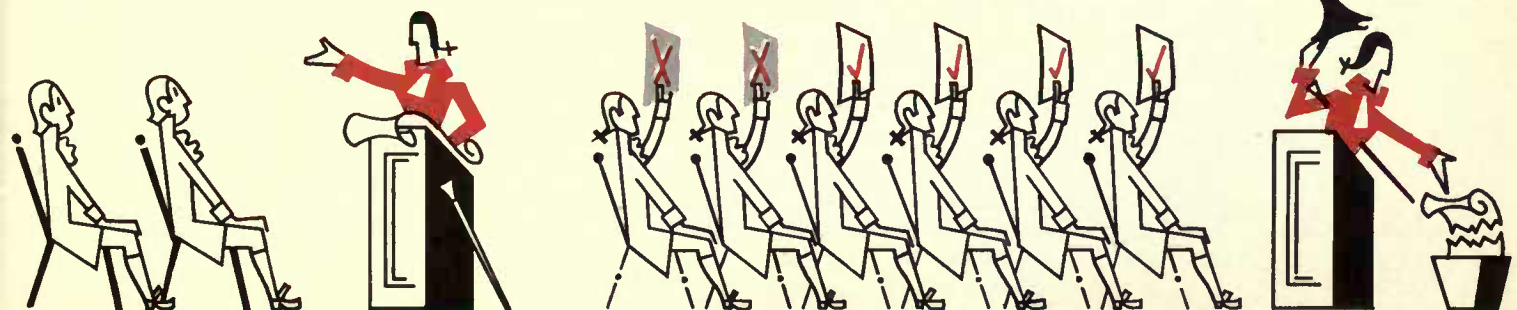
Could make treaties ... BUT could not enforce them



Could plan for army ... BUT could not draft the troops



Could protest foreign duties ... BUT could not set up uniform U. S. tariff



Could debate important issues ... BUT a 1/3 minority could prevent passage

The Constitution Is Written

A series of preliminary meetings set the stage for the Constitutional Convention. A trade convention at Annapolis in 1786 urged that Congress call a meeting for May, 1787 to plan ways of strengthening the central government. Congress did so, but insisted that the gathering restrict itself to "the sole and express purpose of revising the Articles of Confederation."

The fifty-five delegates who convened at Philadelphia represented all the states but Rhode Island. Included were many of America's ablest leaders; at least two-thirds of them had been active as legislators, state governors, or judges. As a whole these distinguished men represented the conservative wing of the American Revolution. Among them were Washington, Hamilton, Franklin, Madison, and Gouverneur and Robert Morris. Absent from the convention were such liberal leaders as Thomas Jefferson (American Minister to France), Tom Paine (also in France), Samuel Adams (not elected a delegate) and Patrick Henry, who refused to attend.

THE GREAT COMPROMISE

In agreement on the basic aim of strengthening the central government, the delegates soon decided to scrap the Articles of Confederation and write a new constitution. They were also in agreement on their main objectives. The central government, they believed, should be given the power to lay and collect taxes, regulate commerce, control the issue of currency, assume the financial obligations of the Confederation, and prevent the impairment of contracts. Without such powers there could be no strong government.

To achieve these objectives the delegates worked out certain compromises. The chief difficulty which they met concerned the representation and power of the larger and smaller states. The large states, led by Virginia, demanded representation under the new constitution proportionate to their size; the small states, led by New Jersey, insisted on equality. A compromise, proposed by Connecticut, suggested equality of representation in an upper house (Senate) and representation in proportion to population in a lower house (House of Representatives). This compromise was adopted and removed the greatest obstacle to harmony.

But this compromise immediately raised another problem. Should slaves be counted in estimating population in the lower house? Were they persons or chattels? The South wanted them counted; the North did not. A second compromise provided that three-fifths of the slaves be counted both for representation and direct taxation.

Certain other sectional compromises between the slave-holding free trade South and the North were also worked out. Congress could not prohibit the importation of slaves for twenty years nor place an import tax on them higher than \$10 a slave.

Congress was given the right to regulate foreign and interstate commerce, but it could not levy export taxes. The power to make treaties with foreign powers was left with the President, but ratification required a two-thirds vote of the Senate.

The new central government, as it finally emerged, was a complicated system of checks and balances. The House of Representatives was to be elected for 2 years by citizens qualified to vote for the most numerous branch of their state legislatures. Senators were to hold office for 6 years, but were to be indirectly elected by the state legislatures. The President was to be indirectly elected too, through an electoral college chosen as the state legislatures directed.

A SYSTEM OF CHECKS AND BALANCES

The House was balanced against the Senate, and both against the Executive. When the judiciary was established, it became a balance against both the executive and legislative branches. The Senate, by its right to approve Presidential appointments and its $\frac{2}{3}$ check on treaties, offered another balance. The legislature could refuse to pass bills demanded by the President, while he could veto acts of the legislature. Many other balances also appeared in the new Constitution.

Although the Constitution granted many powers to the federal government, it also specifically denied others (Article I, Section 9). The central government could not suspend the writ of *habeas corpus* (the right, when arrested, to have a speedy hearing before a judge) except during rebellion or invasion. It could not pass *ex post facto* laws (which punish people for earlier acts that were not illegal before the law was passed). It could not tax exports from any single state nor favor one port over another and it could not grant titles of nobility. The states also were denied certain rights (Article I, Section 10). They could not pass the types of laws, just mentioned, forbidden to the federal government. They could not pass import or export duties or laws impairing the obligation of contracts. All other powers not given the federal government or forbidden to the States remained with the States.

The framers of the Constitution also provided methods for amendment. Since adoption of the Constitution, 22 amendments have been added.

Constitutional Government in the United States Today



We the people

CONSTITUTION AND AMENDMENTS

Bill of rights guaranteeing freedom of speech, press, religion, assembly, etc.



Powers not specified for the Federal Government are reserved for States and People

Amendments possible by action of Congress and State Governments

LEGISLATIVE

Senate

House of Representatives

96 members — 2 from each state elected for 6 year terms

435 members — elected from states in proportion to population. 2 year terms

EXECUTIVE



President

Elected by Nation for 4 year term. 2 term limit

JUDICIAL



The Supreme Court

EXECUTIVE DEPARTMENTS AND AGENCIES

Appointed by President to carry out policies laid down by him and Congress. Not specified in Constitution — have been set up by Acts of Congress

1789

1789

1789



STATE



TREASURY



WAR



JUSTICE



POST OFFICE



NAVY

1849

1889

1947



INTERIOR



AGRICULTURE

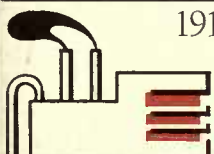


DEFENSE

1913

1913

1953



COMMERCE



LABOR



HEALTH, EDUCATION & WELFARE



CIRCUIT COURTS OF APPEALS

Judges appointed for life by President with consent of Senate. Supreme Court specified in Constitution, other Courts set up by Acts of Congress.



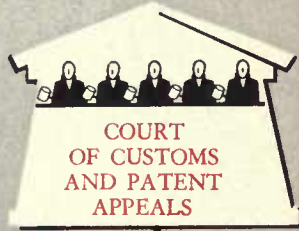
DISTRICT COURTS



TERRITORIAL COURTS



COURT OF CLAIMS



COURT OF CUSTOMS AND PATENT APPEALS

Other non-cabinet agencies include: Atomic Energy Com., Fed. Communications Com., Fed. Reserve System, Interstate Commerce Com., Tennessee Valley Authority, etc.



CUSTOMS COURT

Ratification of the Constitution

On September 17, 1787, after almost 4 months of deliberation and more than 400 hours of debate, the delegates produced a final draft of the proposed Constitution. Though no member was satisfied with every provision, 39 of the 55 delegates present signed the document, agreeing with Franklin who said:

"I confess that there are several parts of this Constitution which I do not at present approve, but I am not sure I shall never approve them . . . I consent to this Constitution, because I expect no better, and because I am not sure, that it is not the best."

The heavy majority of delegates in favor of the Constitution did not, however, reflect accurately the sentiments of the people of the 13 states. A stiff debate broke out between the supporters of the Constitution (called Federalists) and the opponents (anti-Federalists). In general, the Federalists represented the conservative east coast dwellers. They believed that a strong central government would best protect property and commerce, and otherwise be of benefit to the nation. The anti-Federalists represented the backwoods, rural group, interested in cheap money and freedom from government restrictions. Both factions put forward

candidates for the state conventions called to consider the proposed Constitution. The Federalists were led by the Convention leaders, particularly Hamilton, Madison and John Jay. The Anti-Federalists followed the strategy laid down by such men as Richard Henry Lee, Patrick Henry and Samuel Adams.

Because voting in most of the states was restricted to property holders, not more than one-quarter of the country's men voted in the elections for delegates to the ratifying conventions. Charles A. Beard, the eminent historian, has estimated that the Constitution would have been defeated if the propertyless had been allowed to vote. About two-thirds of those who were eligible cast their ballots for Federalist candidates. But in some important states like New York these supporters of the proposed Constitution were in the minority.

ACCEPTANCE OF THE CONSTITUTION

Voting unanimous approval of the document in December 1787, Delaware's delegates became the first to approve the Constitution. New Jersey and Georgia took similar action a short time later. Pennsylvania's convention also gave quick approval, though the anti-Federalists mustered 23

Congress of the United States

begun and held at the City of New York.

on Wednesday the fourth of March one thousand seven hundred and eighty nine



Freedom of Religion



Freedom of Speech



Freedom from unreasonable searches



Right to assemble



Right to petition

Some Highlights of the Bill of Rights



Right to jury trial and counsel



Right to summon witnesses



No illegal loss of liberty



No excessive bail or fines



Just compensation for property

John Jay, Chief Justice of the Supreme Court
 Alexander Hamilton, Secretary of the Treasury
 James Madison, Father of the Constitution
 Thomas Jefferson, Vice President of the United States
 John Adams, Vice President of the United States and President of the United States

How State Conventions Voted on the Constitution

N. H.



KEY

Delegates

FOR

Delegates

AGAINST

* = Unanimous

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72

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Declaration of Independence

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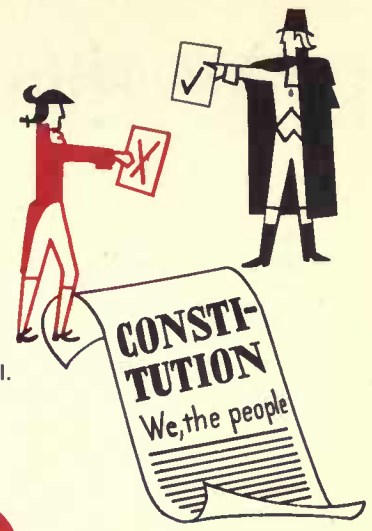
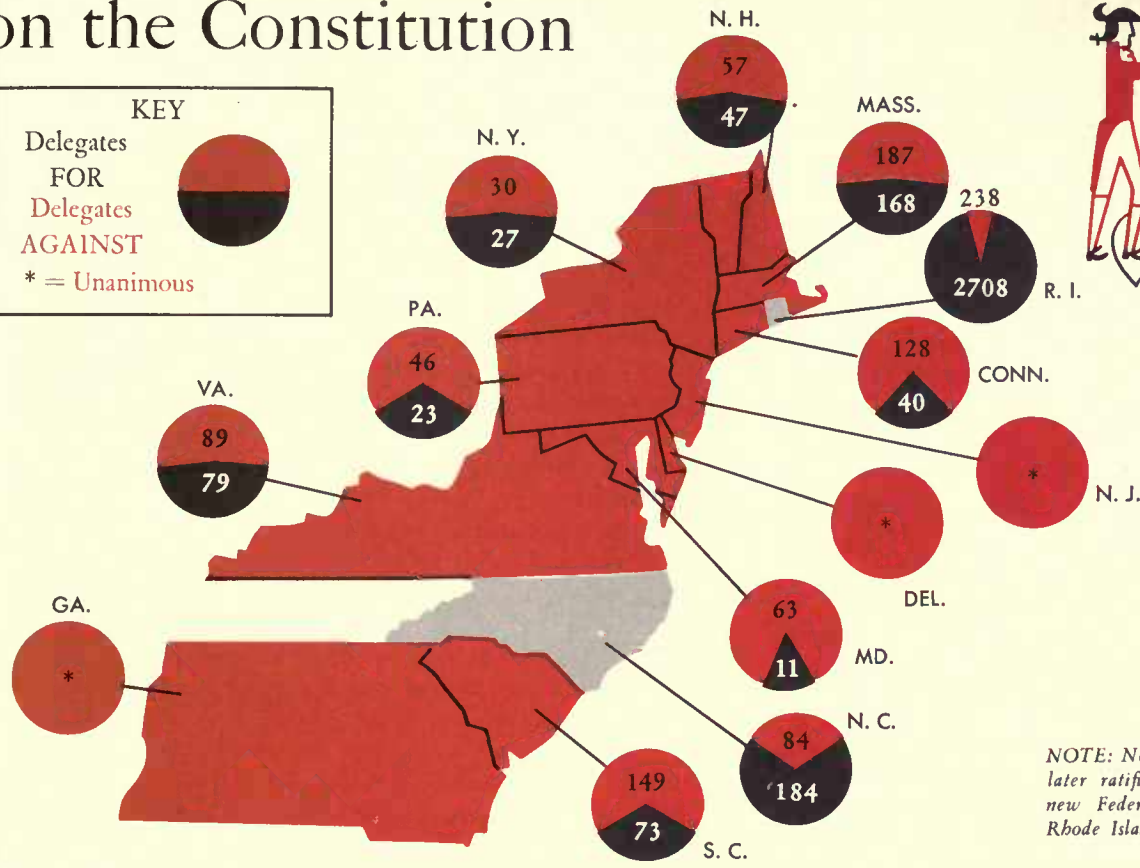
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THE UNITED STATES, the two columns
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Frederick Augustus Muhlenberg, Speaker of the House of Representatives
John Adams, Vice President of the United States and President of the Senate

How State Conventions Voted on the Constitution



NOTE: North Carolina and Rhode Island later ratified the Constitution after the new Federal Government was set up. Rhode Island figures show popular vote.

narrow margin of 30 to 27. Here again, the state convention linked its approval to suggestions for amendments. The two remaining holdouts, North Carolina and Rhode Island, joined the ranks in late 1789 and early 1790, when faced with the prospect of being treated commercially as foreign nations.

THE BILL OF RIGHTS

Since 7 states had called for amendments to the Constitution when ratifying it, the first Congress took immediate action on this issue. The result was the approval of ten amendments to the Constitution, forming the Bill of Rights pictorialized in the accompanying chart. The Bill of Rights rounded out a document which was a true product of Anglo-American history. English common law, the Magna Charta, Petition of Rights and British Bill of Rights were clearly reflected in this new American Constitution. In addition, every significant section of the document can be traced back to some earlier American experience—colonial charters, early state constitutions, and the Articles of Confederation. The separation of power whereby the President, Congress and the Supreme Court check each other had a precedent in the Virginia constitution.

Thus, equipped with a new yet familiar legal guide, the American people took another step forward in their trail blazing toward effective democracy.

votes to the Federalists' 46. Connecticut also quickly endorsed the Constitution, by a ratio of 3-1.

After this relatively smooth beginning, serious opposition began to develop. A majority of the Massachusetts convention, led by Hancock and Samuel Adams, opposed the Constitution. But the Boston merchants, who favored the measure, finally won Hancock's approval by promises of political rewards. Adams' assent was gained when ratification of the Constitution was linked with a demand for amendments which would protect the civil rights of the individual. Even with the support of these leaders, the Federalists barely squeezed through by a vote of 187 to 168.

Following Massachusetts' example, Maryland ratified the Constitution in April, 1788, South Carolina in May, and New Hampshire in June. This gave the total of 9 states which the Constitution had stipulated sufficient to bring the document into effect, but action was delayed until the conventions of the important states of Virginia and New York made their decisions.

In Virginia, approval finally came on June 25 by a vote of 89 to 79, with the understanding that a Bill of Rights would be added to the Constitution. New York's ratification was even more difficult to obtain, since two-thirds of the delegates were anti-Federalist. However, aided by Hamilton's untiring efforts and the example of the 10 ratifying states, the Constitution was finally approved in July by the

Washington's Administration at Work

When Washington took office as our first President on April 30, 1789 he was faced with many serious problems. He had to create a government according to the new Constitution, find workers to staff this government and execute its policies, and raise taxes to support it. He had to get people to accept a centralized domestic government right after they had fought a war to free themselves from a centralized foreign government. Many observers felt that because of the complexity of these tasks, the new form of government would soon follow the Articles of Confederation into oblivion.

However, there were certain favorable factors. The economic system had swung upward towards prosperity. In addition, the new government had the support of newspapers and public opinion, while anti-Federalists like Patrick Henry and Samuel Adams now gave Washington their backing.

CREATION OF THE NEW GOVERNMENT

Important also was the fact that the new government was in the hands of capable friends. The dynamic Alexander Hamilton, Secretary of the Treasury, attacked the problem of putting the government on a sound financial basis. As Secretary of State, Thomas Jefferson contributed his great ability not only to his own department but also to the informal discussions among department heads held by Washington. (These came to be known as cabinet meetings.) Since many of the newly elected senators and representatives had been members of the Constitutional Convention, the first administration's measures were assured of a friendly hearing.

One of the first bills passed by Congress was the Judiciary Act of 1789, which filled in the Constitution's outline by establishing a 6 man Supreme Court. This act also laid the foundation for the Supreme Court's role as the final interpreter of the Constitution by giving it the authority to review lower state or federal court decisions in cases involving the Federal Constitution, laws or treaties.

The first revenue act passed by the new government was the Tariff Act of July 4, 1789. Though primarily for revenue, it also included protective features.

At the request of Congress, Hamilton submitted a series of reports on the state of the nation's finances. The first dealt with the war debt, which he estimated to total about 80 million dollars; 12 million dollars owed to France, Spain & Holland; 42 million dollars of domestic debt incurred by the Continental Congress; and 25 million dollars of state debts. Though current revenues were less than current expenses, Hamilton urged that this full debt burden be assumed by the Federal Government. He hoped thus to establish the credit of the United States, and win respect

for its government.

He met little opposition regarding payment of the foreign debt. Resistance did develop, however, to payment of the national domestic debt, since speculators had bought many of these securities at a fraction of their face value. To the proposal that the new government make good the state war debts, opposition was also strong. In some states these debts were large; others owed little. Moreover, many of these bonds also were in the hands of speculators.

When it became apparent that this measure was destined for defeat, Hamilton rescued it with a slick political deal. He won the support of Jefferson and the Virginia Congressmen by promising in return enough northern votes to locate the national capital on the Potomac. With the votes thus gained, Hamilton was able to get Congress to assume federal responsibility for all three classes of war debt.

TAX PROGRAM AND A FEDERAL BANK

To pay this debt and provide other necessary revenue, Hamilton proposed two measures: a tax on the manufacture of distilled liquor, and a higher tariff. Both were passed, but the liquor tax was bitterly resented by frontier distillers. This culminated in the Whiskey Rebellion of 1794, when farmers in Western Pennsylvania forcibly warded off government tax collectors. However, the insurrection collapsed when militia were dispatched, and the authority of the new government was established.

Hamilton's next proposal, the establishment of a Bank of the United States modeled on the Bank of England, met strong opposition. Congress was to grant the Bank a 20 year charter, and provide \$2,000,000 of its \$10,000,000 capital—the rest to be subscribed by private individuals. The Bank might issue paper currency up to the value of its capital subscription, as long as it would redeem these bank notes in coins, on demand. In addition to providing a safe and much needed paper currency, the Bank was to furnish credit for business loans, provide a safe place for public funds, and act as financial agent for the Federal Government.

There was a real need for such a bank, but Hamilton's sponsorship alarmed the group that opposed further federal power and feared control of the government by the monied interests. Jefferson led the opposition within the cabinet, while Madison played a similar role in the House. To their arguments that no Constitutional clause provided for the Bank, the Hamiltonians replied that authority to set it up was implied in the Constitution even though not explicitly stated. This loose construction of the Constitution and the other benefits promised through the Bank finally won the approval of Congress and the President.

HAMILTON'S FINANCIAL PROGRAM



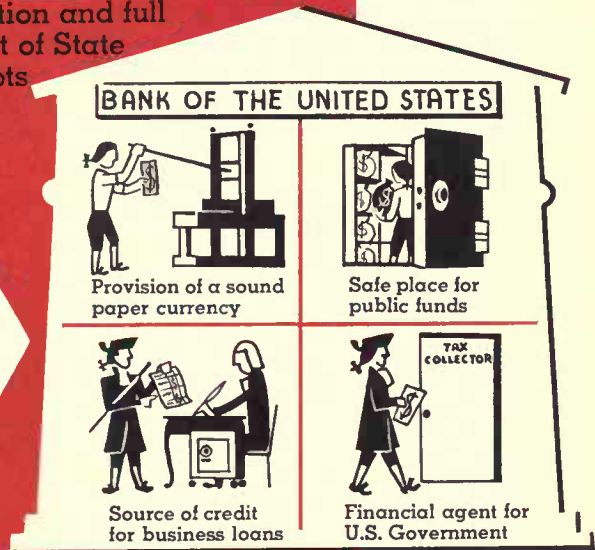
1. Full payment of war debt incurred by Continental Congress



2. Assumption and full payment of State war debts



3.



Establishment of a Federally sponsored National Bank

4.

5.



Enactment of a higher tariff for revenue and protection



Levying of an excise tax on distilled liquor

Federalists versus Republicans

To staff his administration, Washington chose a non-partisan team whose members were expected to work together for the same basic ends. But by the end of his first term, the team had split over a number of issues.

Hamilton and his followers had supported the Judiciary Act, the assumption of state war debts, the United States Bank, and the British side in the European war which had broken out. Jefferson and his disciples had opposed the first three measures, and had upheld the battlecry of "Liberty . . . Equality . . . Brotherhood" which the French had raised against Britain.

Washington held both factions together until after his election to a second term in 1792. But in 1793 Jefferson quit the cabinet, convinced that Washington was in complete agreement with Hamilton's views. Once out of the administration, Jefferson devoted himself to organizing a political opposition to Hamilton and his followers.

By the end of Washington's second term, the political lines had been clearly drawn and the factions had become full fledged political parties. Hamilton's associates were known as the Federalists, Jefferson's as the Republicans. Their basic principles are shown in the accompanying chart.

Wearied by his responsibilities and downcast over the attacks from the Republicans, Washington retired after his second presidential term. John Adams was nominated to succeed him by the Federalists, while the Republicans picked Jefferson as their candidate. The Electoral College system at that time provided that the candidate with the highest electoral vote should be President and the second highest Vice-President. Therefore Adams, with 71 electoral votes, gained the top position, and Jefferson the vice-presidency with 68.

ADMINISTRATION OF JOHN ADAMS

Adams brought to his new post a fine record of 25 years of public service as a diplomat abroad and an official at home. But as president he was handicapped by his own vanity and lack of warmth. He was also hurt by a rift with Hamilton who had retired from Washington's cabinet in 1795, but who still dominated the thinking of many leading Federalists.

Adams' greatest success was scored in the field of foreign relations. He received full Federalist backing for the firm tone he took toward a French government hostile to the United States because we had not reinforced our 1778 treaty of alliance by aiding France in her war against the British. Our navy defeated the French in a series of engagements in 1798, but Adams refused to let Hamilton plunge him into a declaration of open hostilities. Ultimately he reached a peaceful settlement with Napoleon, to the satisfaction of the Republicans.

On the home front, Adams was less successful. In 1798 his party followers (against his advice as well as Hamilton's) jammed a series of four repressive acts through Congress. The first, the Naturalization Act, increased the period of residence required of aliens before they could become citizens from 5 to 14 years. The second, the Alien Act, empowered the President to deport from this country all aliens he might consider dangerous. The third, the Alien Enemies Act, authorized the President to deport or imprison aliens of any country with whom we were at war, proof of wrongdoing on their part not being necessary. The fourth, the Sedition Act, made it an offense punishable by a fine and imprisonment to conspire against any law, or obstruct or even criticize government officials by "false, scandalous" or "malicious" statements.

These severe Federalist laws were designed to silence criticism and cut off one main source of Republican strength—the newly naturalized citizens who seemed to favor Jefferson's party. Although the Sedition Act was used to jail ten Republican editors and printers for their writings, Jefferson's followers fought back. He and Madison prepared resolutions, subsequently passed by the Republican-controlled Kentucky and Virginia state legislatures, which declared the Alien and Sedition laws unconstitutional. Although other states did not follow Kentucky and Virginia, the action of these two states kept alive the Republican charge that the Federalists were suppressing democratic rights.

THE CAMPAIGN OF 1800

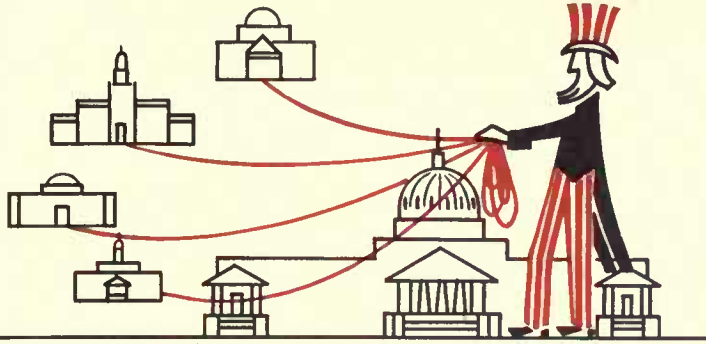
As the presidential campaign of 1800 approached, the Federalists carried several other burdens. Taxes had risen in preparation for war with France. Adams' refusal to actually declare war had displeased many members of his party, which was further split by his feud with Hamilton. In addition, Jefferson had done a matchless job in building Republican groups throughout the country, and holding them together in the face of legal intimidation.

The result, when the electoral votes were counted, gave Jefferson and Burr (the Republican candidates) 73 each. Adams received 65 votes and his running mate Pinckney 64. The Republican electors had intended to make Jefferson President and Burr Vice-President, but the tie vote threw the election into the House of Representatives. That body, after 36 ballots, selected Jefferson—chiefly because Hamilton threw to Jefferson the support of the Federalists he controlled, after deciding that the Virginian was less to be feared than Burr.

To prevent a similar mixup in the future, Amendment XII was added to the Constitution in 1804. It provided that the President and Vice-President were to be elected on separate ballots.

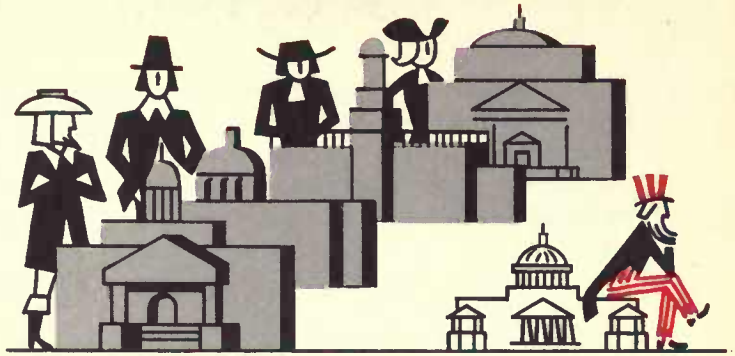
FEDERALISTS VS. REPUBLICANS

Federalists favored...

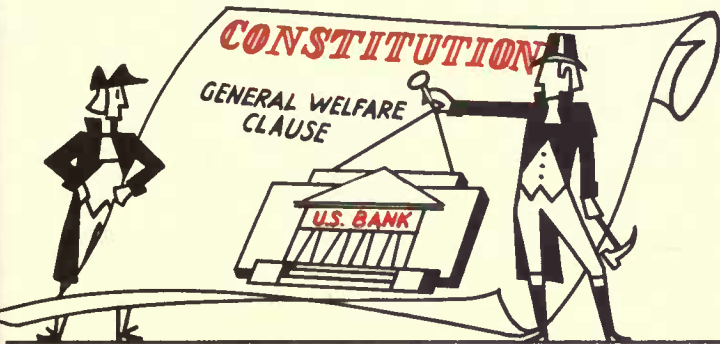


... a strong central government

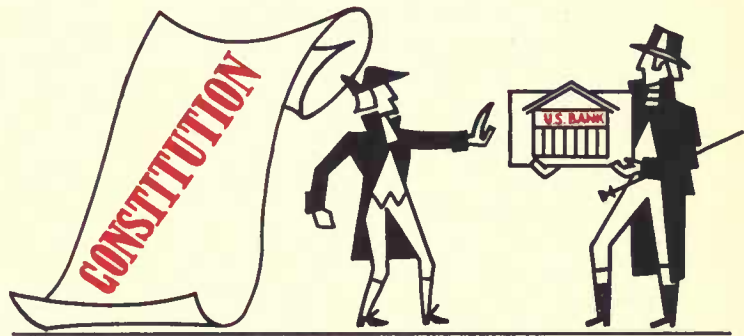
Republicans favored...



... supremacy of State & Individual rights



... broad interpretation of Constitution



... narrow interpretation of Constitution



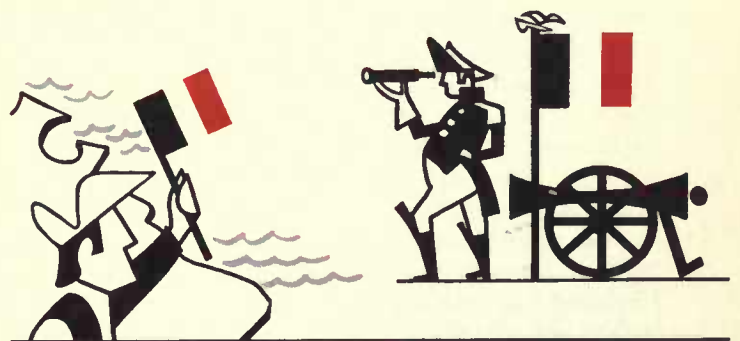
... commercial, industrial, financial groups in Northeast



... agricultural interests of Southwest



... the British side in European War



... French side in European War

THE SHIFT
IN ELECTORAL
VOTE FOR
PRESIDENT

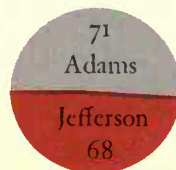


Federalists

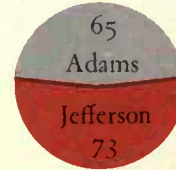


Republicans

1796



1800



1804



*C. C. Pinckney

Jefferson's Administration

Many factors served to get Jefferson's new administration off to a good start. The treaty of Amiens (see chart) brought a pause in hostilities between England and France, and temporarily removed the dominant problem in American foreign affairs—our relationships with the two belligerents. At home the Republicans enjoyed control of Congress, but had not held power long enough to split into factions. Jefferson had picked a harmonious cabinet, headed by two able men: James Madison, the great Constitutional expert, as Secretary of State; and the industrious, Swiss-born Albert Gallatin as Secretary of the Treasury.

The first point on the Republican program was to change or repeal certain Federalist legislation. The new 14 year period necessary for naturalization was reduced to the original 5 year span. The excise tax, which had caused the Whiskey Rebellion, was repealed. The Bank of the United States was allowed to live out its legal term, but its charter was not renewed when it expired in 1811.

During the closing hours of Adams' administration, the Federalists had passed a Judiciary Act which provided for 16 new judges and subsidiary court officials. Adams had then appointed Federalists to these positions. The Republicans repealed the Judiciary Act, and ousted the newly appointed officials. Drastic cuts in the army, navy and general government enabled Gallatin to reduce the public debt, in spite of the cost of the Tripolitan War and the purchase of Louisiana.

This first item was a naval war fought to stop the Barbary states of northern Africa from their practice of harassing our ships in the Mediterranean and demanding an annual bribe. Four years of war brought the pirates to terms.

THE LOUISIANA PURCHASE

The Louisiana Purchase developed out of an attempt to keep the Mississippi River open for frontier trade. In 1802, Spain closed the Port of New Orleans to American use. In addition, it soon became known that Spain was ceding New Orleans and the entire Louisiana territory to Napoleon. Thereupon, Jefferson sent emissaries to France empowered to offer \$2,000,000 for New Orleans and West Florida. They ended by buying the entire Louisiana territory for \$15,000,000.

The constitutional question rather than the price disturbed Jefferson. Nowhere in the Constitution (and he believed in a literal or "strict construction" of that document) could he find explicit authority for land purchases. He first considered a constitutional amendment, but his followers pointed out that Napoleon might change his mind before the deal could be completed. His final solution

was to go beyond the Constitution and appeal to "the good sense of the country" to justify the purchase.

The Federalists' reaction was to switch from the loose to the strict construction side (see Chapter 15); they assailed the Louisiana Purchase as both wasteful and unconstitutional. The real basis of their opposition, however, was a fear that this new territory would shift the seat of political and economic power to the West. Despite this opposition, the treaty containing the terms of the Louisiana Purchase was readily approved by the Senate. Highly satisfied with his leadership, the country reelected Jefferson in 1804.

JEFFERSON AND THE NAPOLEONIC WARS

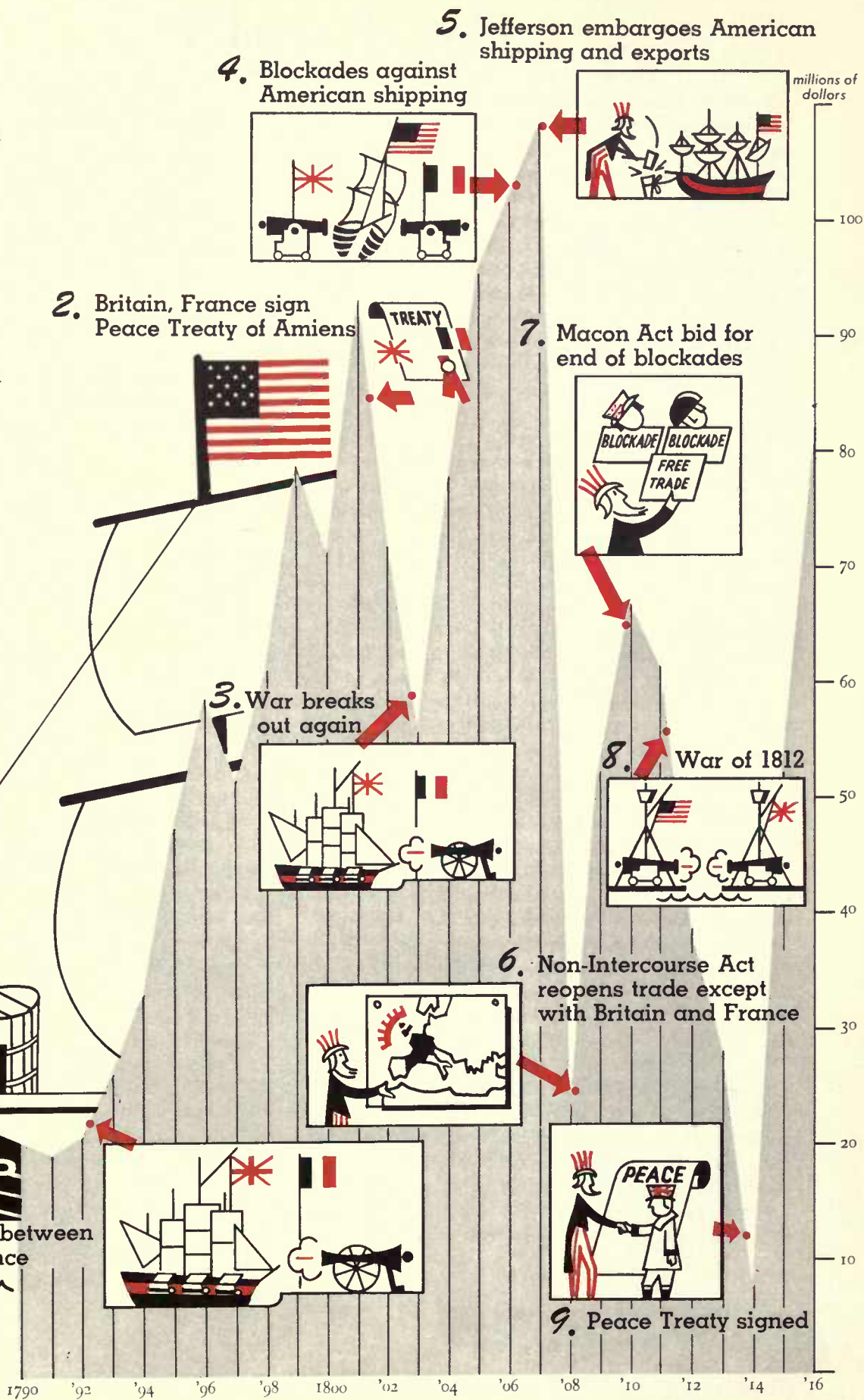
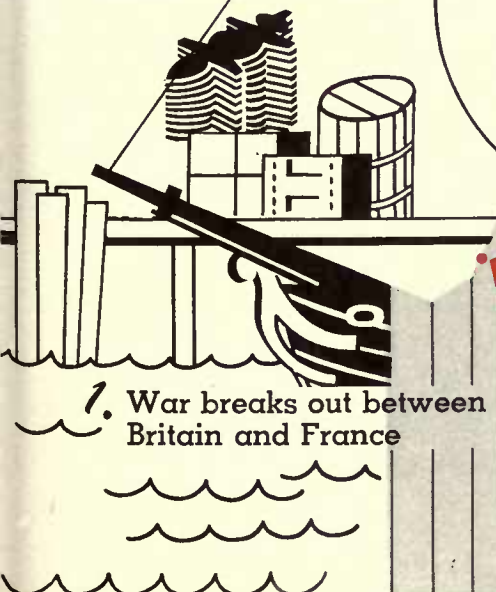
Unfortunately, the renewal of the Napoleonic Wars made Jefferson's second term less happy. Britain and France, using economic as well as military weapons, issued a series of orders declaring each other's territory blockaded. The result was that if our merchant ships obeyed the British orders, they were liable to capture by the French; if they complied with the French decrees, the British Navy would seize them.

Although these blockades resulted in the capture of about 1600 American ships and \$60,000,000 worth of property, the large profits from successful evasion of the blockades kept American shipping on the Atlantic. But a second serious blow came when Britain began the *impressment* of American seamen. This term described the British practice of stopping American vessels and taking off all British (and sometimes American) sailors. British sailors were attracted to our merchant marine by the higher wages and better working conditions, but the fact that many of these British sailors had become American citizens was no protection for them. Great Britain's theory was "once an Englishman, always an Englishman."

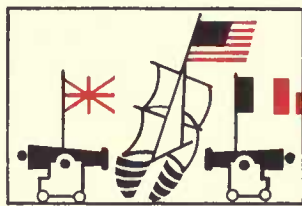
In retaliation, Congress in 1806 passed the Non-Importation Act, which closed American ports to certain British products. When this did not halt the violation of our rights as a neutral, Jefferson proposed a radical program: an Embargo closing American ports to all foreign trade, whether carried in American or foreign ships. Since he felt that American goods were vital to the economy of both warring sides, Jefferson thus hoped to force Britain and France to respect our rights.

While the Embargo had no visible effect on Britain and France, it resulted in the almost complete ruin of New England's shipping industry. It also dealt a severe blow to such Southern exports as tobacco and cotton. Such widespread opposition developed that the Embargo was repealed in the closing days of Jefferson's administration.

How European Wars Affected American Exports, 1790-1816



4. Blockades against American shipping



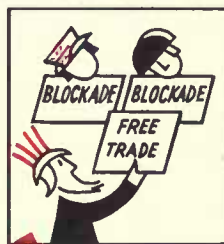
5. Jefferson embargoes American shipping and exports



2. Britain, France sign Peace Treaty of Amiens



7. Macon Act bid for end of blockades



3. War breaks out again



8. War of 1812



6. Non-Intercourse Act reopens trade except with Britain and France



9. Peace Treaty signed

1790 '92 '94 '96 '98 1800 '02 '04 '06 '08 '10 '12 '14 '16

The War of 1812

Replacing Jefferson's embargo on foreign trade was the Non-Intercourse Act of 1809, which banned only foreign trade with Britain and France. In 1810 the Macon Act attacked the problem from a new angle. It legalized trade with both Britain and France. But it also provided that if either nation withdrew its decrees against our shipping, we would repay this friendly act by renewing our trade ban against the country still maintaining its blockade.

Since the British Navy controlled the seas and the French Navy had little success in its blockade enforcement, Napoleon took advantage of this opportunity. He announced withdrawal of the French decrees, and thus got the American government to officially stop trade with Britain.

CAUSES OF THE WAR

Although Napoleon did not live up to his side of the agreement, other factors set the stage for conflict with Britain. First, there occurred a battle between the American frigate *President* (engaged in protecting American shipping) and the British naval vessel *Little Belt*. The *President* was victorious, but the battle emphasized the hostile British naval policy. Other causes of friction are shown in the graphic on the opposite page.

The new Congress elected in 1810 was dominated by a group of patriotic young Republicans who were quick to express these anti-British sentiments. These young "Warhawks" demanded a West free from British-inspired Indian uprisings, and from British competition in the fur trade. They saw in Canada and Florida territory ripe for conquest. Swept along by their demands for action, Madison called for war. Congress responded with a declaration on June 18, 1812. The vote in favor of the war was far from overwhelming: 79-49 in the House and 19-13 in the Senate. Had modern means of communication existed, the war would probably never have been fought. For on June 23, long before news of the American action reached London, the British government had bowed to the clamor of merchants demanding a renewal of trade with the United States. It had repealed the blockade orders (incidentally also proving, too late, the soundness of Jefferson's Embargo).

Among the causes for war listed in Madison's message were such British acts as confiscating American ships, "impressing" our seamen, blockading our shores, subjecting our commerce to burdensome regulations, and inciting the Indians to attack our frontiers. These grievances were mainly suffered by New England's shipping, yet that region was most opposed to the war. Yankee opposition was based on fear that the war would totally destroy its commerce;

fear that success in Florida and Canada would add land and population to the West and South; Federalist fear of French radicalism; and the Federalists' own ties to Britain. As a result, New England contributed little to the war effort. Republican finance legislation was opposed, and war loan drives were boycotted.

As Jefferson's candidate in the election of 1808, Madison had carried most of the country outside of New England and had received two-thirds of the nation's electoral vote. But the 1812 election was more closely fought. Anti-war Federalists supported DeWitt Clinton. A conservative Republican, he carried all states north of the Delaware except two. Madison carried the South and West, and won with an electoral vote of 128 to 89. The sizeable vote against Madison showed how far from united the nation was in support of the war.

WAR BY LAND AND SEA

The Americans were poorly prepared for the war. Repeated efforts to conquer Canada failed, but British attempts to invade this country from the north were also unsuccessful. Perry's naval victory on Lake Erie and McDonough's defeat of a British squadron on Lake Champlain contributed to the British failure. A British foray in the Chesapeake region accomplished nothing and their attempt to capture New Orleans (in a battle actually fought after the war was over) was turned back by Andrew Jackson. The role of war hero later helped to make Jackson President, as it did William Henry Harrison who had recaptured the Northwest.

America's tiny navy made a gallant showing but was eventually largely destroyed. Our privateers, however, captured 1300 British vessels, valued at \$39 million. In return, the British Navy's blockade cut our foreign trade from \$114 million in 1811 to \$20 million in 1814. Neither Britain nor the United States could wage a decisive campaign, and the mounting commercial losses soon fostered a desire for peace. The Treaty of Ghent (1814) established peace and little more. But it ended American dreams of annexing Canada, and British intrigues with the Indians.

In protest against war-caused losses in American trade, a Federalist Convention of delegates from Massachusetts, Connecticut and Rhode Island gathered at Hartford, Connecticut, on December 15, 1814. It adopted resolutions condemning the war and recommending changes in the Constitution. But our victory at New Orleans and the end of the war soon buried the Federalist party in ridicule and defeat.

TROUBLE SPOTS LEADING TO THE WAR OF 1812



British support of Indian raiders



Blockade causes loss of foreign outlets and depression



British blockade of American shipments to Napoleonic Europe



Expansionist sentiment in Congress



Competition in fur trade



British impressment of American seamen

The Era of Good Feeling

Although the blunders of the Hartford Convention resulted in the election of another Republican from Virginia to the Presidency (Monroe—1816), Federalist New England received substantial benefits from the War of 1812. Her shipping industry speedily revived in the postwar years, and her war-born factories received the benefit of our first frankly protective tariff (1816). Duties gave special protection to textiles, iron and other manufactures.

In addition, Federalist ideas again triumphed in a Republican regime—with the chartering in 1816 of a second Bank of the United States, for a term of 20 years. The Republicans set up the second Bank to get prices and commerce back to a stable level after a war-time inflation. Its functions were similar to those of its predecessor. It included the issuing of banknotes acceptable by the Federal Government in payment for all debts.

GROWTH OF NATIONALISM

A program of nationalist measures was advocated by Speaker of the House of Representatives Henry Clay of Kentucky, who called it the American System. Clay advocated the development of the internal market by high tariffs which would protect American manufacturers from foreign competition. He also called for improvements in internal transportation which would bring western agricultural products more easily to eastern markets. In line with this, Congress in 1806 authorized the building of the Cumberland Road from Maryland to western Virginia. Later funds were voted to push the highway west to the Mississippi. However, Madison and Monroe vetoed, on constitutional grounds, further federally financed roads.

When the Republicans took over such Federalist measures as a protective tariff, internal improvements, and a central bank, this further weakened the Federalist party. In 1816, the voters gave Republican candidate Monroe 183 electoral votes to 34 for Rufus King, his Federalist opponent. In 1820 (with no formal opposition on the ballot), Monroe gained every electoral vote but one. Additional proof of the decline of the Federalist party could be found in Monroe's cabinet—where John Quincy Adams, son of the Federalist president, became Secretary of State.

Perhaps the strongest of all unifying influences in this era flowed from the Supreme Court where the Federalist John Marshall held sway as Chief Justice from 1801-1835. As shown in the accompanying graphic chart, Marshall firmly established the Court as the ultimate interpreter of the Constitution. He handed down a series of broad interpretations which provided the legal base for a strong central government. Republican Presidents continually appointed states' rights Republicans to fill vacancies on the Court, but the brilliant, forceful Marshall soon converted them to his views. Proof of this was his record of having the majority of the bench vote with him on 1098 of the

1106 decisions he participated in. Marshall, himself, wrote 519 of these decisions.

However, Monroe's administration was not all harmony and progress. Settlers were flocking to the West and staking new farms on the basis of easy credit supplied by unstable, state-chartered banks. Eastern manufacturers, encouraged by the tariff of 1816 and the prospect of larger markets, overexpanded their plants. The second Bank of the United States joined in the speculative fever and lent money recklessly to the state banks. But late in 1818 the Bank's directors, becoming alarmed over the economic outlook, ordered their branches not to renew mortgages, and called for prompt payment in coin for all state bank notes the Bank was holding.


The result was the Panic of 1819: state banks failed, farm mortgages were foreclosed, and many manufacturers went into bankruptcy. As a consequence, the Bank was investigated and reorganized on a sounder basis. Another development was the Land Act of 1820 which abolished the system of allowing the purchase of public lands on credit. It also reduced the size of the minimum land purchase from 160 to 80 acres, and lowered the price from \$2 an acre to \$1.25. These changes made it easier for the poorer settlers to obtain land, and speeded the westward movement.

THE MISSOURI COMPROMISE

The Panic of 1819 had uncovered a sectional conflict between western debtors and eastern creditors. A second conflict erupted in Congress in 1819 when the Territory of Missouri, a part of the Louisiana Purchase, applied for admission to the Union as a slave state. The Northern free states, containing 53 percent of the population, had 105 members in the House of Representatives to 85 Southerners. In the Senate, however, each side had equal representation since there were 11 states in each bloc.

To admit Missouri as a slave state would have given the South a Senate majority, so northern Congressmen opposed admission. In the meantime, the parent state of Massachusetts had agreed to allow the area of Maine to apply for admission as a separate state. This opened the way for a compromise, since the addition of the slave state of Missouri could be balanced by the entrance of the free state of Maine. A further proviso was added prohibiting slavery elsewhere in the Louisiana Purchase north of the boundary line 36° 30'.


While slavery was thus banned from the greater part of the territory, it was generally thought that this northern portion was unfit for settlement. The South, on the other hand, counted on eventual statehood for Arkansas and Florida to add to its Congressional weight. Thus the Missouri Compromise seemed generally satisfactory. But farsighted men agreed with Jefferson that it was "a reprieve only, not a final sentence."



*MAJOR
PRINCIPLES
LAID DOWN BY
MARSHALL'S
SUPREME
COURT*



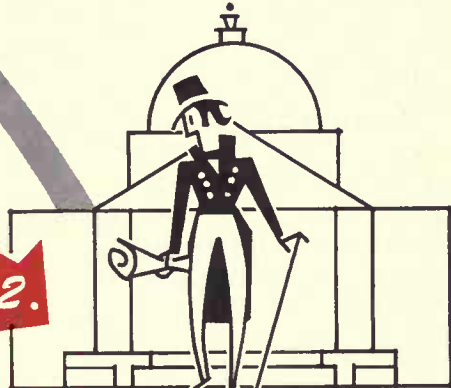
~~FEDERAL
LAW~~



1. Court should set aside Federal Laws it considers unconstitutional



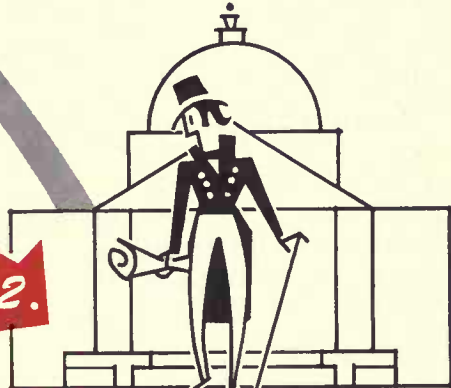
~~STATE
COURT
DECISION~~



3. Court should reverse State Court decisions it thinks incorrect



~~STATE
LAW~~




2. Court should set aside State Laws it considers unconstitutional



CONSTITUTION
of the UNITED STATES



U.S. BANK



LOUISIANA
PURCHASE

4. Constitution should be interpreted broadly

Growth of Sectionalism

As Monroe's second administration drew to a close, the nationalist spirit which had brought unity or compromise on major postwar political and economic questions began to splinter under the pressure of conflicting sectional aims.

The growth of industry in New England and the Middle Atlantic States brought a demand from the factory owners for a higher tariff. They also sought a large supply of wage laborers, and high prices on Western land to discourage their westward emigration. In addition, they wanted a strong banking system which would provide a uniform, stable currency.

With a rapidly expanding cotton crop, the Southern planters needed cheap Western land, a greater number of slaves, and a low tariff which would allow them to buy the manufactured goods most cheaply produced, whether domestic or foreign. The Western farmer also desired cheap manufactured goods, but wanted cheap money too—currency that would make easy the payment of mortgages and other debts. The frontier farmer was also interested in federal expenditures for improved roads, waterways, harbors and other modes of transportation, to bring his goods more cheaply to market.

THE ELECTION OF 1824

The election of 1824 saw presidential candidates from each section. The most glamorous of the contenders was Andrew Jackson, hero of the Battle of New Orleans and Indian wars, and his 99 electoral votes were the highest total. However, since 84 votes had been secured by John Quincy Adams, Monroe's Secretary of State, 41 votes by William Crawford, a Southern statesman, and 37 by Speaker of the House Henry Clay, no candidate had a majority. In accordance with the Constitution, the choice was left to the House of Representatives which, at Clay's urging, picked Adams. Since one of Adams' first moves was to appoint Clay Secretary of State, the Jackson supporters were presented with a powerful argument for the next election: a shady deal between Adams and Clay had upset the people's choice at the polls.

As Adams' administration wore on, the Jacksonians were able to find further ammunition. Adams sought to continue Monroe's nationalist policies. He urged increased appropriations for internal improvements, an enlarged navy, and national institutions of learning and research. This program was largely defeated because of the opposition of sectional interests. In addition, Jackson's supporters engineered the passage of the "Tariff of Abominations" in 1828 with rates so rigged that Adams was embarrassed, no matter whether he signed or rejected the bill. Adams' personality also was a handicap, since his coldness and

lack of political tact lost him support in Congress.

On the other hand, Jackson continued to gain strength. As the candidate of the common man, he benefited from two important democratic developments: the trend toward choosing each state's presidential electors by popular vote instead of selection by the state legislature (only 2 states still clung to the latter method in 1828); and the gradual elimination of poll taxes and property qualifications for voting. Furthermore, the states began to drop their property qualifications for *holding* office and they made the election of officials more frequent.

Jackson also won the backing of other political groups. The Southern aristocracy, though they had little love for the common man, had a greater fear of Adams' stand for a high tariff and other nationalist measures. The Northwest deserted Clay because of his ties with eastern banking interests. They approved Jackson because of his vigorous record in eliminating the Indian menace. In the East, such clever politicians as Martin Van Buren in New York and James Buchanan in Pennsylvania were able to rally voters behind the hero of 1812.

ELECTION OF ANDREW JACKSON

The result was landslide victory for Jackson in 1828. With 178 electoral votes to Adams' 83 he swept the entire South, the West, and split the Middle Atlantic States. Adams' strength was chiefly in New England.

The campaign had seen the breakup of the Republican party. The conservatives formed the National Republicans behind Adams, while the liberals supported Jackson under the name of Democratic-Republicans. Although these Democrats traced their descent from Jefferson, with his faith in democracy, they altered his approach to fit new conditions. Where Jefferson had advocated strong popular state governments and a weak central government, the Jacksonians believed in expressing the will of the people through a strong, democratically controlled, national government.

One result of this belief was the introduction of the "Spoils System"—the name given to Jackson's action in dismissing many government employees appointed by previous presidents and filling their places with his own political supporters. Although he removed about four times as many men as previous presidents had done, Jackson actually dismissed no more than one-fifth of all federal officeholders. He barely touched the judicial branch and diplomatic service. Jacksonians defended this shakeup as a democratic reform which ended "aristocracy of officeholding," and brought fresh blood into the federal service.

Sectional Conflicts Develop



EASTERN INDUSTRIALIST



SOUTHERN PLANTER



WESTERN FARMER

TARIFF ON MANUFACTURED GOODS



HIGH — To protect home factories



LOW — To keep prices of goods down



HIGH ... IF ... Internal improvements also constructed

CURRENCY



RELIABLE — Sound uniform value for local currencies



CHEAP — Large supply for easy payment of debts



CHEAP — Large supply for easy payment of debts

LABOR



FREE — Skilled mobile labor supply



SLAVE — Forced fixed labor supply



FREE — Elimination of competition from cheap slave labor

WESTERN LAND



EXPENSIVE — To discourage westward immigration



CHEAP — To encourage settlement by slave interests



CHEAP — To encourage settlement by small farmers

INTERNAL IMPROVEMENTS



YES ... IF ... Tariff protection insured a western market



NO — Products could be marketed via natural routes



YES — Shorter routes needed for transportation to Eastern markets

The Jackson Administration

One of the gravest questions to arise during Jackson's administration was the attempt of South Carolina to nullify the federal tariff. That is, South Carolina sought to make inoperative the tariff in that state. The state's fight was led by John C. Calhoun, who had served as Vice-President during both Adams' regime and Jackson's first term. Calhoun believed that the South's interests were being sacrificed to northern factory owners by the high rates on manufactured imports in the Tariff of 1828. As a defense, the Vice-President late in 1828 submitted to the South Carolina legislature an "Exposition and Protest."

In this document, Calhoun developed the argument that a tariff for revenue was acceptable, but that a protective tariff was unconstitutional. Since the Union was an agreement between sovereign states, this unconstitutional law could be remedied by having a special state convention declare the law inoperative within the state.

THE NULLIFICATION DEBATE

Descended from Jefferson's Virginia and Kentucky Resolutions (see Chapter 16), this doctrine of state nullification provoked a famous debate in the Senate in 1830, between Robert Hayne of South Carolina and Daniel Webster of Massachusetts. Hayne upheld Calhoun's theory that a state might interpose to nullify a federal act when it injured the state's interests. In answer to Calhoun and Hayne's doctrine of state sovereignty, Webster maintained that the Constitution was a union of the people—not of the states. He asserted that the nullification doctrine would lead to anarchy and chaos if each state could declare different federal laws unconstitutional. Instead, Webster urged continued support of the Supreme Court as the final arbiter of constitutionality.

The controversy came to a head with the passage of the Tariff of 1832, which somewhat lowered tariff rates but maintained the theory of protection. The South Carolina state elections of 1832 were fought on the nullification issue. When the states' rights party triumphed, it immediately called a convention (in line with the Calhoun doctrine). This convention declared the tariffs of 1828 and 1832 null and void in South Carolina. It also threatened to withdraw from the Union if any attempt were made to enforce them within the state.

Although Jackson was not an enthusiastic tariff man, he refused to permit this threat to the Union. After issuing a warning proclamation to South Carolina, he called upon Congress for passage of the Force Bill. This empowered the President to use the army and navy to enforce the tariff law in South Carolina.

Because of personal and political differences with Jackson, Calhoun had resigned as Vice-President but had returned to Washington as Senator from South Carolina. Wavering in the face of the President's firmness, Calhoun accepted a compromise worked out by Clay and Van Buren. Congress passed the Force Bill—but on the same day

passed the Compromise Tariff of 1833, which provided for a gradual reduction of rates over a nine year period.

Unable to win the support of the other southern states, South Carolina repealed its Ordinance of Nullification and, in a last display of bravado, nullified the Force Act. But this harmless gesture could not obscure the fact that Jackson had maintained the supremacy of the Federal Government.

Jackson's fight against nullification was backed by men of every class; his second major battle, to destroy the Bank of the United States, split the country along economic lines. Industrialists, merchants and other businessmen supported the Bank; poor western farmers and eastern workers in general opposed it.

Early in his first term Jackson had indicated opposition to the Bank, based on two main principles: (1) The Bank was a monopoly protected by the government, but run for private profit by bankers not responsible to the people or government for their actions. (2) The Bank's power to issue paper money led to overexpansion of the currency and inflation.

However, Nicholas Biddle, the suave Philadelphia president of the Bank, was confident he could overcome Jackson's opposition. Certain leading senators, representatives, and newspaper editors were on his payroll, men who defended the Bank vigorously. In a show of strength, "Biddle's Boys" pushed through a bill in 1832 rechartering the Bank—although the Bank's existing charter actually would not expire until 1836. Jackson's reply was a veto, with a powerful message putting forth his position.

DESTRUCTION OF THE BANK

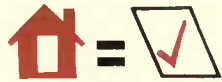
With the Bank Veto a major issue in the presidential campaign of 1832, the great mass of the people swung behind Jackson. They were rallied by anti-Bank Democrats, labor leaders and some faithful newspaper editors. The final results proved a landslide. Jackson received 219 electoral votes to 49 for Clay and 18 for two minor candidates.

Armed by this popular support, Jackson took the offensive. He announced a policy of thenceforth depositing federal funds only in state-chartered banks. Thus federal money ceased to move into the Bank. Biddle's reply was to call on the state banks for immediate payment of loans and other obligations owed to the Bank of the U. S. In this way he planned to start a panic which would scare Congress and the President into rechartering the Bank and restoring federal deposits.

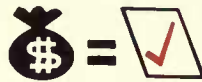
In pursuance of this policy, Biddle reduced the Bank's outstanding loans by over eighteen million dollars from August 1, 1833 to November 1, 1834. But Jackson stood firm. And opposition to Biddle's tactics became so strong, even among businessmen, that the Bank president was finally forced to reverse his policy. By 1835 loans had returned almost to the level of 1833; the panic was over, and the Bank had neither a new charter nor federal deposits.

TAX & PROPERTY QUALIFICATIONS FOR VOTING

KEY



PROPERTY QUALIFICATIONS FOR VOTING



TAX QUALIFICATIONS FOR VOTING



TAX & PROPERTY QUALIFICATIONS FOR VOTING



NO TAX OR PROPERTY QUALIFICATIONS FOR VOTING

1775



1800



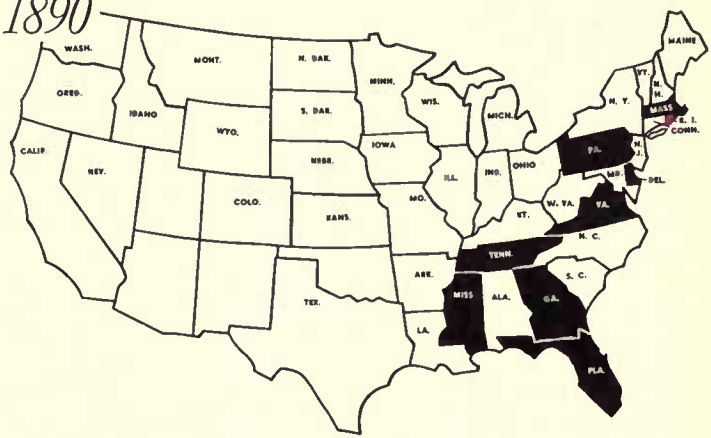
1830



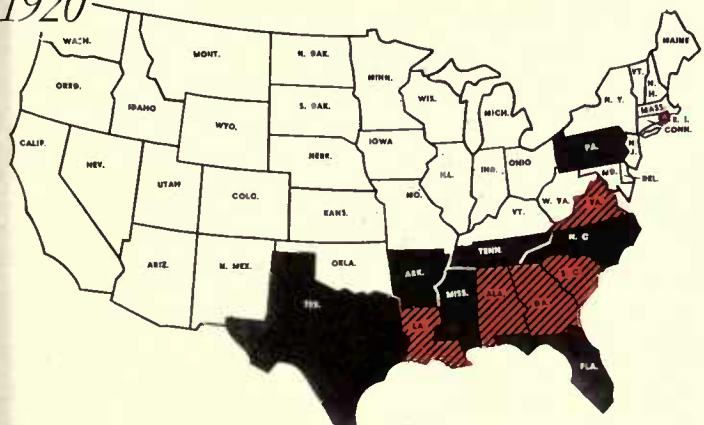
1860



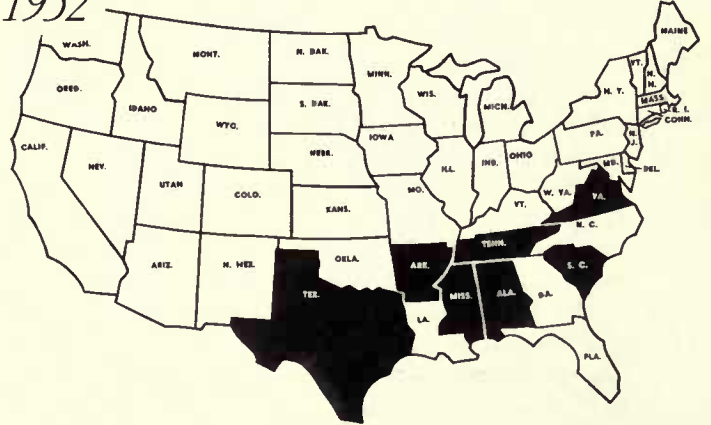
1890



1920



1952



The End of the Jacksonian Era

Although the disputes over Bank and Tariff dominated Jackson's Administration, other issues of importance arose. In 1830, Jackson vetoed the Maysville Road bill as unconstitutional since it offered federal aid to a road built entirely within one state. To the surprise of many, the public approved the veto. It also approved Jackson's attitude toward the Indians. Overriding treaties and Supreme Court decisions, he cooperated with land hungry westerners in pushing the Indians off fertile midwest soil. The redskins were shunted westward beyond the Mississippi.

Forceful leadership like this explained why Jackson gained power at the expense of Congress, although the three preceding presidents had lost power to that body. Taking the people's side of most major issues, Jackson and his high command were quick to explain their stand and rally popular support. With this support, and with his position as Democratic party chieftain, Jackson was usually able to swing Congress his way.

RISE OF THE WHIG PARTY

However, Jackson's vigorous leadership and the issues he advocated caused the formation of a new opposition. Built on the ruins of the National Republican party Jackson had twice defeated, the new party called themselves "Whigs" after the English party which had resisted despotic rule by the King. This new opposition group contained the National Republican followers of Clay and Webster, the Anti-Masons, and many Democrats who had opposed Jackson on Nullification and the Bank.

This curious amalgamation decided to run three sectional heroes for president in 1836. They hoped thus to prevent the Jacksonian candidate from getting a majority of the electoral votes. Then the selection of president would be turned over to the new House of Representatives, which the Whigs hoped to control. The electorate's loyalty to the Jacksonians, however, defeated this plan. Jackson himself could easily have had a third term, but preferred to retire. As his successor the Democrats chose Martin Van Buren, Jackson's protégé and Vice-President during his second term. The voters ratified this choice, giving Van Buren 170 electoral votes to his opponents' 124.

The beginning of Van Buren's term saw a continuation of the fight by the Jacksonians to wrest control of the financial system away from the big private financiers. One of Jackson's last acts in 1836 had been to issue the Specie Circular. This ordered the Treasury and Government land offices not to accept anything but specie money (coins) in payment for federal land. Prior to this, the federal government had been freely accepting currency issued by state banks. This resulted in a federal Treasury bulging with paper money of doubtful value, an inflationary increase in paper money issued by state banks, and much specula-

tion in land. The Specie Circular brought all this to a halt.

Van Buren carried the fight for sound money a step further, with the introduction of the Independent Treasury system in 1840. This provided for the establishment of subtreasury buildings in the principal cities of the country. Here federal revenue would be received (but only specie accepted) and kept. Thus, the necessity for putting government money in private banks for safekeeping was eliminated. And the amount of specie deposits against which these private banks could issue paper money was considerably diminished. Jacksonians hailed this as another step forward in freeing a vital public interest from unreliable private control.

The most serious development of the Van Buren administration was the severe depression which settled over the country from 1837 to 1840 (see chart). One of the causes of the Panic of 1837 was a British depression which started in 1836 and resulted in the failure of important London business houses with investments in America. English cotton mills cut production, resulting in a drop in prices for the South's principal crop. American agriculture was further hit by Western grain crop failures in 1835 and 1837. This prevented farmers from meeting their debts, reduced grain exports, and caused a flow of specie from the United States to meet foreign obligations.

THE BANK CRISIS AND THE PANIC OF 1837

In addition, Jackson's smashing of the second Bank of the United States, and the distribution of federal funds to state banks, had provided the basis for an expansion of paper money. Lavishly used in the wave of land speculation, these paper notes were suddenly barred from this use by Jackson's Specie Circular of 1836.

By May 1837, as a result of this combination of factors, every bank in the country had suspended its obligation to redeem its paper currency by specie. Sales of public land fell from \$20 million in 1836 to \$1 million in 1841. Factories and stores shut down, unemployment became a serious problem and America plunged into its first major depression.

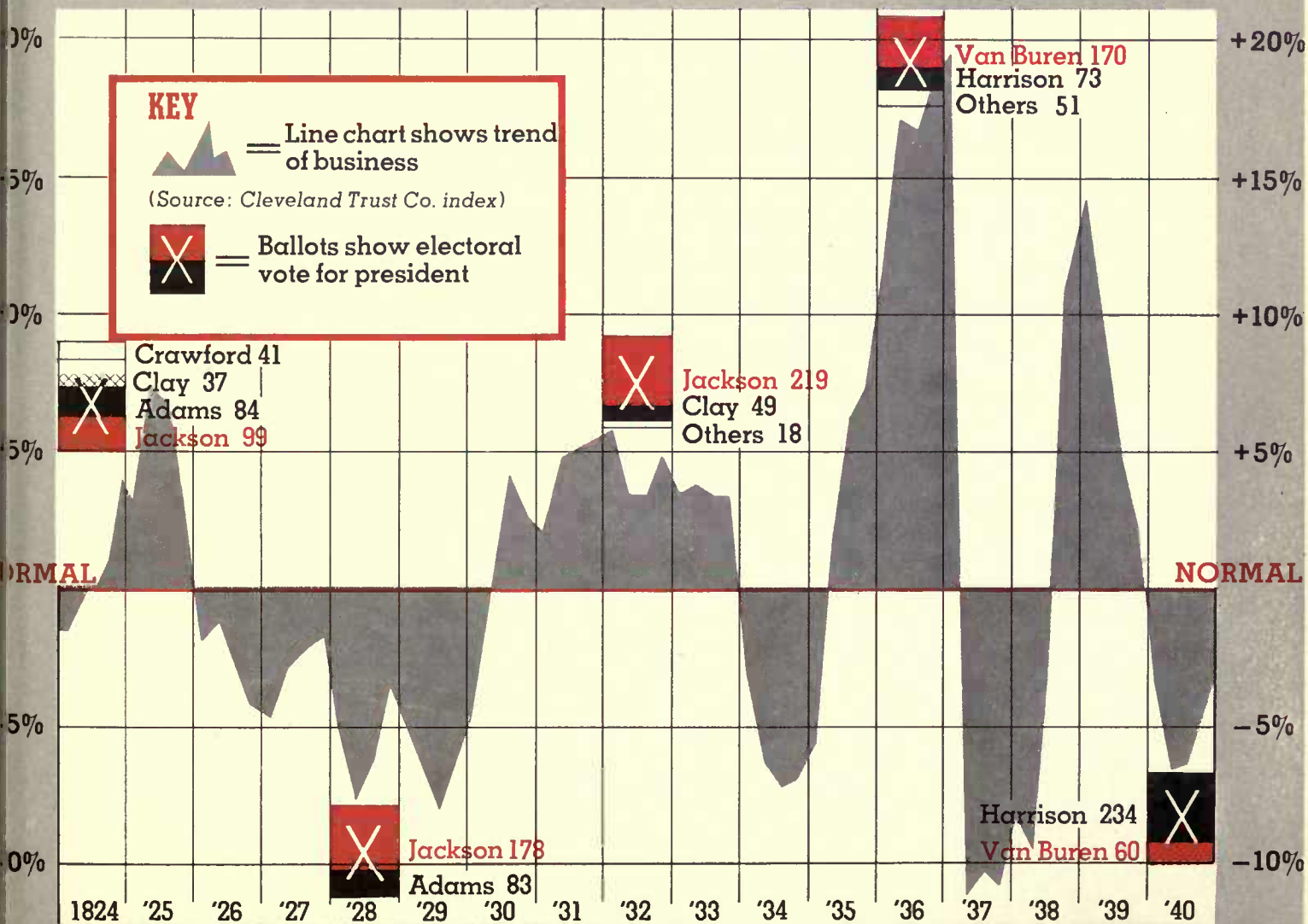
Taking full advantage of popular resentment, the Whigs also showed in the campaign of 1840 that they had learned something from their previous defeats. Though the party retained its big business backing, the Whig politicians presented Harrison, their candidate, as a simple man of the people. A Democratic newspaper remarked that Harrison would be happy the rest of his life with a \$2000 yearly pension, a barrel of cider and a log cabin. The Whigs took this up as their slogan, featured log cabin signs and cider at their meetings, and swept to control of both Congress and the Presidency.

EXPANSION OF VOTING DURING JACKSONIAN ERA

Percent of population voting in presidential elections



BUSINESS & POLITICS DURING THE JACKSONIAN ERA



Division and Reunion

The rise of nationalism and an "era of good feeling" following the War of 1812 soon ended in a sectional conflict which led to a War Between the States. It arose from the conflict of interests between an agricultural society based on cotton and slave labor and a growing industrial economy functioning through free wage-earners. It was precipitated by the union with Texas, the war with Mexico, and the annexation of the great Southwest. Whether this new area should be slave or free developed bitter sectional disputes. It brought about the end of the Missouri Compromise, the passage of the Compromise of 1850, the founding of the Republican party, and the election of Lincoln. Then followed the War Between the States, the difficult period of Reconstruction, and finally a stronger union after 1876.

Cotton and Slavery

Political battles continued to be fought along familiar lines, with both Whig and Democratic candidates attracting supporters in all sections. The economic systems in North and South, however, developed in different ways. In the North, manufacturing and commerce began to rival agriculture as a source of wealth, all of them based on free labor. In the South, a slave-based agriculture dominated the economy.

Negro slavery had started in the English colonies in 1619 when a Dutch man-of-war sold 20 Negroes to the settlers at Jamestown. Proving a good source for the cheap labor needed in raising commercial crops, slaves were imported in large numbers during the first three-quarters of the eighteenth century. By the time of the American Revolution there were at least 300,000 slaves in the country, and in some southern colonies they equaled or exceeded the number of whites.

After the Revolution, slavery was on the decline. By 1787, the New England States, New York and Pennsylvania had either abolished slavery or were taking steps in that direction. Even in the South many slaveholders followed the lead of Washington and Jefferson, and provided in their wills for the freeing of their slaves. Stimulating this trend was the fact that the slave system became unprofitable, once the tobacco crop in the older South had exhausted the soil.

ECONOMY OF THE SOUTH

The raising of cotton had made little progress during the colonial period. Bigger profits from tobacco, lack of a market, and difficulty in separating the seed from the fiber discouraged its production. However, the American Revolution—by interrupting the importation of foreign fabrics—created a large domestic demand for cotton. The invention of the cotton gin by Eli Whitney solved the seed separation problem, and the growth of textile manufacturing in both Britain and America provided a seemingly limitless market for the Southern cotton planter.

With the growth in cotton acreage to meet this demand, slavery again became profitable. Cotton raising was especially well adapted to the crude and wasteful methods of uneducated slave labor. Its culture was simple, few tools were needed, and the growing season extended over a large part of the year. Women and children could be used as well as men, and the work of many families supervised by one overseer. The result, as the chart shows, was a gigantic growth in the cotton crop—accompanied by a parallel growth in number of slaves.

By 1860, the value of American cotton exports amounted to more than 190 million dollars, 57 percent of the nation's export total. The greatest commercial crop in the South, cotton soon stimulated the settlement of the Southwest.

Rich soil and good river transportation led settlers into Alabama, Mississippi, Louisiana, Arkansas and Texas. By 1860, over half the South's population was west of the Appalachian mountains, and Southern political leadership shifted to this "New South."

Only a small part of the South's white population, however, belonged to the large slaveholder class. Out of a white population of 8 million in 1860, only 384,000 (less than 1 out of 20) owned slaves. Only one-third of these planters owned 10 or more slaves, while only 1733 owned 100 or more.

The value of these slaves steadily increased because the import of slaves had been banned after 1808. At the same time the opening of the Southwest had created an increasing demand. An able-bodied Negro field hand could be bought for \$300 in 1790; by 1860 his value had reached \$1500-\$2000.

Thus, the large slaveowner not only collected an annual profit from the efforts of his slaves, but in them had an asset of great value. On the other hand, the small planter with 3 or 4 slaves usually worked side by side with them in the field for a total farm income of only a few hundred dollars a year. And the poor Southern farmer with no slaves, or the tenant farmer, were lucky if they netted \$50 a year.

RISE OF THE ABOLITION MOVEMENT

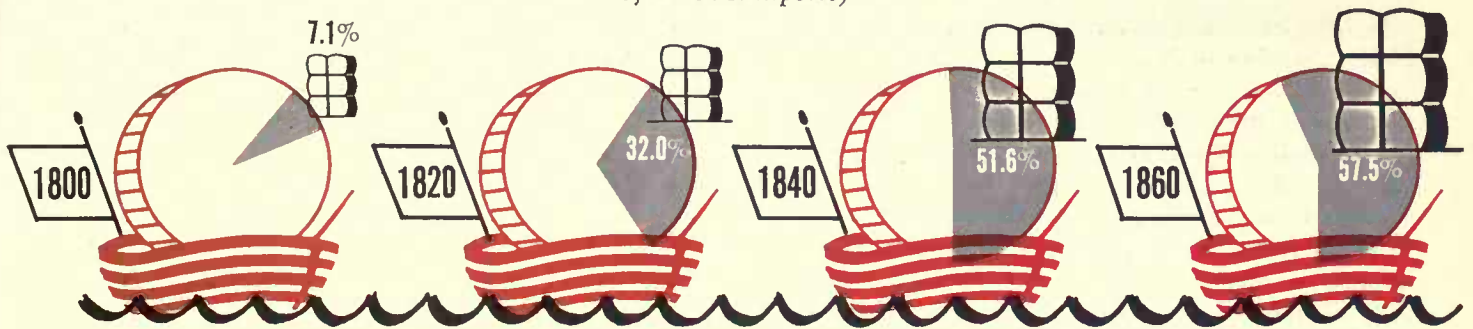
Religious and humanitarian opposition to the slave's place at the base of the South's economic pyramid, at first mild, became militant. It was led by such men as William Lloyd Garrison who started an anti-slavery newspaper called *The Liberator* in 1831. Local societies for the abolition of slavery sprang up throughout the North, increasing from 200 chapters in 1835 to 2000 with 200,000 members by 1840. Abolitionist petitions poured in on Congress.

The exponents of slavery were not long in developing a defense for their position. Citing the Bible, the Constitution, and the history of ancient civilization, slavery's defenders called the system natural and inevitable. They claimed that the Negro slave had better treatment and more security than the white wage laborer in the North.

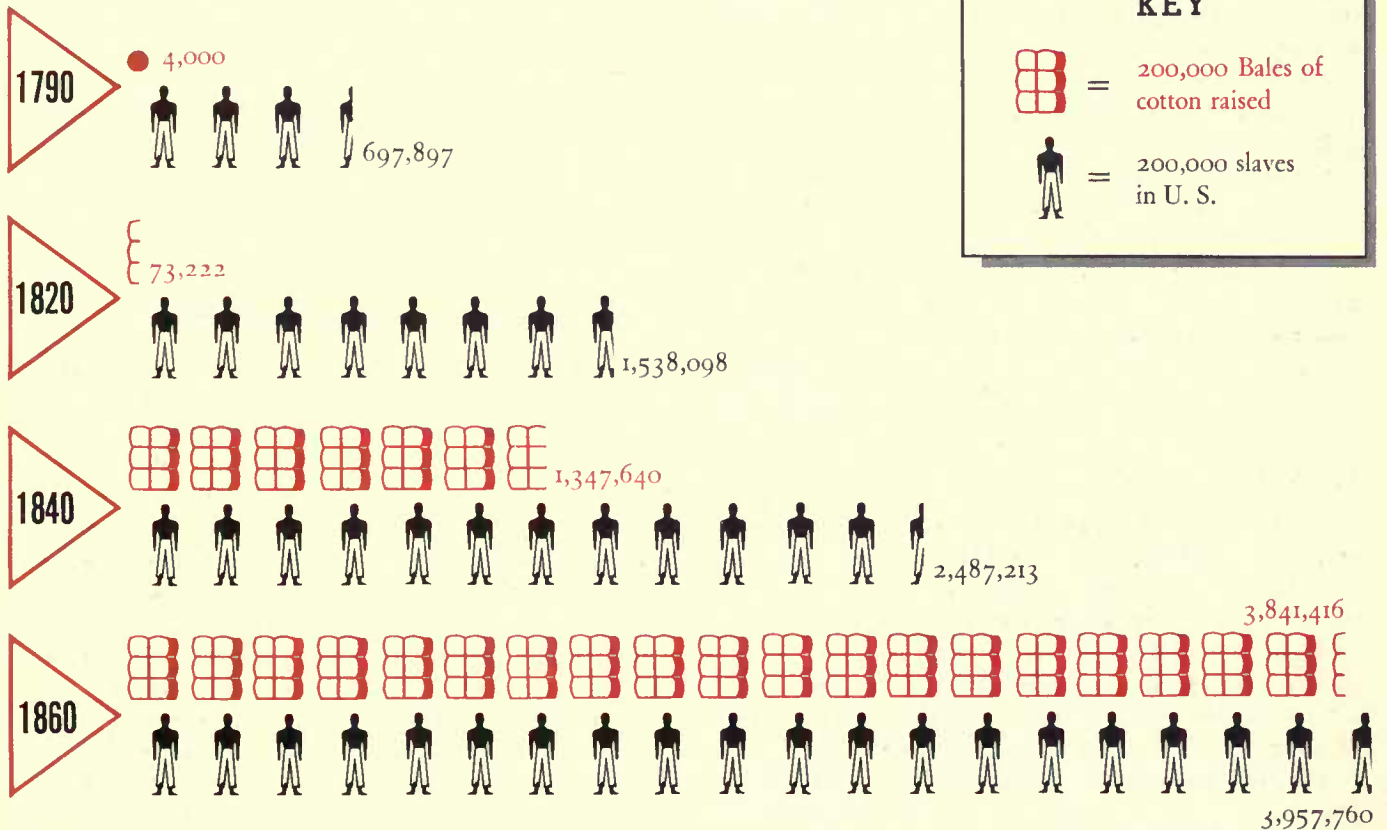
The majority of these white workers, however, looked on the slave as a competitor, and rallied behind the anti-slavery advocates. But the southern planters were able to secure support from their non-slave owning neighbors. As a result, the slavery question which many had thought solved by the Missouri Compromise of 1820 reappeared on the scene again. Slavery now became an economic issue, a political issue, and a social issue. And it gradually divided the country into two antagonistic regions.

Emergence of cotton as our most valuable export

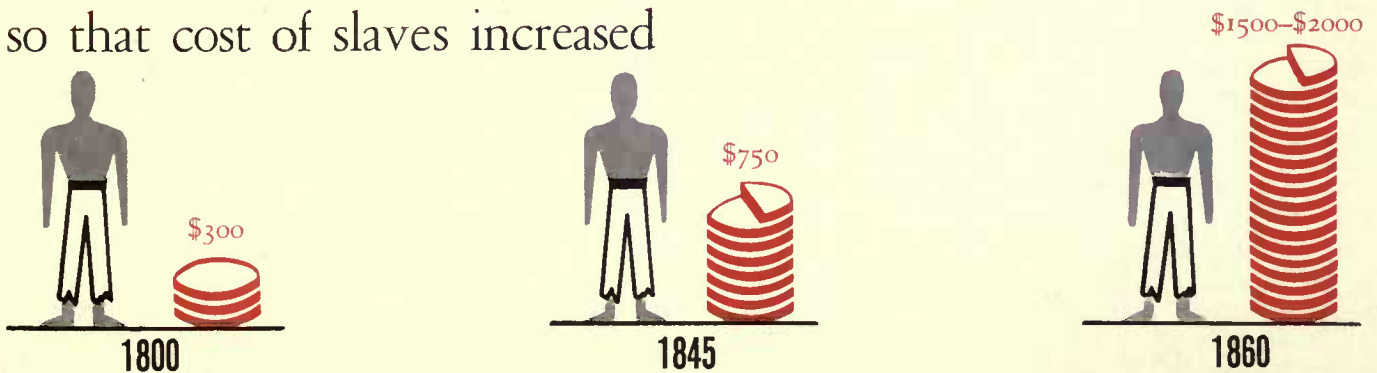
(Value of cotton exports as a percent of all U. S. exports)



More cotton required... more slaves...



...so that cost of slaves increased



Territorial Expansion

In 1836, the preponderantly American population of the Mexican province of Texas climaxed years of friction with the Mexican government by staging a successful revolution. One of the first acts of this new republic of Texas was to petition Washington for inclusion in the United States as a slave state.

Since the Union was then delicately balanced between 13 free states and 13 slave states, Jackson and Van Buren managed to prevent action on the Texas request during their administrations. Harrison's early death passed the presidency on to Vice-President Tyler, a pro-slavery man, who attempted to annex Texas by a treaty in 1844. However, the treaty was rejected by the Senate in time to make it a presidential campaign issue.

Far in the lead for the Democratic nomination in 1844, ex-president Van Buren killed his own chances by opposing annexation of Texas. Instead, the Democrats chose James K. Polk, an annexationist but friendly to the old Jacksonian wing of the party. The Whigs named Henry Clay, who attempted to take a position that would be interpreted as favorable by both friends and foes of annexation.

The Whigs made no mention of Texas in their platform. The Democrats, however, came out strongly for the "re-annexation of Texas and the reoccupation of Oregon."

Linking the Oregon region (then in dispute with Britain) with Texas, the Democrats held out hope for a free state region to balance the prospective addition to slave power. Uncompromising opponents of slavery, however, backed James G. Birney through the Liberty Party which they had formed in 1840.

ELECTION OF POLK

In the close election that followed, Polk had a margin of less than 40,000 votes over Clay, but received 170 electoral votes to the Whig's 105. Congress immediately interpreted this as an endorsement of the Democratic stand on Texas, and voted annexation by a joint resolution in the closing days of the Tyler administration. By late 1845 when Texas finally entered the Union, the Senate balance of power stood 15-13 in favor of the slave states, for Florida had also been admitted as a slave state earlier that year.

In 1843, President Santa Anna had warned that "the Mexican government will consider equivalent to a declaration of war . . . the passage of an act for the incorporation of Texas into the territory of the United States." When the annexation act was passed, Mexico broke diplomatic relations with the United States and prepared for war.

Polk and the Southern planters, eager for more land, welcomed the opportunity. A clash between Mexican and United States troops in April 1846, in disputed border territory, gave Polk his chance. He asked for a declaration of war. Congress obliged on May 13.

Greeted with enthusiasm in the South and West, the war was opposed by Northern Whigs and anti-slavery men. They viewed the fight as a "southern conspiracy" to extend slavery and the influence of the Democratic party. This viewpoint was crystallized by a resolution introduced in Congress in 1846 by David Wilmot, anti-slavery Democrat from Pennsylvania. It stipulated that "neither slavery nor involuntary servitude shall ever exist in any part" of any territory that might be acquired from Mexico. With votes following strictly regional lines, the Wilmot Proviso passed the House but failed in the Senate.

The treaty of 1848, which ended the war, revealed how big the stakes with regard to slavery had been. The United States secured not only the disputed Texas border territory between the Nueces and Rio Grande Rivers, but also the vast Mexican Cession: today's California, most of New Mexico and Arizona, Nevada, Utah, and parts of Colorado and Wyoming. In return this country paid Mexico \$15,000,000, and assumed \$1,300,000 of claims against her by Americans.

SETTLEMENT OF THE OREGON DISPUTE

A settlement of the Oregon boundary dispute with Great Britain was also achieved. Though the Democratic campaign platform had thundered for an end to joint occupation of Oregon with Britain, Polk hesitated. Rather than face simultaneous wars with Britain and Mexico, he compromised on a northern boundary at 49°. This, incidentally, was a very good deal since the United States gained most of the fertile Columbia Valley and a boundary line which Britain had several times previously rejected.

Besides winning the Southwest and solving the Oregon boundary question Polk was successful on two other issues. He restored in 1846 the independent treasury system which the Whigs had scrapped during the Tyler administration. In the same year Congress accepted his program of tariff reduction, passing the Walker tariff.

Successful in achieving his goals, Polk refused renomination in 1848. He died in 1849 just before it became apparent to all that the territorial achievements of his administration had actually created more problems than they had solved.

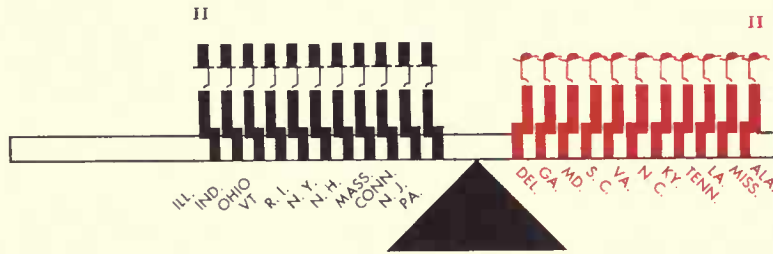
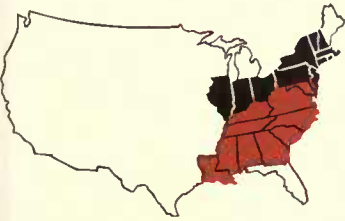
EXPANSION OF FREE & SLAVE STATES

The balance of power in the Senate

Free States

Slave States

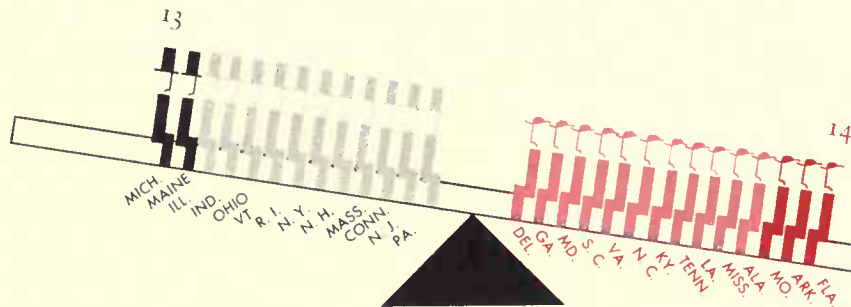
1820



DAILY PRESS

MISSOURI COMPROMISE PASSED

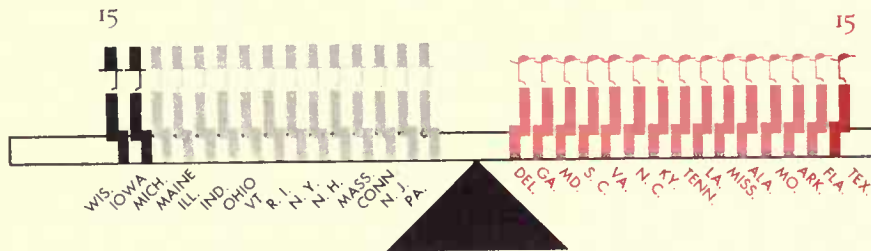
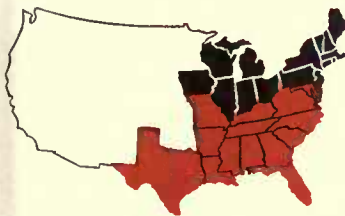
1845



DAILY PRESS

ANNEXATION OF TEXAS

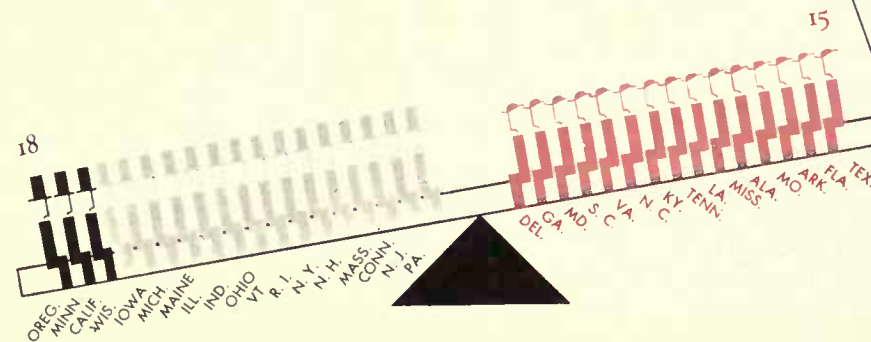
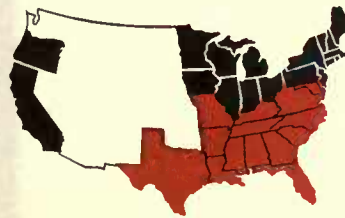
1850



DAILY PRESS

COMPROMISE OF 1850

1860



DAILY PRESS

LINCOLN ELECTED!!

The Compromise of 1850

Despite previous Whig opposition to the Mexican War, the party's nominee for 1848 was a war hero, General Zachary Taylor. The Democrats countered with Senator Lewis Cass of Michigan. Dissatisfied with the refusal of both major parties to take a stand against the expansion of slavery, a group of liberal Democrats combined with various anti-slavery groups to form the Free Soil Party. Martin Van Buren, persuaded to come out of retirement to head their ticket, polled 300,000 votes, enough of them coming from the Democratic Party to throw the election to the Whig candidate.

Though the major parties successfully ducked the slavery question during the campaign, the next session of Congress could not. The admission of the free states of Iowa in 1846 and Wisconsin in 1849 had restored the balance of power at 15-15. Meanwhile the California Gold Rush resulted in a rapid influx of population, and that territory was soon petitioning for admission as a free state. The South took alarm at this possibility of losing control of the Senate, especially since the question of slavery in the rest of the Mexican Cession would soon have to be decided.

CONGRESS DEBATES THE ISSUE

The two years of Congressional discussion and debate which followed developed four different points of view on the question of slavery and the newly acquired territory. One group, including Polk, advocated extension of the Missouri Compromise line to the Pacific with all territory above $36^{\circ} 30'$ to be free and all below to be slave. A second group, led by Cass and Stephen Douglas, proposed popular or "squatter" sovereignty: the right of the settlers in the new territory to decide the question for themselves. The strict opponents of slavery backed the Wilmot Proviso, forbidding slavery entirely in the new territory. Southern extremists led by Calhoun and Jefferson Davis contended that slaves were property protected by the Constitution, and could not be barred by Congress or local legislation from federal territories.

Calhoun complained that the North was growing too powerful economically and politically. The Union could only be saved, he stated, if the North would make concessions—stop abolitionist agitation, strictly enforce the fugitive-slave laws, and grant slavery equal rights in the new territories. Otherwise, "let the States . . . agree to separate and part in peace."

Three days later Daniel Webster spoke up for compromise in words that seemed like "appeasement" to his New England followers. Webster questioned the usefulness of abolitionist societies, upheld the South's demand for stronger fugitive-slave laws, and opposed the Wilmot Proviso on the grounds that the new territories would naturally choose to be free states. On the other hand, he ridiculed the idea that the Southern states could secede

peaceably.

A series of bills (sponsored by Clay but written by Stephen A. Douglas) offering concessions to both sides was finally passed in September, 1850. Known as the Compromise of 1850, it provided:

- 1— Admission of California as a free state, giving the North the balance of power, 16-15.
- 2— The rest of the Mexican Cession was to be divided into the territories of Utah and New Mexico, separated by the parallel of 37° . Whether the states to be carved out of these territories would be slave or free was to be decided by popular sovereignty—by a vote of the settlers in the territories.
- 3— The buying and selling of slaves was abolished in the District of Columbia, but not slavery itself.
- 4— A strengthened fugitive-slave bill was passed. It barred an alleged fugitive from testifying for himself, and provided heavy penalties for anyone hindering his arrest or aiding in his escape.

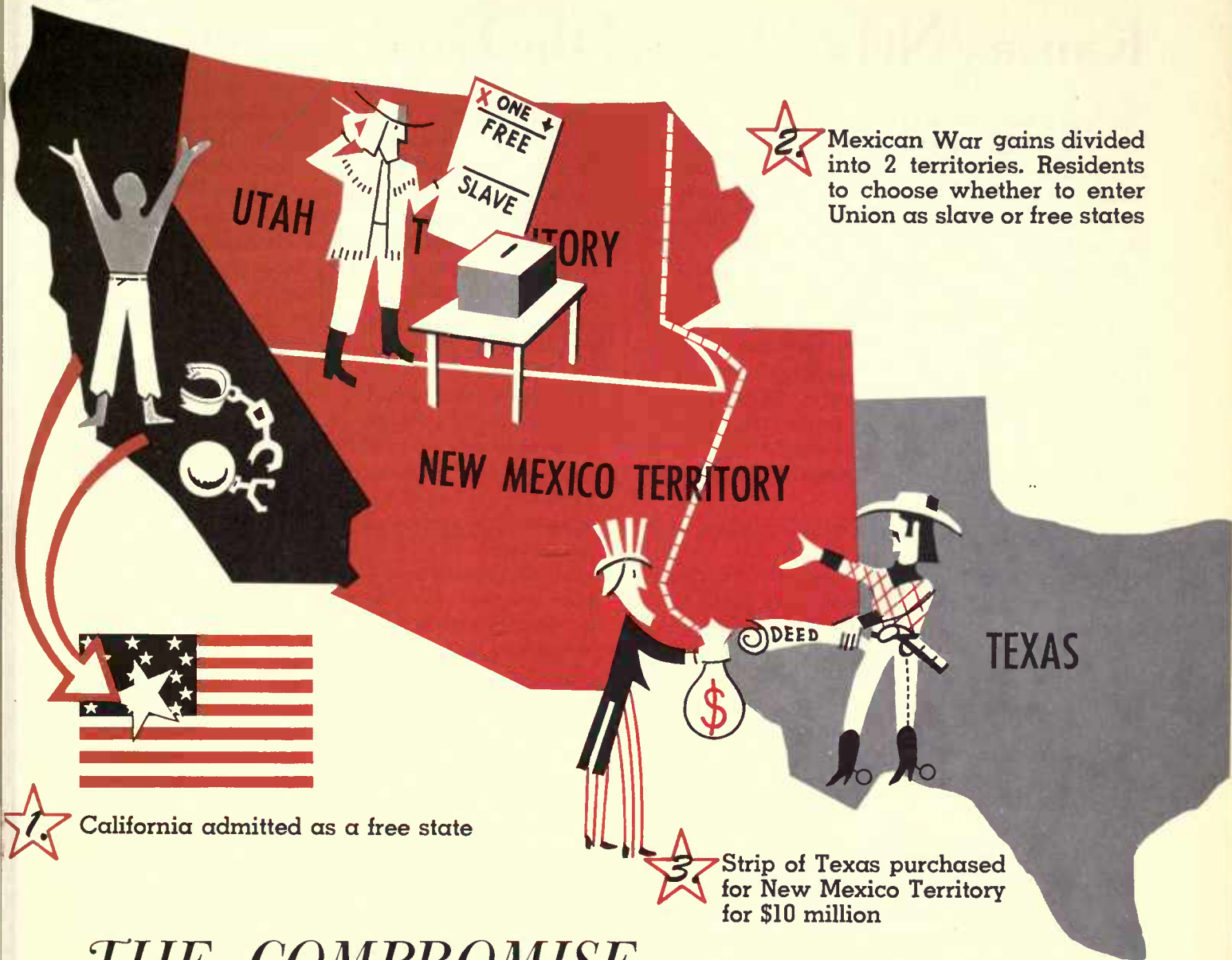
REACTION TO THE COMPROMISE

The key to the Compromise was the "popular sovereignty" provision, which served to postpone the question of whether the rest of the Mexican Cession would be slave or free. To make sure that the Compromise was final, Clay led 44 other members of Congress in a pledge to maintain the settlement and oppose all candidates for office who failed to take a similar stand.

However, within a month news reached Washington that Boston had forcibly resisted the enforcement of the new fugitive slave law. Following this lead, a number of Northern States passed "personal liberty" laws. By granting jury trials to runaway slaves, and refusing the cooperation of state officials and facilities in prosecuting them, these laws weakened the effectiveness of the federal law.

Thus slavery and the Compromise of 1850 were still big issues when the time came for the presidential election of 1852. However, both parties endorsed the Compromise, because the party chiefs felt that the majority of the voters were tired of the slavery question and satisfied with this solution.

With typical political inconsistency, the Whigs nominated General Winfield Scott, although he was the candidate of the anti-Compromise section of the Whig Party. His defeat by Franklin Pierce, the Democratic dark horse, seemed to prove the theory that the nation would reject anyone not firmly committed to the Compromise.

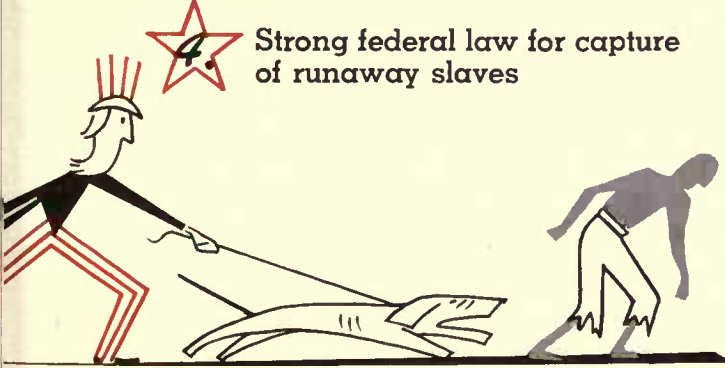


2. Mexican War gains divided into 2 territories. Residents to choose whether to enter Union as slave or free states

1. California admitted as a free state

3. Strip of Texas purchased for New Mexico Territory for \$10 million

THE COMPROMISE OF 1850



4. Strong federal law for capture of runaway slaves



5. Abolition of the slave trade in the District of Columbia

Kansas-Nebraska and the Dred Scott Case

Perhaps it was fortunate that Clay and Webster, architects of the Compromise of 1850, died before 1852 was out. Thus they were spared witnessing the Kansas-Nebraska Act of 1854 which nullified the effects not only of the 1850 compromise, but also of the Missouri Compromise of 1820.

Responsible for this turnabout was Senator Stephen A. Douglas. A good friend of the railroad interests in his home state of Illinois, he was anxious to make sure that the proposed railway to the Pacific start from Chicago. However, none of the regions of the central west was as yet organized into territories or states with the governmental machinery necessary to protect the railroad. Meanwhile, a potential southwestern cross-country route had a protected path to the Pacific through Texas, the New Mexico territory and California.

THE KANSAS-NEBRASKA ACT

For years, Southern congressmen had prevented the organization of territorial governments in the central west. They aimed to block the northern railroad, and prevent the possibility of new free states being formed. Now, as a bribe to the Southerners, Douglas proposed the Kansas-Nebraska Bill. This provided for the division of the region, along the 40° parallel, into Kansas and Nebraska Territories, with popular sovereignty to decide the slavery question in each area. Since these were regions previously forbidden to slavery under the Missouri Compromise, the South naturally supported the measure.

For three months Congress debated the issue. When the vote came, President Pierce made support of the measure a test of party loyalty. With almost solid Democratic support, plus aid from the Southern Whigs, the Kansas-Nebraska Bill became law by a comfortable margin.

However, opinion throughout the North rallied against the measure. More state personal liberty laws were passed; the Underground Railroad (a system for smuggling slaves into free areas) expanded its activity; and Northern men were sent into Kansas to contest the South's drive for that territory. For nearly two years a small scale civil war raged in Kansas. The theory of popular sovereignty broke down completely as the rival factions "elected" different governments and chose different constitutions.

To counter the slavery drive, representatives of the northern Whigs, Free Soilers, and anti-slavery Democrats met on July 6, 1854 at Jackson, Michigan. There they organized the Republican Party and adopted a platform. It called for repeal of the Kansas-Nebraska Act and the fugitive-slave law, and restriction of slavery to its existing boundaries.

Quickly spreading throughout the North, the new party

won control of Ohio in the 1854 state elections and made a strong showing in other states. By 1856, the Republicans were ready to nominate a presidential candidate. For the honor they passed over Governor Salmon P. Chase of Ohio (former senator and leading abolitionist) and Senator William H. Seward of New York (former governor and foe of slavery), their nationally known political leaders. The convention chose John Frémont, a famous western explorer. The Republican platform again opposed extension of slavery, and pledged the admission of Kansas as a free state.

To oppose Frémont the Democrats chose an experienced and conservative politician, James Buchanan of Pennsylvania, rejecting Pierce and Douglas because of their close association with the Kansas-Nebraska Act. The choice of Buchanan was helped by the fact that he had not been involved in the Kansas controversy, having been away as ambassador to Britain. It was also hoped that he might swing his wavering home state of Pennsylvania. The Whig party had meanwhile dissolved completely—the anti-slavery elements entering the Republican Party, the pro-slavery men joining the Democrats.

ELECTION OF BUCHANAN

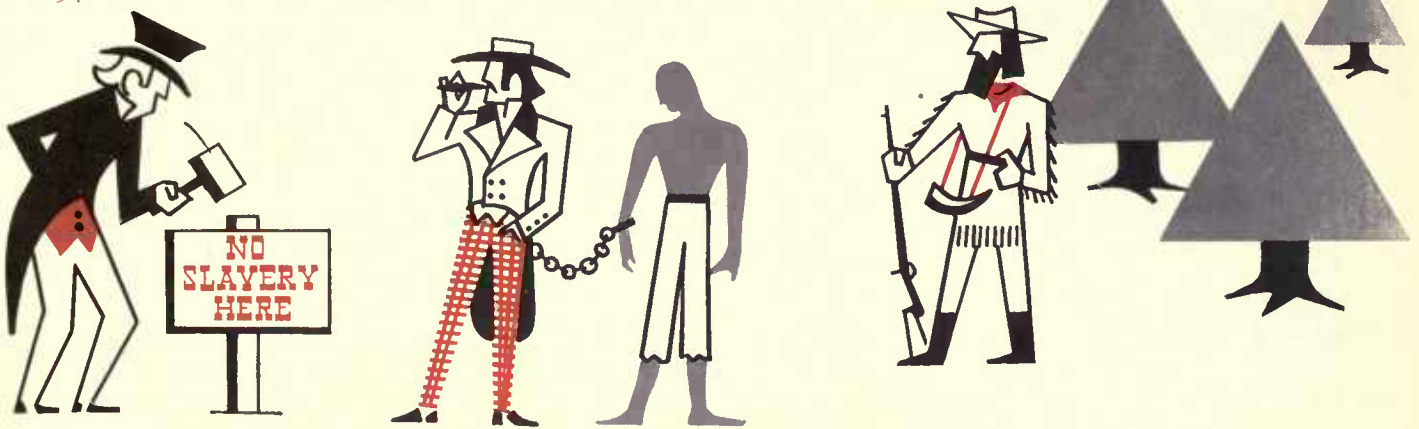
During the campaign the Democrats stressed the sectional nature of the Republican Party and predicted the breakup of the Union if Frémont were elected. This threat of secession brought backing to the Democrats from conservative business interests in the North, and helped Buchanan win by 174 electoral votes to 114.

In his inaugural address, Buchanan expressed the hope that the slavery question would be effectively settled by Supreme Court decisions on pending cases. Two days later, Chief Justice Taney handed down the court's decision in the case of Dred Scott, the Negro slave of an army surgeon. His master had taken Scott from the slave state of Missouri to the free state of Illinois, then to the free Wisconsin territory and back again to Missouri. Scott had then sued for his freedom on the grounds that residence in the free regions had made him free.

Taney and the court decided against Scott. They held that under the Constitution he was not a person but merely property, and therefore unaffected by his residence in the free states. In addition, the Court proclaimed that Congress had no power to prohibit slavery in the territories. His master's ownership rights were protected throughout the United States by the Constitution, according to the Court. Thus the Missouri Compromise's restriction of slavery was illegal, as was the Kansas-Nebraska Act's attempt to settle the issue by popular sovereignty.

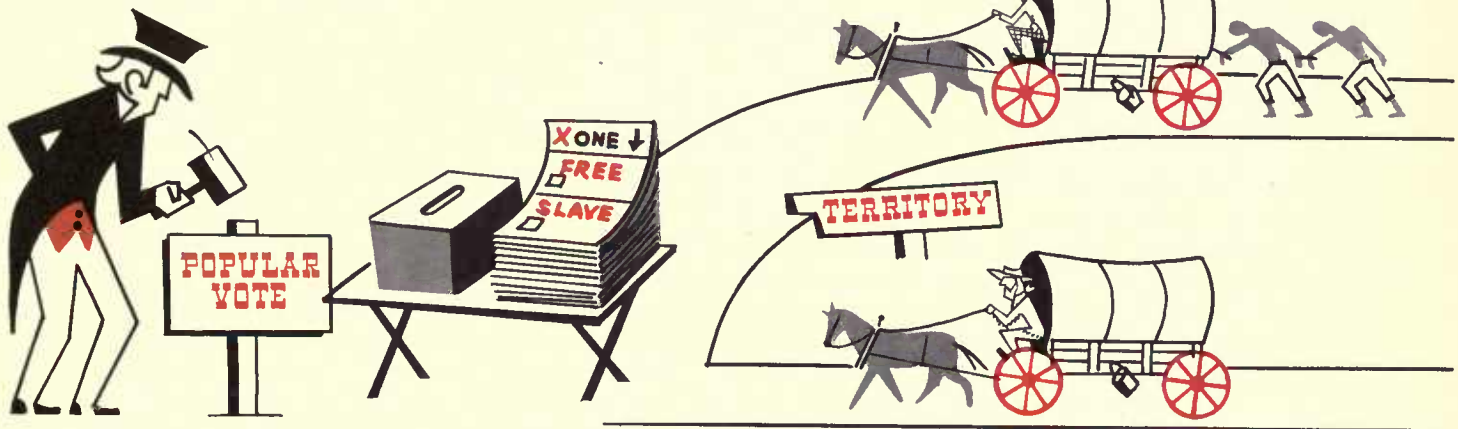
SHIFTS IN STATUS OF SLAVERY IN KANSAS-NEBRASKA TERRITORY

1820-54 MISSOURI COMPROMISE



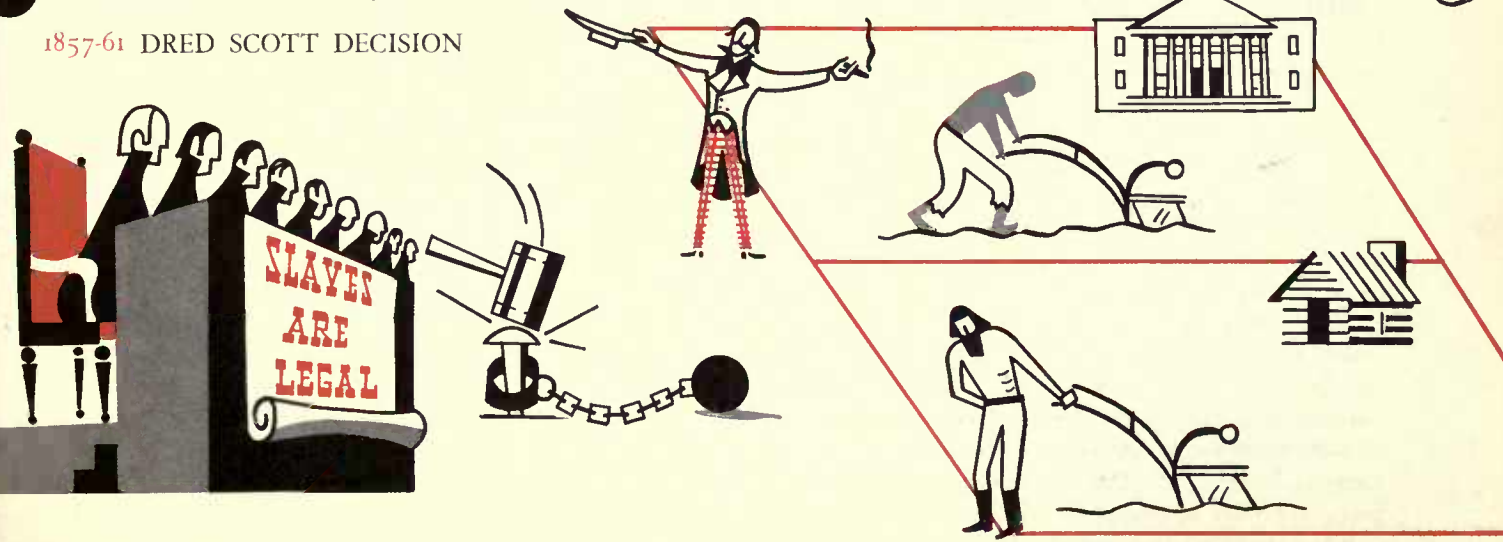
1. Congress "permanently" prohibits slavery in the region above 36° 30' (except Missouri).

1854-57 KANSAS-NEBRASKA ACT



2. Congress allows territory's voters to choose whether they will form a slave or free state.

1857-61 DRED SCOTT DECISION



3. Supreme Court rules that Congress cannot regulate slavery in a territory—slave is permanent property of his master.

The Election of 1860

Anti-slavery forces branded the Dred Scott decision a political act by a Southern-dominated Supreme Court. Aroused by the decision, they renewed their efforts to gain control of the government through Republican victories at the polls. The panic of 1857, a business depression occurring shortly after the Democratic administration took office, was one factor in the Republicans' favor. Another was Buchanan's weak leadership, with the president dominated by his Southern Democratic cabinet members.

Most important for the future downfall of the Democrats, however, was the 1858 election for Senator from Illinois. Douglas, the Democratic candidate, had regained much of his popularity in the North and West because of his resistance to an effort by Buchanan to force a slave state constitution on Kansas. To oppose Douglas, the Republicans chose Abraham Lincoln, born in a Kentucky log cabin, self-educated, now a leading Illinois lawyer.

Lincoln had served several terms in the state legislature and one term in Congress, but he was unknown to the country at large. Yet the nationally famous Douglas commented: "He is a strong man of his party—full of wit, facts, dates—and the best stump speaker, with his droll ways and dry jokes, in the West. . . . If I beat him, my victory will be hard won."

THE LINCOLN-DOUGLAS DEBATES

The campaign reached its peak with a series of 7 debates between the rivals. During one at Freeport, Illinois, Lincoln tried to force Douglas to choose between his own doctrine of popular sovereignty and the Supreme Court's Dred Scott decision. Douglas replied that "no matter what the decision of the Supreme Court may be . . . , still the right of the people to make a slave Territory or a free Territory is perfect and complete under the Nebraska bill." In other words, if the people of a territory were against slavery they could elect a territorial legislature which could prevent slavery by hostile laws.

Southern Democrats, angered by Douglas' refusal to give all-out support to the Dred Scott decision, marked him unacceptable for the 1860 presidential nomination—which was Lincoln's goal in asking the question. However, Douglas' support of popular sovereignty held enough of his Illinois backers to give him a close victory in the 1858 Senatorial contest. Actually the Lincoln ticket polled 190,000 votes to 170,000 for Douglas. But a state legislature which was Democratic by a narrow margin selected Douglas in the indirect election for Senator.

The growing split in Democratic ranks was soon shown clearly by resolutions placed before the Senate by Jefferson Davis, Calhoun's successor as leader of the Southern extremists. These manifestos reaffirmed the doctrine of state sovereignty, upheld the Dred Scott decision, denounced Douglas' Freeport Doctrine and called on Congress to protect slavery in the territories.

When the Democratic nominating convention met a few

months later at Charleston, the Davis Democrats sought to force approval of a similar set of resolutions. The split then became final. The Douglas supporters, who were in the majority, refused to support the resolutions. Upon this decision the Southerners walked out of the convention. As a result, two different Democratic presidential slates were put into the field: a Regular Democratic ticket headed by Douglas, and a Southern Democratic ticket headed by John Breckinridge of Kentucky.

Meeting in Chicago, the Republican convention hastened to make the most of this opportunity. The delegates drew up a platform stressing a protective tariff (which appealed to conservative eastern business interests); free land for western settlers (which appealed to the western farmers); and government aid in building a railroad to the Pacific (which appealed to both groups). In addition they held the anti-slavery voters by reaffirming the party's opposition to the extension of slavery.

NOMINATION OF LINCOLN

The leading candidate for the Republican nomination was Senator Seward of New York. However, his position was weakened by close ties to New York bankers, Catholic immigrants, and extreme abolitionists. Lincoln, a prominent contender as a result of his debates with Douglas, had no such drawbacks. By dramatic showmanship and broad (though unauthorized) promises, the Lincoln managers consolidated the opposition to Seward behind Honest Abe and won the nomination for him on the third ballot.

A fourth party was put into the field: the Constitutional Unionists, composed of conservative remnants of the Whig and Know-Nothing parties. (This latter group was an anti-foreign, anti-Catholic party which had rocketed to prominence in 1854 and burned out by 1858). Backing John Bell of Tennessee for president, the new party sought a compromise. It called for support of the Constitution and the Union, and enforcement of federal laws, such as the fugitive-slave law. In the meantime, the Douglas Democrats were advocating popular sovereignty as a solution of the slavery issue. The Jefferson Davis Democrats (backing Breckinridge) demanded support of the Dred Scott decision, and hinted at secession if their candidate was defeated.

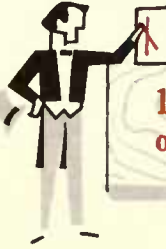
Lincoln (as the chart shows) won only 40 percent of the popular vote, but obtained a majority of the electoral vote. Significant, too, was the fact that the combined vote of the three pro-Union candidates—Lincoln, Douglas and Bell—amounted to 80 percent of the total. Even in the southern states as a whole, Breckinridge polled less than 50 percent of the votes.

Though they were split, the Democrats retained a slim majority in both Senate and House. The question was: would the southerners continue to peacefully seek their goals through compromises in their party and Congress?

THE RISE OF THE REPUBLICAN PARTY

MAIN REPUBLICAN CAMPAIGN PLANKS

1856



1. Shut slavery out of the territories

1860



1. Shut slavery out of the territories

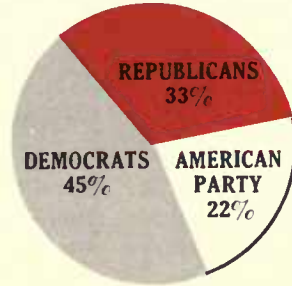


2. Protective tariff for manufacturing

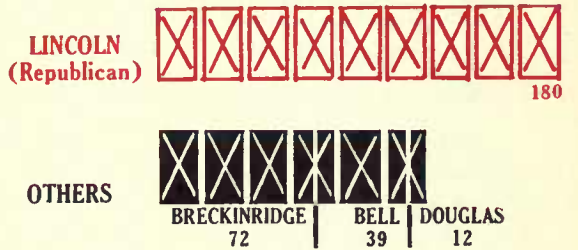
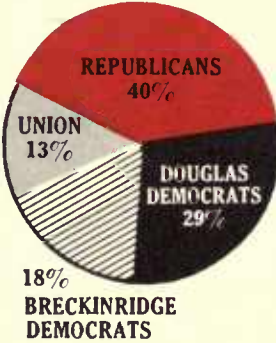
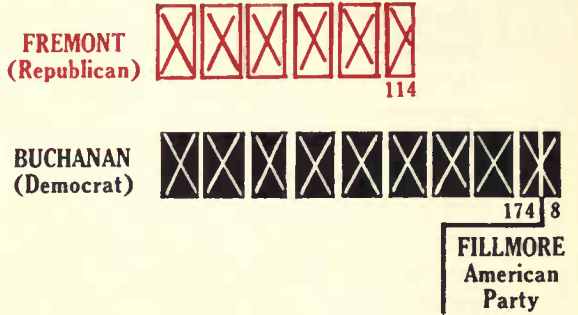


3. Free farmland in the west

SHARE OF POPULAR VOTE

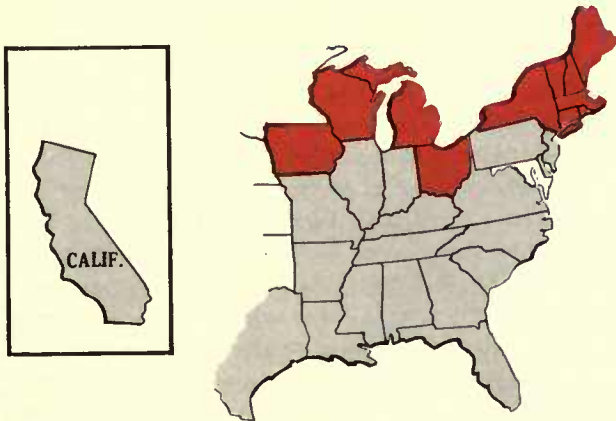


ELECTORAL VOTE



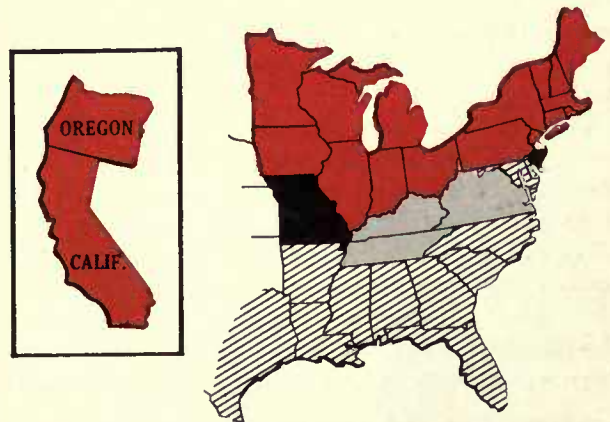
HOW THE STATES VOTED

1856



= REPUBLICAN
 = DEMOCRAT
 = AMERICAN PARTY

1860



= REPUBLICAN
 = DOUGLAS DEMOCRAT
 = BRECKINRIDGE DEMOCRAT
 = BELL UNION

The Irrepressible Conflict

In 1857 Hinton Helper of North Carolina published a book filled with facts and figures to show that slavery was a bankrupt economic system. According to his statistics, the free states' hay crop alone was worth more than the total value of cotton and the five other leading southern crops. In addition, he found that crude southern methods of agriculture were speedily exhausting the land. The cash received for these southern crops, meanwhile, was drained northward. It went to pay for many types of manufactured goods which the North's diversified economic system produced. The poor white farmer suffered particularly, according to Helper, because he had to compete with the slave labor of the large plantation. The only solution for the South, said Helper, was to build a varied economic machine.

To this argument southern leaders replied that cotton was indispensable to the manufacturers of England and the North. Should the South produce no cotton for three years, warned South Carolina's Senator Hammond, "England would topple headlong and carry the whole civilized world with her, save the South . . . Cotton is King."

ECONOMIC CONFLICT

This contrast between the diversified industry of the North and the agricultural slave system of the South added an economic clash to the political battle over slavery. In this struggle the West and South had previously been allied. The West, like the South, was interested in fresh supplies of land through territorial expansion. Moreover they found a large market for their foodstuffs in the South.

By 1860, however, canals and railroads built by northern money provided quick, cheap transportation for western goods. The growing ties between the free farmers of the West and the industrialists of the North resulted in western support of the Republican platform of 1860: cheap free land for the farmer, a protective tariff for the industry which supplied him and transported his goods. To this economic setup, the South, with its need for fresh slave territory and cheap, imported manufactured goods, was inflexibly opposed.

Until 1860, the South—aided by western and some northern support—had been able to protect its economic system through political control of Congress, the executive branch of the government and the Supreme Court. The election of 1860 made it plain that this political control was fading in the face of growing ties between North and West. If secession were ever to be successful, southern extremists felt, this was the time to strike. It must be done before the difference in strength between the regions became too great.

SECESSION OF THE SOUTH

South Carolina, with its long tradition of anti-Union action, was the first southern state to act. On December 20, 1860, a special convention called by the state legislature unanimously adopted an Ordinance of Secession. This de-

clared that "the Union now subsisting between South Carolina and the other states under the name of the United States of America is hereby dissolved." By the end of February, 1861, Mississippi, Florida, Alabama, Georgia, Louisiana and Texas had followed South Carolina.

In a message to Congress in December, 1860, President Buchanan had denied the right of secession but expressed the belief that the Constitution gave him no power to prevent it. Meanwhile, several unofficial attempts were made to work out a compromise. Senator Crittenden of Kentucky proposed federal protection of slavery in all territories south of the 36° 30' line—and the exclusion of slavery north of this old Missouri Compromise line. Since this would allow extension of slavery into the territories, a plan which most Republicans strongly opposed, Lincoln refused to endorse it.

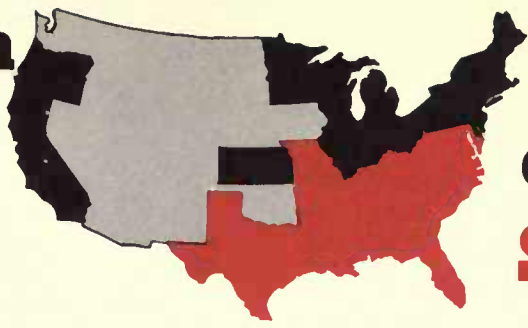
A peace convention which met on February 4, 1861, with 150 delegates from 21 states, deliberated for a month without finding an acceptable solution. Lincoln in his inaugural address said he had "no objection" to a constitutional amendment which would prohibit Congress from interfering with slavery in the states. But this did not go far enough for the South.

Meanwhile, delegates from the first six states to secede met in Montgomery, Alabama and organized the Confederate States of America. Jefferson Davis of Mississippi was chosen President and Alexander H. Stephens of Georgia Vice-President. A constitution was adopted, based on the United States model, but with some significant changes. Slavery was protected in the territories, but the importing of slaves was forbidden; protective tariffs were outlawed; the President was limited to one 6 year term; and his cabinet chiefs, if Congress permitted, might sit in either house of Congress to discuss matters affecting their departments. Interestingly, the convention refused to include in the constitution a clause spelling out the right to Secession or Nullification, although the states were asserted to be sovereign.

By the time Lincoln took office, on March 4, 1861, all Federal military installations in the seceding states had been seized by the Confederates, except four seacoast forts. The new President's Inaugural Address was mild but firm: he reaffirmed his intention to respect slavery in the states where it already existed, but denied that the southern states had the right to secede. Said he, "The power confided to me will be used to hold, occupy and possess the property and places belonging to the Government."

In line with this policy, Lincoln announced his intention of sending supplies to Fort Sumter, which was surrounded by Confederate forces in Charleston Harbor. Fearing that reinforcements of men would also be sent, the Confederates demanded the fort's surrender. When its commander, Major Anderson, refused, the Confederates began to bombard the fort. The War Between the States had begun.

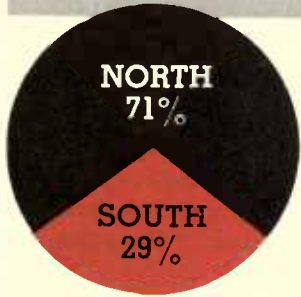
Comparison of NORTH and SOUTH in 1860



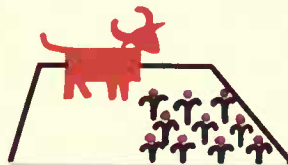
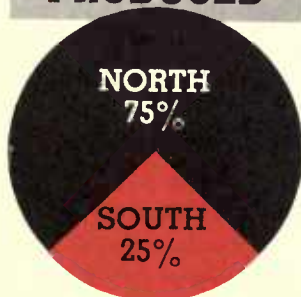
COMPARISON OF RESOURCES IN PERCENT



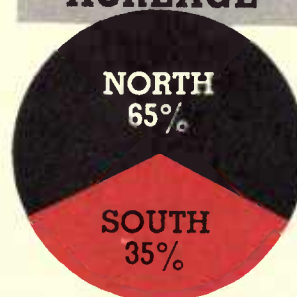
POPULATION



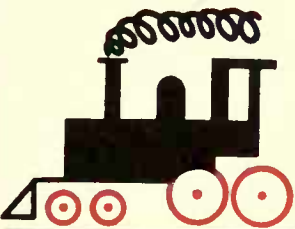
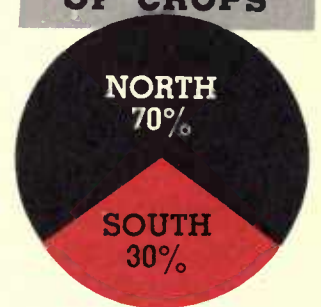
WEALTH PRODUCED



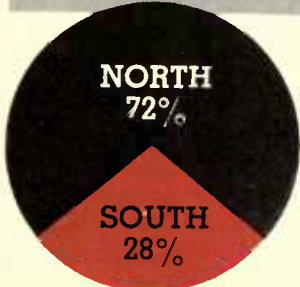
FARM ACREAGE



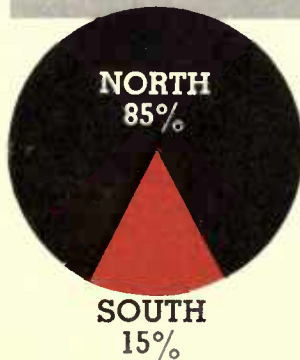
VALUE OF CROPS



RAILROAD MILEAGE



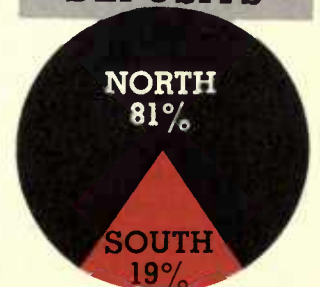
FACTORIES



IRON PRODUCTION



BANK DEPOSITS



The Civil War

"That first gun at Sumter," wrote poet James Russell Lowell, "brought all the free States to their feet as one man." Before that event, use of force by the North had been opposed by many groups. Northern merchants feared that a clash would imperil the debts owed them by southern planters; many northern abolitionists were pleased at the prospect of getting rid of the slave states; and many northern Democrats still sympathized with their southern brethren. But the Confederate attack on Fort Sumter made it clear that force must be met with force.

The day after the fall of Sumter, Lincoln issued an appeal for 75,000 militiamen for 3 months' service. At least 310,000 men responded. Party lines were wiped out, as Douglas led the northern Democrats in pledging support to the Union. Regiments from Massachusetts, Rhode Island and New York hastened to the defense of Washington.

Sumter had an equally electric effect on the South. The seven states already in the Confederacy were soon joined by four more: Virginia, Arkansas, North Carolina and Tennessee. Lincoln was more successful in keeping the four border slave states in the Union. Delaware made the decision without hesitation, but Maryland was saved only by the intervention of Federal troops. Kentucky swung to the North in resentment against an invasion by southern troops. In Missouri, the majority of the people favored the Union, raised several regiments of troops, and curbed their secessionist governor.

STRATEGY OF THE NORTH AND SOUTH

The loss of these four slave states to the Union was a blow to southern strategy. It left that region with only 11 states to 23 in the Union, and inferiority in most resources, as the chart in Chapter 28 shows. Still, the South based its hopes on four other assets. (1) Its men were more accustomed to arms. And they were led by officers who had been the cream of the regular United States Army before joining their seceding states. (2) The South was fighting a defensive war, on its own soil, backed by a sympathetic population. (3) The South relied on a split in the North, where strong opposition to the war might weaken the Federal effort. (4) The Confederates were sure that "Cotton is King." Therefore, they expected manufacturers in the North, Britain, and France to come to their aid. Based on these factors, the South's military strategy was to throw back northern attempts at invasion and mount a formidable threat of counter-invasion. Thus the North would be frightened and discouraged by its losses, and ready to sue for peace.

In turn, the northern army faced the task of invading hostile territory and defeating a skilled adversary. To do this successfully, Lincoln and his associates developed a

twofold strategy: to isolate and destroy the South's economy by cutting it off from all sources of supply and trade; and to destroy the Confederate army and government by invasion.

To achieve these objectives, the North planned a four point attack. First, Confederate ports on the Atlantic and Gulf Coasts were to be blockaded. This would prevent the entrance of supplies and the export of Southern cotton. Second, the Mississippi River was to be seized, to insure a river outlet for western produce. This move would also split the southwestern states of Texas, Louisiana and Arkansas from the rest of the Confederacy. And it would stop the Confederates from importing supplies by land through Mexico and the Southwest. Third, their capital, Richmond, was to be captured, as a psychological blow to the Confederacy. And fourth, the Confederate lines were to be pushed back until all seceded territory was conquered or surrendered.

Fighting back against the North's economic blockade, the Confederates had English shipyards build two fast cruisers to prey on northern commerce. Christened the *Alabama* and the *Florida*, they succeeded in badly crippling the North's merchant shipping before they were sunk in turn. The southern raiders failed in their main strategic purpose, however, since the Union navy refused to weaken its blockade by detaching warships to chase the marauders. Almost self-sufficient with its strong manufacturing industry, the North figured correctly that it could better afford to lose its trading fleet than weaken the blockade and allow the agricultural South to freely import needed munitions and export its cotton.

LEE VS. GRANT

On land, as the graphic maps show, the Union policy was much less successful. Although the Union's eastern armies invaded Virginia each summer, heading for Richmond, they were thrown back with severe losses every year until 1865. The South quickly discovered and put in positions of command its great military leaders: Lee, Stonewall Jackson, Jeb Stuart, Longstreet, the two Johnstons. To oppose them, the North at first mustered leaders of much less brilliance and daring.

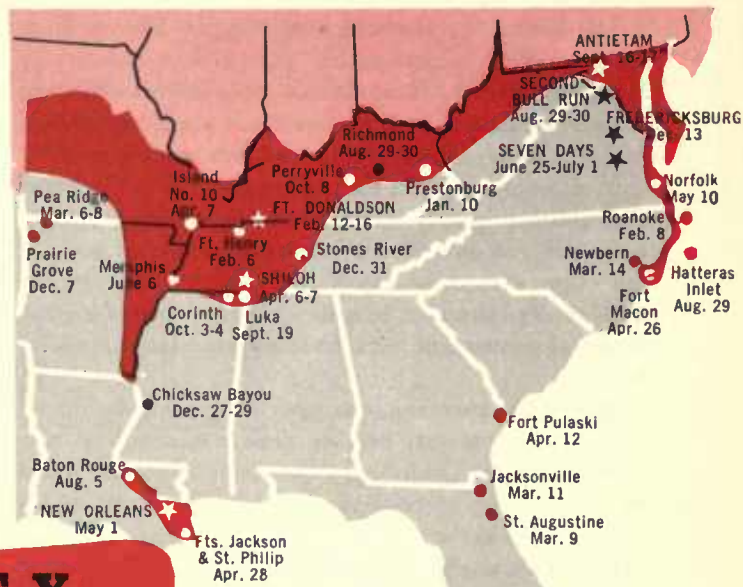
However, the Union finally found two successful strategists in Grant and Sherman, whose victories west of the Alleghenies cut that region off from the rest of the South. Given command in the East in 1864, Grant doggedly hurled his armies at the Confederates' Virginia lines. Meanwhile Sherman cut the South in half with his march through Georgia to the sea. Lee bowed to the inevitable after the loss of Richmond on April 3, 1865, surrendering to Grant a week later.

THE WAR BETWEEN THE STATES

1861 1862



Union Forces hold border slave states, seize two bases on southern coast. Confederates crush Northern attack at Bull Run.



KEY

Light red box: Southern border of FREE STATES at start of war

Dark red box: UNION GAINS since start of war

Grey box: Territory held by CONFEDERATES

UNION VICTORIES

Red star: Major

Red circle: Minor

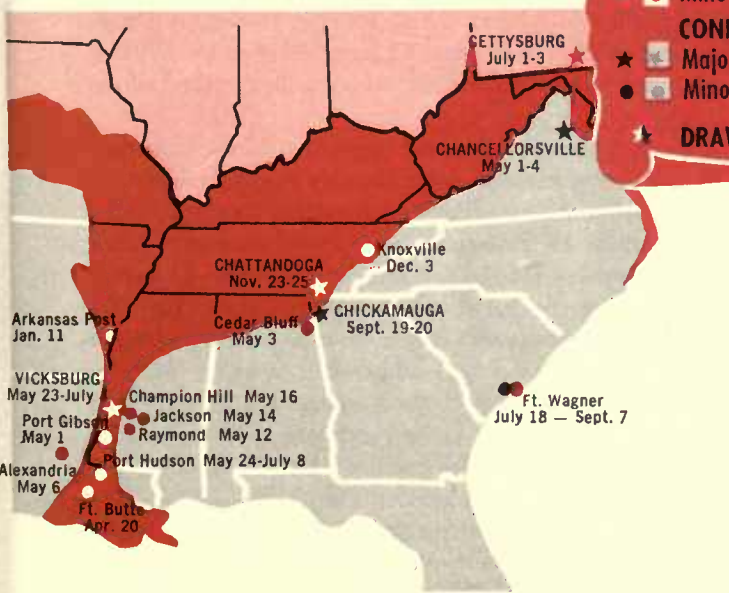
CONFEDERATE VICTORIES

Black star: Major

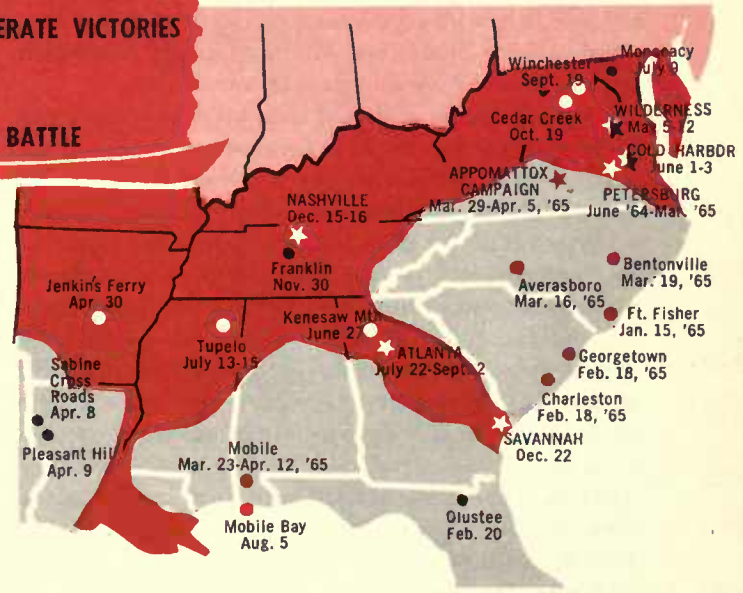
Black circle: Minor

Black star: DRAWN BATTLE

Lee beats off Virginia invasion, but his Maryland offensive is thrown back. Grant advances down Mississippi River, to meet Union Navy coming up.



Lee's northern push turned back at Gettysburg, after he throttles Union invasion of Virginia. Grant cuts off Confederate southwest by victory at Vicksburg.



1863 1864-5

Sherman's march to the sea cuts Confederacy in two. Grant batters Lee into surrender in Virginia.

Behind Southern Lines

Life behind the southern lines was far different from the "moonlight and magnolia" portrait later painted by romantic writers. A continuously more difficult economic struggle went on to keep civilian life at a subsistence level and still supply the army. And an ever sharper political fight also continued. On the one hand were men like President Davis, primarily interested in winning the war. They advocated any governmental action to serve that end. On the other were those like Vice-President Stephens, who were chiefly concerned in maintaining the "states' rights" theory of government, with the war a secondary consideration.

At first the government secured revenue through bond issues and a property tax. As these measures lost their effectiveness, the Confederacy resorted to increasing issues of paper money without any backing. The result was a rapid decline in the value of the currency, until at the end of the war it was practically worthless. More effective was a law passed in 1863 providing for a tax of one-tenth on farm products, and authorizing any officer of the Confederate army to seize such commodities.

ECONOMIC DIFFICULTIES OF THE SOUTH

An important cause of southern economic difficulties was the Federal blockade. When Lincoln first proclaimed it, the Union navy had just 3 ships immediately available to patrol 3500 miles of southern coastline. The other 40-50 warships in the northern navy were scattered in ports all over the globe, and took months to return. However, with sublime faith that "Cotton is King" the South decided to withhold its crop from the market. The Confederacy thus hoped to force Britain and France to extend recognition and aid, in return for shipments of cotton.

However, foreign mills had built up a backlog of raw cotton during the fifties. Thus the shortage was not immediately felt. By 1863, when the South was eager to ship its cotton abroad, the Union navy had grown strong enough to clamp a really effective blockade around the Confederacy. Southern blockade-running on a scale that would move a substantial part of the cotton crop was no longer possible; and Britain and France refused to risk war with the Union by coming for the cotton. Prevented from exporting its cash crops in quantity, the Confederacy was unable to get funds for large scale purchase of necessary supplies abroad.

Cut off economically and militarily from substantial imports, the South made a heroic effort to become self-sufficient. Agriculture was shifted from cotton and tobacco to foodstuffs. The southern government itself established or took over factories producing munitions of various kinds. These operations (supplemented by blockade running) were sufficiently successful to take care of ordinary military

needs. But aside from munitions there was little development in manufacturing. To get new clothes and shoes, southerners had to return to making these goods in the home, as they had a hundred years earlier.

The South, moreover, was not free from speculation and profiteering. One reason for the lack of growth in manufacturing was that capital was attracted to blockade running. Munitions, clothing and luxuries came from Europe to the West Indies, where they were picked up by blockade runners and brought into Southern seaboard cities. Luxuries brought such a large profit that in time they began to crowd munitions out entirely. Finally, in 1864, the Confederate government was forced to issue an order forbidding the importation of many luxuries, and appropriating a certain amount of space on each voyage for government use.

Hardest hit of all southern industries was transportation. As the war continued, southern roads and railways wore out or were destroyed by Union troops. Besides impeding military movements, this prevented the transportation of food to the Confederate army and southern cities. As a result, food riots broke out in some of the larger cities in the spring of 1863, at the same time that farm centers were burdened with a surplus of food.

SOUTHERN POLITICAL SPLITS

In addition to its economic difficulties, the South was also weakened by political splits. Slavery had never taken hold in the Appalachian Mountain region running through western Virginia and North Carolina, eastern Tennessee, and northern Alabama. These areas preferred the Union to slavery. They contributed a large share of the 300,000 white soldiers from the South who enrolled in the Federal army.

Another source of internal opposition to the Confederate government came from the unyielding believers in states' rights. To men like Vice-President Stephens, many of the measures President Davis found necessary—such as conscription, martial law and the suspension of *habeas corpus*—seemed a clear violation of state sovereignty. By 1862, Stephens was spending most of his time in his home state of Georgia, aiding Governor Brown in his efforts to keep Georgia men within the borders of their state as a defense corps. By 1864, the governors of Georgia, Alabama, North and South Carolina, Mississippi and Texas had joined the coalition against "Despot Davis."

Popular support for this group came from the small, non-slaveholding farmers. One important factor in the final collapse of the Confederacy may have been the growing conviction among this group that they were being called upon to support "a rich man's war but a poor man's fight."

THE SOUTH

at the End of the War Between the States

1. Cities, railroads and farms devastated.



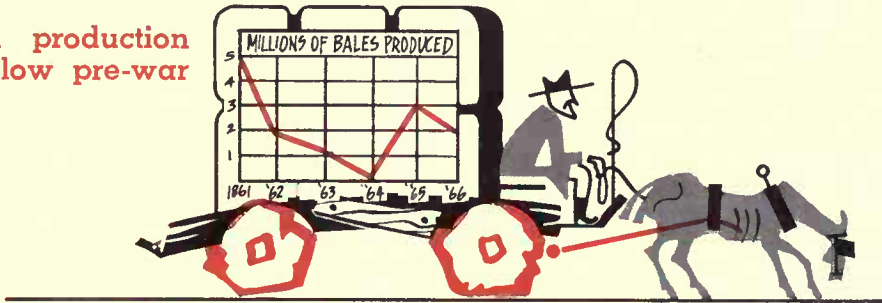
2. Freeing of slaves wipes out planters' major asset.



3. Planters forced to break up plantation grounds.



4. Cotton production far below pre-war level.



5. Political control wrested from big planters.



6. Confederate currency and bonds become worthless.

DIXIE BUTCHER



Behind Northern Lines

With the Confederacy using its slaves to grow food and serve as non-combatant troops, it soon became necessary on military and political—as well as moral—grounds for Lincoln to move against slavery.

On September 22, 1862, Lincoln proclaimed that after January 1, 1863, “all persons held as slaves within any state or designated part of a state the people whereof shall be in rebellion against the United States shall be then, thenceforward, and forever free.” This Emancipation Proclamation brought immediate support from the abolitionists at home, and liberals abroad. And it attracted over 100,000 slaves to the Union Army by the close of 1863 (after these Negroes had escaped to or had been liberated by the army). How valuable an addition this proved to be may be judged from the fact that half of these Negro troops were enrolled for combat duty—and made a fine record.

OPPOSITION TO THE WAR

Much less popular than the Emancipation Proclamation were the vigorous executive actions by which Lincoln moved against suspected traitors. In violation of the Constitution, federal agents arrested and detained (often without trial) several thousand persons. Between three and four hundred newspapers were suppressed for some period of time, and there was federal intervention in the elections in the border states.

The split in the Northern Democratic Party had made such strong measures necessary. The large majority, headed by Douglas (who unfortunately died June 3, 1861), patriotically supported the war. But a minority group, known as Copperheads, favored an immediate peace on any terms. To uphold military and civilian morale and prevent actual treason, Lincoln felt it necessary to crack down on these extremists.

However, nothing was done to prevent the Democrats from running an opposition ticket in 1862, under the slogan of “the Constitution as it is and the Union as it was.” Irritated by the draft act, high taxes, and the suspension of civil rights, many voters turned to the Democrats, who registered big gains in Congress.

Discouraged by the setbacks of 1862, Lincoln entered the presidential campaign of 1864 further handicapped by lack of military progress, a growing war weariness among the Northern people, and vigorous opposition from the radical wing of his own party. Renominated easily, Lincoln drew as his running mate Andrew Johnson, a War Democrat and military governor of Tennessee. Their platform praised Lincoln’s conduct of the war, advocated a constitutional amendment to abolish slavery, and emphasized a fight to the finish for the Union. By this platform, by their choice of vice-presidential candidate, and by changing their name to the Union Party, the Republicans sought to capture the support of the War Democrats.

In opposition to Lincoln, the Democrats nominated

General George B. McClellan. The early hero of the Union armies, “little Mac” still had a large following who thought that Lincoln had given him a raw deal. With the “peace Democrats” in control of the convention, a platform was framed which called the war a failure, and proposed an immediate peace on the basis of states’ rights and a restoration of the Union. However, McClellan virtually repudiated this platform—and took a pro-war, pro-Union stand.

In August 1864, Lincoln wrote that “it seems exceedingly probable that this administration will not be re-elected.” But between then and election day occurred 3 notable Union victories: Sherman captured Atlanta, Farragut took Mobile Bay, and Sheridan turned back Early from Washington. Profiting by this good news and the confused campaign waged by the Democrats, Lincoln won easily. He carried all but 3 states, and received a half million plurality.

ECONOMIC LIFE IN THE NORTH

While the political conflicts were as severe in the North as in the South, economic life was far sounder. An extraordinary expansion in all branches of manufacturing, mining and transportation took place. Agricultural production, aided by the introduction of the reaper and other new farm machinery, doubled or tripled.

As business grew into Big Business during the war, the trend toward consolidation set in. The larger railroad lines bought out the small ones, while Western Union established a virtual monopoly in the telegraph field. Fortunes built on war profiteering were further inflated by speculation, as the stock exchange became an important factor in American economic life.

At first, labor too secured gains. However, by the end of the war inflation had doubled prices, but wages had not kept pace. The lag was especially severe among the professional classes. The importation of cheap European labor, the use of Negroes and women as workers, and the employment of labor saving machinery all helped to counteract the labor shortage resulting from the draft and increased business activity. As labor’s real wages diminished, strikes became more frequent and the formation of unions was spurred.

A prime reason for the inflation which proved so harmful to labor was the government’s method of war financing. As the war progressed, \$450,000,000 of paper money without metallic backing was issued. This currency speedily declined in value and forced prices up.

Before this, Congress and the Treasury had tried to finance the war by other means. The tariff was raised several times—for protective as well as revenue purposes. Borrowing proved an effective method of raising revenue, contributing about four times as much as all other sources. Internal revenue taxes were imposed and new ones levied. An income tax was also introduced, though its maximum rate of 10 per cent on incomes over \$5000 seems puny by today’s standards.

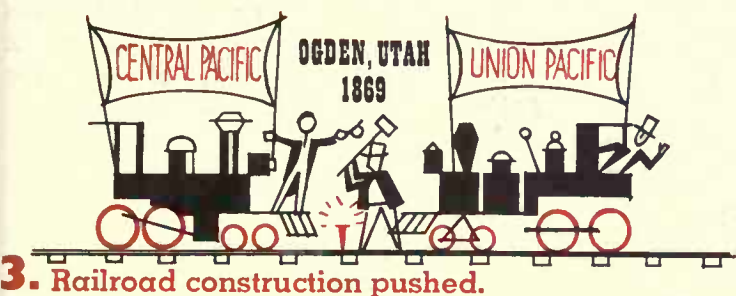
THE NORTH at the End of the War Between the States



2. Expanded western agriculture feeds cities and Europe.



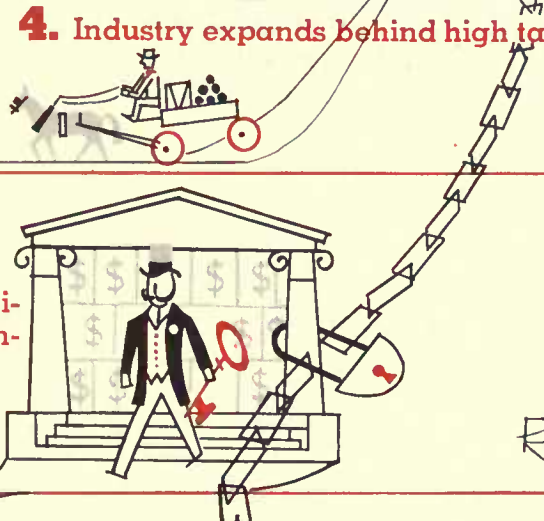
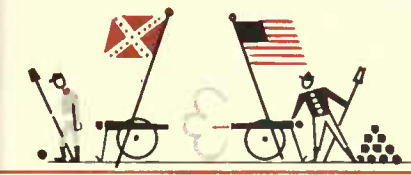
1. Rapidly growing cities



3. Railroad construction pushed.



4. Industry expands behind high tariff walls.



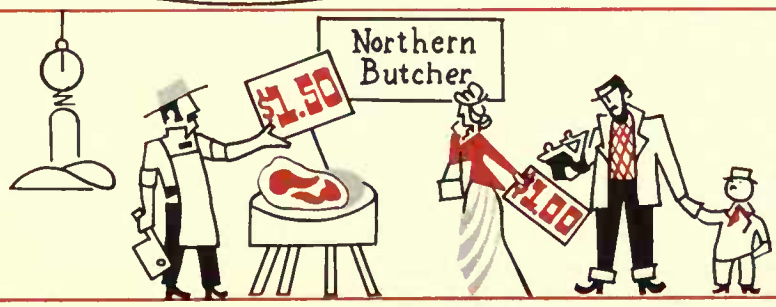
5. Concentration of capital, growth of millionaire class.



8. Merchant marine curtailed by southern attacks and high insurance rates.



6. Northern industry takes political control.



7. Inflated prices outrun wages.

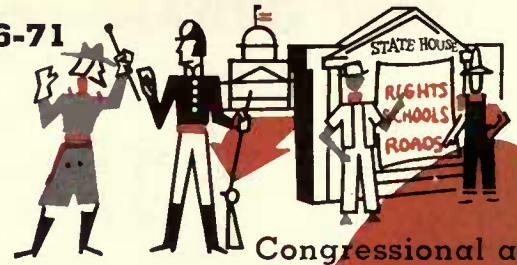
THE STATUS OF THE NEGRO

1863-65

Union armies free slaves on basis of Emancipation Proclamation and Amendment 13. Negro seeks grants of farm land.



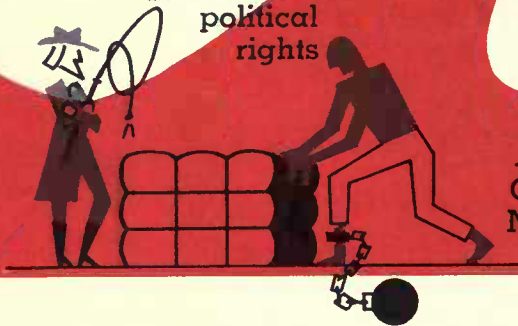
1866-71



Congressional action to insure civil and political rights for Negroes. Election of Negroes to state and federal office, passage of progressive state laws.

1860

Slave without personal or political rights



1865-66



Confederate leaders attempt to re-enslave Negroes through black codes.

Federal government refuses to grant free land to Negro.

CHAPTER 32

A Hard Peace

When Lincoln was assassinated, less than a week after Lee's surrender, the coalition of forces which had supported his wartime leadership was already wobbly. Conservative Republicans and Democrats were looking forward to a reestablishment of Union-recognized governments in the southern states on easy terms. The "Radical Republicans," however, demanded as minimum essentials a pledge of loyalty from a majority of the voters of each Confederate state and the disqualification of all who had fought for the Confederacy.

The country experienced a brief rebirth of national unity after Vice-President Johnson succeeded to the Presidency. Both sides rallied behind him in expectation of future support. But he quickly chose the conservative side, backing the Reconstruction Plan that Lincoln had previously framed and put into operation.

RECONSTRUCTION PLAN OF LINCOLN AND JOHNSON

The plan provided for (1) pardons, and restoration of all property except slaves to Southerners who would take an oath of allegiance to the Constitution; (2) denial of amnesty only to high ranking Confederate leaders and those who had resigned Union civil and military positions to serve the Confederacy; (3) readmission of states

after one-tenth of the voters in the 1860 election had taken the oath and elected new state governments (this meant, of course, the exclusion of all Negroes and many poor whites from the ballot); (4) acceptance by each rebel state of the abolition of slavery by ratification of Amendment XIII; (5) amnesty to high ranking Southern officials at the discretion of the President.

By the time Congress met, in December 1865, all the southern states had been reorganized, and (except for Texas) had elected representatives and senators. But this reconstruction was too rapid for the Radical Republicans, particularly when they noted the number of former Confederate leaders elected to Congress. In addition, the southern state conventions which elected these representatives had passed Black Codes. These so restricted the rights of Negroes as to practically rechain them in slavery.

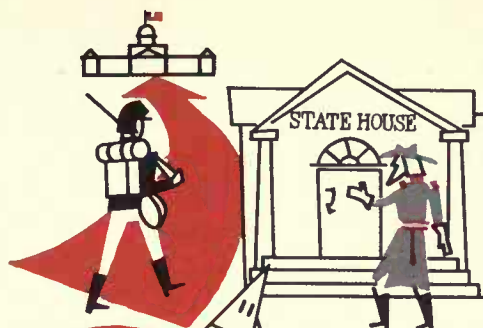
Under the leadership of Thaddeus Stevens in the House and Charles Sumner in the Senate, the Radical Republicans struck back. With a controlling vote in Congress, they refused to seat the Confederate-studded southern delegations because the South had denied civil and political rights to Negroes. Besides, the Republicans knew that if they could gain the vote for these Negroes it would mean the election of Republican congressmen from the South.

IN THE SOUTH, 1860-1910

1866-71



Development of sharecropping system



1871-77

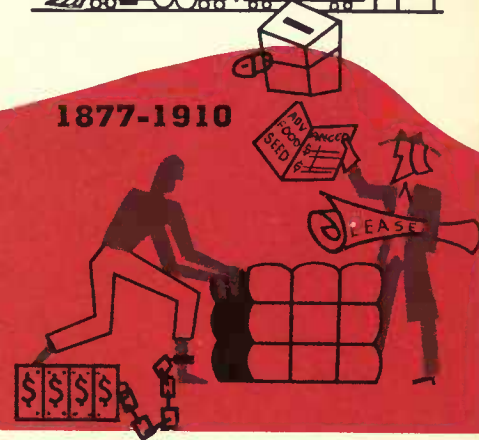
Withdrawal of federal troops from South. Return to political power of Confederate leaders, intimidation of Negro voters.



Disfranchisement of Negroes. Development of Jim Crow laws, lynching. Sharecropping sometimes degenerated into peonage.



1877-1910



Lincoln and Johnson had based their Reconstruction Plan upon the theory that the southern states had not seceded, but had been in rebellion. The President, therefore, had the constitutional power to pardon the states and the leaders. The Republicans in Congress insisted that the South *had* seceded, and that power to readmit the Confederate States to the Union, as with any new state, rested in Congress. Rather than stand by and watch the Democratic President allow his former party mates (so recently leaders of enemy states) to retain control of the South, the Radical Republicans developed their own plan.

As a first step, Congress implemented Amendment XIII by passing a Civil Rights Bill. This granted equal civil rights to Negroes and placed enforcement under the jurisdiction of federal—not state—courts. Next, Congress extended the life of the Freedmen's Bureau. This government agency had been originally set up to help the ex-slave find land or employment, protect him against possible enslavement, and provide him with temporary rations of food and clothing. Both the Civil Rights and Freedmen's Bureau Extension Bills were passed over Johnson's veto.

Congress next framed, passed and submitted Constitutional Amendment XIV to the states. This long amendment specifically provided citizenship for the Negro; repudiated the Confederate war debt; and barred from state and federal office (unless pardoned by a two-thirds vote of Congress) all who had helped the Confederacy in violation of a previous oath to support the Constitution.

THE "DUE PROCESS" CLAUSE

Most important, however, was the clause which provided

that no State shall "deprive any person of life, liberty or property without due process of law." Ostensibly included for the Negro's benefit, this section insured review by the Supreme Court of all state laws directed against corporations (legally considered persons). Amendment XIV did little for the Negroes, but much for the corporations.

On the political front, the Republicans replaced Johnson's "soft peace" government by their own Reconstruction Plan. They divided the South into five military districts garrisoned by federal troops. All potential voters were registered in each district—producing an electorate of over 700,000 Negroes and 660,000 whites. 200,000 other whites were disqualified because of their previous Confederate activity. These voters were allowed to select delegates to draft new state constitutions, which were then submitted to the voters and to Congress for approval. The newly elected state legislatures were also required to approve Amendment XIV.

The new state governments provided for free public education, and made elections more democratic. Property qualifications for office were abolished, and other laws passed favoring the small farmer. Because of the limitations of the pre-war South, many of the new white and Negro legislators were illiterate and untrained to hold office. Soon a mixed group of idealists and opportunists—called "carpetbaggers" by the resentful ex-Confederates—arrived from the North to help them govern. Corruption and bribery, rampant in the North, also became common in the South. Once federal troops were withdrawn, these struggling governments were overturned by the former Confederate leaders.

Politics in an Industrial Society

There was a span of seventy-two years from Lincoln's inauguration to that of Franklin D. Roosevelt; the Republican party controlled the executive branch of the government during fifty-six of these years. Demand for honesty and efficiency in government, and in one case for a lower tariff, twice elected the Democrat Cleveland. The reform efforts of the early 1900's elected Wilson. But since party issues were not as important to the lives of the people as are the basic political issues today, changes or continuation of administration did not greatly affect the national scene, which was dominated by industrial expansion. Opposition to the dominant policies, however, produced temporary third parties, many of whose proposals for more realistic ways to help a changing society develop were later adopted by Republicans and Democrats.

Corruption and the Spoils System

The battle between President and Congress over reconstruction methods grew so bitter during the closing year of Johnson's administration that an effort was made by the Radical Republicans to remove him from office. Though narrowly defeated, the attempt served to kill Johnson's chance for renomination.

Passing over Johnson, the Democrats made their postwar bid for the presidency with Governor Horatio Seymour of New York. The Republicans nominated Grant, the outstanding Union war hero. But his popularity was barely able to stem the tide of postwar reaction against Republican control. His majority was only 300,000 in a total popular vote of 5,700,000—though he won by an electoral vote of 214-80. 600,000 newly enfranchised Negroes cast ballots, enabling Grant to carry eight southern states. It is plain that without their backing he would have had a minority of the popular vote—and perhaps of the electoral vote.

GRANT'S ADMINISTRATION

Inexperienced in politics, Grant also lacked any background or training in government and economics. Though he was personally honest, many Republican politicians whom he appointed to high places were not. In addition, control of the Republican party had passed from the hands of anti-slavery idealists and western farmers to the industrialists who had grown powerful during the war.

An example of this business control and corruption came to light with the uncovering of the Credit Mobilier scandal. A construction company formed to build and equip the Union Pacific Railroad, the Credit Mobilier was owned by leading stockholders of the railroad. The construction company was allowed to charge the railroad scandalously high prices. Since the Union Pacific was heavily subsidized by the Federal Government, this constituted an indirect theft of public money. To prevent Congressional interference, Congressman Oakes Ames of Massachusetts (one of the leading stockholders) distributed shares of stock at little or no cost to prominent senators and representatives. Accusations by the *New York Sun* brought the story to light in 1872, several years after the main damage had been done. A few of the men involved were hurt by the disclosures, but most of the politicians were able to ride out the storm.

One result of the exposure, however, was the decision of a group of Liberal Republicans to run a separate candidate against Grant in 1872. They chose Horace Greeley, New York newspaper editor, who subsequently received the backing of the Democrats. Brilliant but unstable and inconsistent, Greeley was no match for the combination of Grant's lingering reputation plus the efficiency of the well oiled Republican machine. Besides, Democratic Party supporters were unable to whip up enthusiasm for a candidate who had advocated a high protective tariff.

However, Grant's second term was far from happy. A

panic broke in 1873, inaugurating a five year depression. Resentment against the administration because of the hard times, combined with the return to the Union of most of the southern states, gave the Democrats control of the House of Representatives. In this position their investigating committees were soon able to uncover further serious corruption in the Grant administration. Some revenue officials were found to be in collusion with distillers to defraud the government of the tax on whiskey. The trail of indictments led right to Grant's private secretary, who was acquitted only because of Grant's personal intervention. In 1876, Belknap, Grant's Secretary of War, was impeached by the House for accepting a bribe from an Indian Service employee. Belknap was saved from conviction when Grant accepted his resignation in the middle of the trial.

Not an isolated phenomenon, this story of graft and corruption could also be found in state and local governments. State legislatures—empowered to grant franchises and charters to banks, railroads and other businesses—frequently awarded these privileges in return for bribes. In New York City, Boss Tweed and his Tammany gang robbed the public of over \$50,000,000 in the years immediately following the War Between the States.

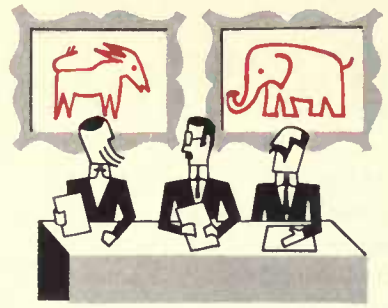
Despite these disclosures, the rising industrial class could be well pleased with the national scene. Those who had bought war bonds with below par greenback currency were now able to cash in their bonds for gold or silver. Manufacturers could take credit for the speedy repeal of special taxes levied during the war, while high tariffs continued to hinder foreign competition. The income tax, too, was quickly repealed. Railroads and other corporations were able to obtain the best government land through land grants or evasion of the Homestead Act.

HAYES AND CIVIL SERVICE REFORM

Perhaps the most flagrant fraud of the period was the decision in the presidential election of 1876. Tilden, the Democratic candidate, received 250,000 more popular votes than Hayes, his Republican rival. Tilden also seemed to have a majority of the electoral votes, but the Republicans disputed this by producing a rigged set of returns from their faction in three southern states. A mixed commission of Congressmen and Supreme Court judges, named to settle the controversy, picked Hayes by the straight party vote of 8-7. One of the reasons the Democrats accepted the verdict peacefully was that friends of Hayes guaranteed the removal of the last federal troops from the South. Without military support, the remaining reconstruction governments collapsed.

In office, Hayes put forward a reform program which aroused the opposition of both major parties. He forbade collecting political contributions from office holders, tried to remove unfit officials, and backed selection of government officials on a merit basis.

PROVISIONS OF THE CIVIL SERVICE ACT OF 1883



1. RULES TO BE ADMINISTERED BY A BIPARTISAN COMMITTEE OF 3.



2. OPEN COMPETITIVE PRACTICAL EXAMINATION FOR CIVIL SERVICE POSITIONS.



3. APPOINTMENT OR PROMOTIONS FOR THOSE GRADED HIGHEST.



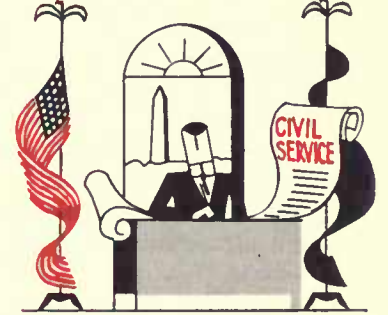
4. TRIAL PERIOD BEFORE PERMANENT APPOINTMENT.



5. NO POLITICAL ASSESSMENTS ON CIVIL SERVICE EMPLOYEES



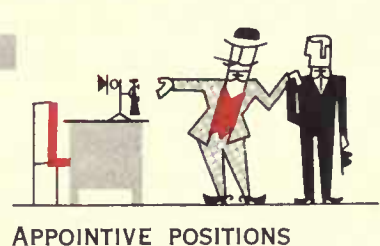
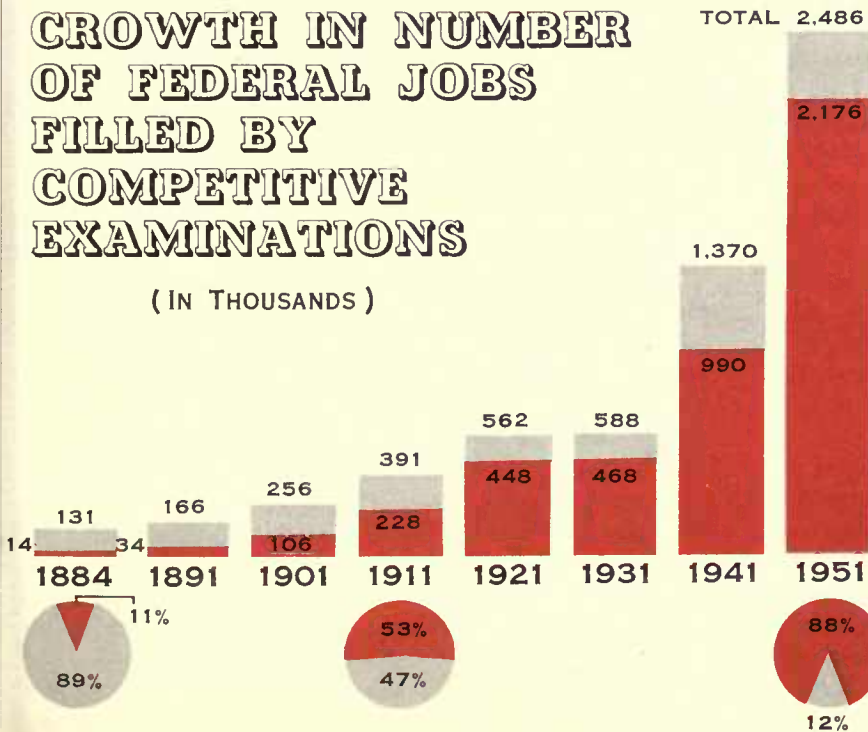
6. NO REMOVAL FOR POLITICAL REASONS.



7. PRESIDENT EMPOWERED TO ADD TO OFFICES COVERED BY CIVIL SERVICE RULES.

GROWTH IN NUMBER OF FEDERAL JOBS FILLED BY COMPETITIVE EXAMINATIONS

(IN THOUSANDS)



The Farmers Seek a New Political Party

Close and bitter were many of the election battles between the Democratic and Republican parties during the twenty years following the Reconstruction Period. But the personalities of the candidates, their ability and honesty, were the main points at issue, rather than fundamental clashes in policy.

Yet a basic economic revolution was taking place at this time. A rapidly developing industrial capitalism was subordinating agriculture to its interests and exploiting its city workers. Since neither major party acted as their spokesman, farm and labor groups were forced to find new political outlets for their grievances.

The farmer had four basic and related problems he wanted remedied. First, the price of his farm products had fallen after the war because of large harvests and a deflation of the currency. Second, the price of the manufactured goods he had to buy was kept high with the help of tariffs. Third, the cheap money he had borrowed for expansion during the wartime inflation was more expensive to pay back, now that deflation had set in. Finally, the giant railroads were charging him excessive rates, and acquiring choice farm land by government subsidies.

GREENBACK AND POPULIST PARTIES

Seeking to better their lot, farmers flocked into a new farm organization called the National Grange. The Grange in the 1870's pressured many state legislatures into passing laws regulating the railroads. However, the railroads attacked the constitutionality of these laws on the ground that they were confiscatory (violating Amendment XIV) and that they had infringed the power of Congress to regulate interstate commerce.

Failing in this attempt to remedy their ills through local action, many discontented farmers deserted the two major parties. They joined with eastern workers, who were also looking for cheap money, to form the Greenback Party in 1876. The continuance of a serious depression brought the party a million votes in the Congressional elections of 1878. However, a return to prosperity by 1880 caused a decline in votes to 308,000, and soon the Greenback Party passed out of existence.

The Greenback Party failed in its major aim to get the government to issue paper money based solely on credit. It did stop the move to retire from circulation all the paper currency issued during the War Between the States. But the Republicans were able to push through a bill in 1875 making these greenbacks redeemable in coin.

Since all of their problems remained, the revolt of the farmers against the two major parties continued to simmer through the eighties. This agrarian discontent was channeled through the Farmers' Alliances and broke into the Congressional campaign of 1890 in a series of state-wide independent "People's Parties." These won control of many state legislatures in the South and Northwest, and elected nine Representatives and two Senators. Twice that

number of Republican and Democratic Congressmen also were pledged to their principles.

Encouraged by their success, the Populists launched a national party in 1891. Although their chief emphasis was on monetary inflation, their platform showed a real break with the established parties (see chart). Nominating for president the former Greenback leader, James B. Weaver, the Populists captured more than a million popular votes, 22 electoral votes, and increased their representation in Congress. It was a remarkable showing.

The panic of 1893 ushered in a new depression, and set the stage for fresh Populist gains. In the Congressional elections of 1894 the Populists were able to poll almost 1½ million votes, and strengthen their position in Congress.

Though Cleveland, a Democrat, was in the White House, the Republicans looked forward happily to 1896. They were confident the Populists would continue to draw strength from the Democrats and insure a Republican landslide. However, the Democratic Party was captured by western and southern advocates of currency inflation. They urged the unlimited coinage of silver, and its valuation by the treasury at 1/16 the price of gold. In addition, the Democratic platform denounced the conservative policies of the party's own President Cleveland, demanded laws to protect the interests of labor (Cleveland had broken a railway workers' strike) and called for a more equitable system of taxation. To head the ticket, the Democrats selected William Jennings Bryan, a young ex-Congressman from Nebraska, who had clinched his nomination with a stirring speech in favor of silver coinage.

THE BRYAN-McKINLEY CAMPAIGN

With many of its policies adopted by the Democrats, the Populist Party was left with little alternative but to back Bryan. The Republicans nominated William McKinley, who stood for a high tariff and the gold standard. Thus, a clearcut battle began, with the lords of finance, industry and transportation backing McKinley, and spokesmen of the "common people" and small farmers backing Bryan.

Mark Hanna, McKinley's campaign manager, raised large sums (officially \$3,500,000 for his National Committee alone) and spent it for literature, bands and parades. Meanwhile, McKinley delivered carefully planned campaign speeches from his front porch. By contrast, Bryan, with a campaign fund of less than \$300,000, made an 18,000 mile campaign trek through 29 states, speaking to five million people. Despite Bryan's strenuous efforts, McKinley won by the safe margin of half a million votes.

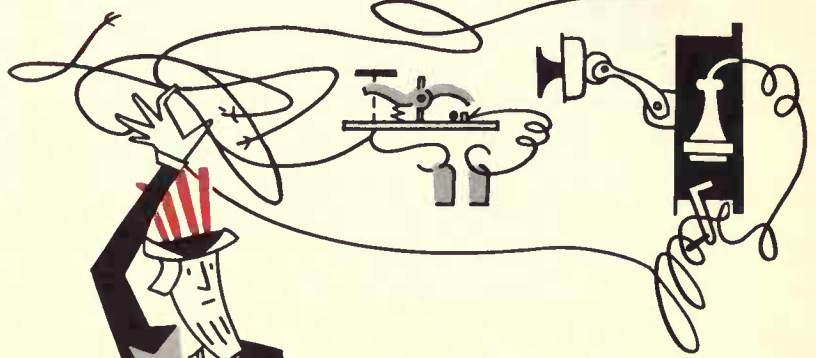
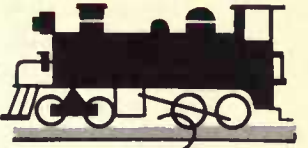
Bryan's defeat was also a death blow to the Populist Party and a stiff setback for radical thought in general. In an election where the issues were generally clear, the electorate had chosen the party of conservative capitalism.

HIGHLIGHTS OF THE POPULIST PLATFORM

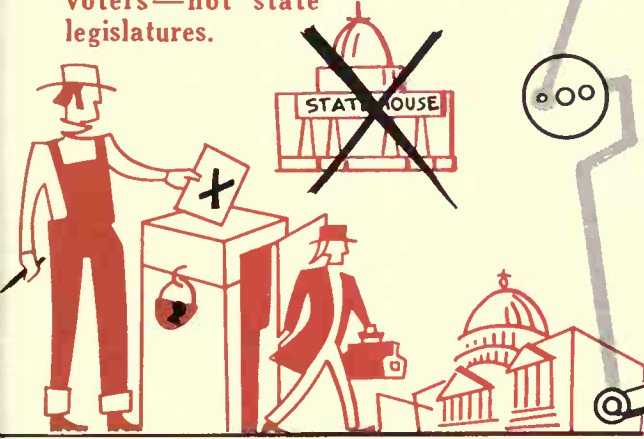


1. Free and unlimited coinage of silver.

3. Government operation of railroads, telephones, telegraph.



2. Election of federal senators by voters—not state legislatures.



KEY

Color panels = Measures subsequently adopted on a national scale.

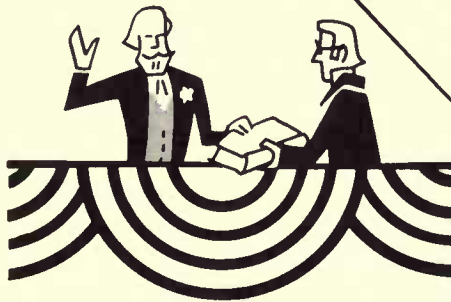
Black panels = Measures not adopted on a national scale.



U.S. POST OFFICE

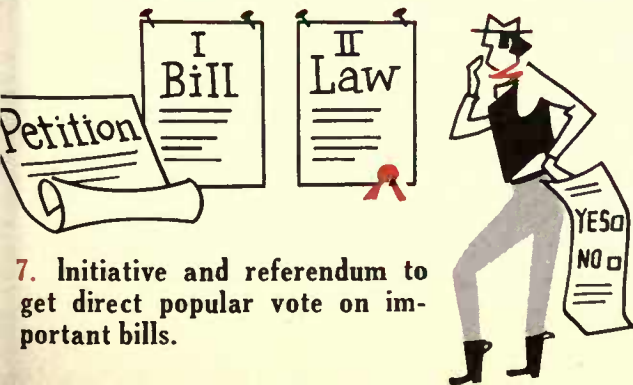


4. Government savings bank system through Post Offices.

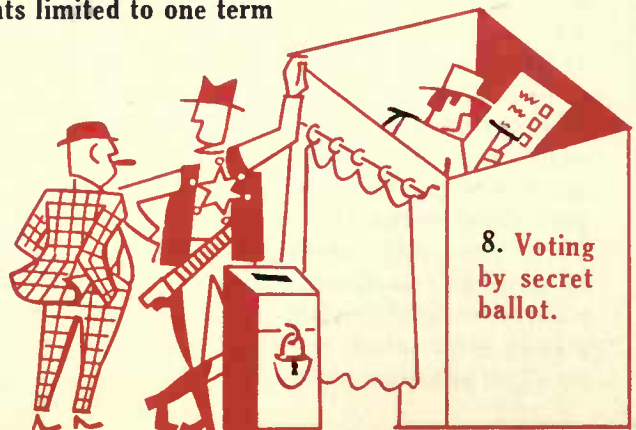


5. Presidents limited to one term in office.

6. Graduated income tax.



7. Initiative and referendum to get direct popular vote on important bills.



8. Voting by secret ballot.

The Record under McKinley & Roosevelt

Feeling that their presidential election victory had successfully settled the economic and political issues raised in the bitter campaign of 1896, the Republicans under McKinley prepared to govern according to the theory that what was good for Big Business was good for the whole country. The new Dingley Tariff gave record protection to native industry. The Gold Standard Act made gold the legal monetary basis for our currency. And despite the prior passage in 1890 of the Sherman Anti-Trust Act, 236 industrial trusts were formed between 1898 and 1904.

In addition, America under McKinley expanded in the international sphere. Warfare between revolting Cubans and their corrupt and inefficient Spanish rulers endangered American trade with that island. The rival Hearst and Pulitzer newspapers whipped up antagonism against the cruelty and injustice of Spanish rule. The country also was aroused over the mysterious blowing up of the battleship *Maine* in Havana harbor. Finally, McKinley, pushed on by politicians, allowed Congress to declare war.

TERRITORIAL EXPANSION

The American Navy and Army scored a spectacular series of victories (see maps, Chapter 63) to terminate the war within 115 days. As a result, American rule was substituted for the Spanish government in Puerto Rico, Guam, and the Philippines, and an American protectorate established over Cuba. This building of an American empire was vigorously opposed by Bryan and many other Democrats, plus a small group of Republicans. But the majority of Congress approved it. They believed this new empire was the key to new markets, greater industrial expansion, and business prosperity. They considered this colonial expansion to be America's "Manifest Destiny."

Bryan carried his anti-imperialist fight into the presidential campaign of 1900, when he was again the Democratic candidate. The Republicans renominated McKinley, and as his running mate named Theodore Roosevelt. A colorful figure, Roosevelt had crammed a wide range of activities into the twenty years since his graduation from Harvard: three terms in the New York state legislature; several years of cowboy life in the range lands of Dakota; Police Commissioner of New York City; Assistant Secretary of the Navy under McKinley; and Colonel of his own spectacular Rough Rider Regiment of volunteers during the Spanish-American War.

Bryan again stumped the country, presenting the Democratic platform of a lower tariff, direct election of senators, free coinage of silver, stricter regulation of railroads, and trust-busting. He also attacked imperialism, a problem given added emphasis by a rebellion of Filipinos against United States rule. Matching Bryan's energy, Roosevelt campaigned across the nation, proclaiming the Republican platform: the gold standard, high tariffs, restricted immigration, anti-monopoly measures, and a continuation of the vigorous foreign policy.

Once again the combination of efficient political management by Mark Hanna and national prosperity brought victory to the Republicans. When the votes had been tallied, McKinley had gained an 860,000 edge in a total vote of 13,700,000 and had won 292 electoral votes to Bryan's 155. But McKinley did not long enjoy his triumph. Six months after his second inauguration he was shot by an insane anarchist. His death eight days later brought Theodore Roosevelt to the White House.

Most of Roosevelt's policies as president can be explained in terms of two strong beliefs. First, he held that the Chief Executive had the power to do anything that the needs of the nation demanded, unless such action was forbidden by the Constitution or the laws. "Under this interpretation," said he, "I did greatly broaden the use of executive power." He used that power to advance his second principle: "I was bent upon making the Government the most efficient possible instrument in helping the people of the United States to better themselves in every possible way . . . I wished to make this democracy industrial as well as political."

THEODORE ROOSEVELT'S REFORMS

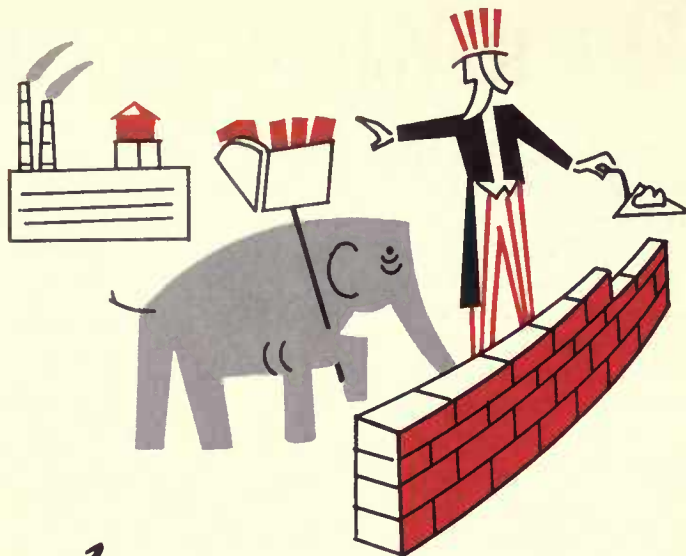
Acting on these principles in a vigorous, colorful manner, Roosevelt captured the leadership of the reform movement previously headed by LaFollette, Debs, Bryan and the Populists. TR, as the accompanying graphic shows, stood firm for such traditional Republican beliefs as the high tariff, the gold standard, and imperialism. But he did push through a number of progressive measures. And when the anthracite coal mine owners refused to arbitrate the issues in the crippling strike of 1902, Roosevelt forced them to reverse their stand. Under threat of using troops to keep the mines open, he got a fair settlement for the striking miners.

As time has dimmed the sparkle of TR's personality, many historians have come to feel that he neither fundamentally changed, nor wanted to change, business control over American economic life. "When the second great period of business consolidation came to an end about 1904, it was not primarily because of Roosevelt's drive against monopolies, but because there was little left to consolidate," says one historian.

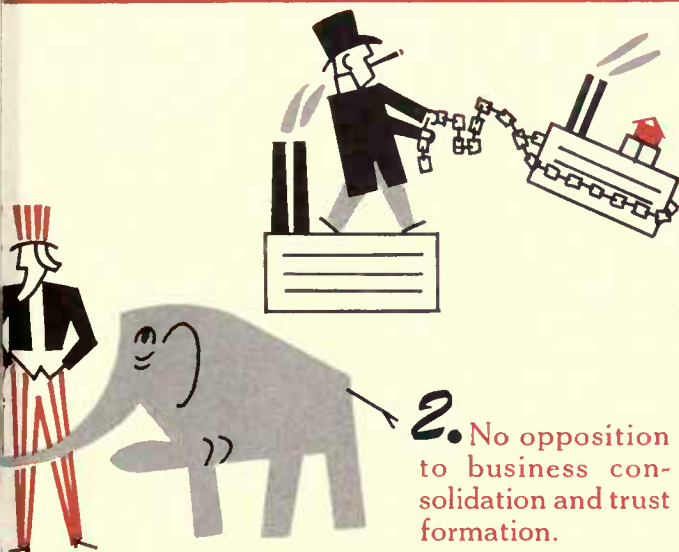
Nevertheless, Roosevelt had gotten a firm hold on the people's affection through his "Square Deal" principles, and his colorful personality. He was renominated by acclamation by the Republican convention in 1904. The Democrats then decided on a drastic change in tactics. They nominated Judge Alton B. Parker of New York, a conservative, gold-standard follower of Cleveland. But the electorate refused to be bewildered by the spectacle of a liberal Republican versus a conservative Democrat and voted overwhelmingly for Roosevelt. His popular plurality topped 2½ millions, giving him an electoral college margin of 336 to 140.



REPUBLICAN PRINCIPLES AT THE TURN OF THE CENTURY



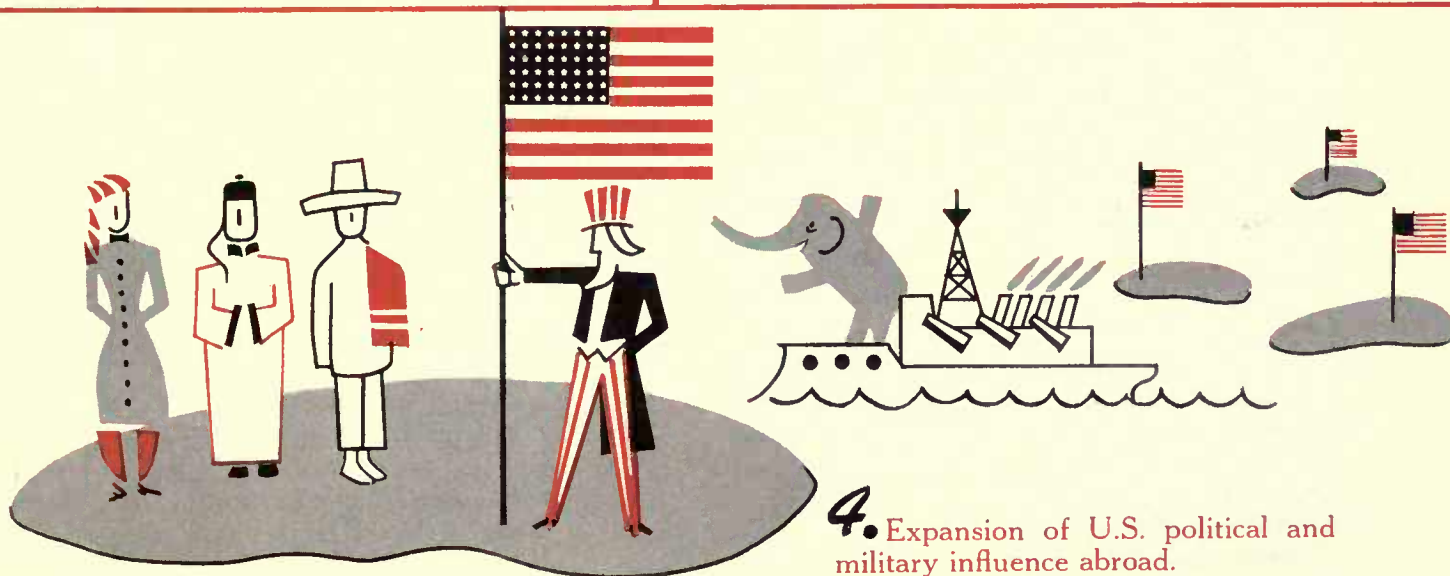
1. High tariffs to protect American Industry.



2. No opposition to business consolidation and trust formation.



3. Gold as the sole standard for U.S. currency.



4. Expansion of U.S. political and military influence abroad.

Revolt of the Liberal Republicans

Theodore Roosevelt had served almost a full presidential term after McKinley's death and an additional four years in his own right. In 1908, he still rode the crest of popular approval. But not wishing to challenge the traditional ban against a third term for presidents, TR instead decided to select his own successor. His choice was his Secretary of War, William H. Taft of Ohio.

Steamrolled by TR's skill in politics and publicity, the Republican Convention nominated Taft on the first ballot. The Democrats once more countered with Bryan and attacked the Republicans as the party of Big Business. The G.O.P. platform, on the other hand, praised TR's record, promised further regulation of monopolies, and advocated tariff reform. A substantial majority of the voters, impressed by Roosevelt's past performance and Taft's present promises, turned to Taft.

THE TAFT ADMINISTRATION

Once in office Taft soon lost the support of Roosevelt's liberal following. One reason was Taft's cabinet, a majority of whom were corporation lawyers. A second blow was the president's defense of the new Payne-Aldrich tariff—which kept rates at a high level in the face of public belief that they would be reduced.

Equally damaging was Taft's dismissal of Gifford Pinchot, TR's expert on government conservation of natural resources. Pinchot was dropped after he had charged that Taft's Secretary of the Interior was playing into the hands of the coal and power interests. A further split in Republican ranks occurred when western Republicans (against Taft's wishes) joined with the Democratic House members to rewrite the House rules and reduce the Speaker's dictatorial control over procedure.

Taft's conception of the president's powers also disappointed TR's followers. Taft believed in exercising only those powers explicitly granted him by the Constitution, in contrast to Roosevelt's belief in wielding all power not explicitly denied him. Nevertheless Taft sponsored much progressive legislation: the establishment of postal savings banks, and parcel post deliveries by the government; compulsory public statements by political parties of the sources and use of their campaign funds; strengthening of the regulation of railroads; a separate Department of Labor; constitutional amendments for the income tax and direct election of senators.

Unfortunately for Taft, his liberal stand on economic legislation offended conservative elements, while his conservative political appointments and tariff stand lost him the backing of the progressives. The result was a Democratic sweep of the House and strong gains in the Senate in the Congressional elections of 1910. This setback gave impetus to the growing split between the liberal and conservative wings of the Republican Party.

Under the leadership of Senator LaFollette, the liberals met in January 1911 to form the National Progressive Re-

publican League. This group endorsed progressive measures, and criticized the failure of the Taft administration to secure satisfactory legislation on the tariff, trusts, banking and conservation. On his return from a hunting trip in Africa, Roosevelt joined in their criticism. A movement by the progressives to draft Roosevelt for the Republican presidential nomination found TR a willing candidate.

Though Roosevelt won many impressive victories in the states which had presidential primaries, control of the Republican convention remained with the party bosses. They rallied to Taft's support and crushed Roosevelt's bid with the same steam roller tactics by which TR himself had engineered Taft's nomination in 1908. But Roosevelt's followers refused to accept the results. They reassembled in Chicago two months later to nominate their idol as the candidate of the newly-formed Progressive Party.

The Democrats were happy observers of this Republican split. Their own convention chose Woodrow Wilson (former college professor, President of Princeton University and reform governor of New Jersey) after a bitter fight. But his defeated rivals rallied behind him.

ELECTION OF WILSON

The Democratic platform was a reflection of Wilson's background and ideas. At one time sympathetic to the conservative, anti-Bryan wing, Wilson still opposed government ownership or control. He stood for a New Freedom—freedom of government from the control of the "invisible empire" of "special interests"; freedom of business, large or small, from monopoly; freedom of workers and public in dealing with the "great economic system which is heartless"; and freedom of Congress from influence by lobbyists. His platform specifically endorsed anti-trust and railroad legislation, the income tax, direct election of senators, revision of the banking laws, and a low tariff.

The Republicans backed Taft's record, but made mild gestures toward social legislation. Theodore Roosevelt's Progressives, on the other hand, endorsed many of the reforms which Populists and Socialists had advocated during previous years. Among these measures were: popular election of senators; women's suffrage; income and inheritance taxes; limitation on the use of injunctions in labor disputes; stricter regulation of banks, trusts and railroads; minimum wage laws; prohibition of child labor; and the right of the people to overrule by popular vote any judicial decision nullifying social and economic legislation.

As a result of the Taft-Roosevelt split, and their own vigorous campaign, Wilson and the Democrats marched to victory. Wilson gained 435 electoral votes to 88 for Roosevelt and only 6 for Taft, though the combined popular vote for the former presidents plus almost a million cast for Debs together outweighed Wilson's total by two and a half million. However, it was obvious that the great majority of the voters in 1912 desired further reforms, and a substantial plurality chose Wilson to achieve them.

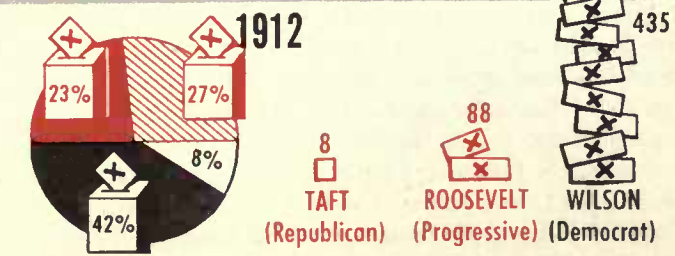
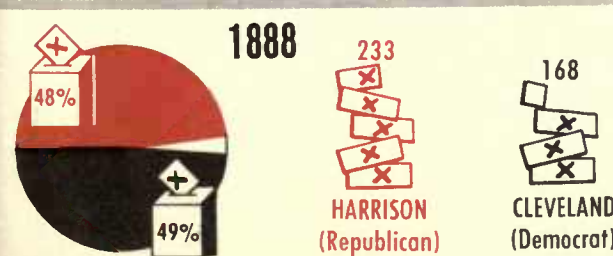
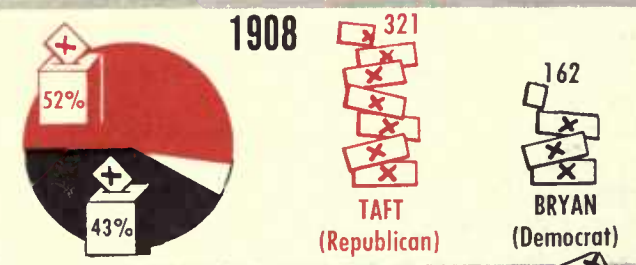
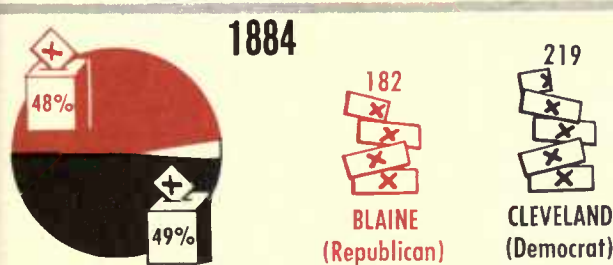
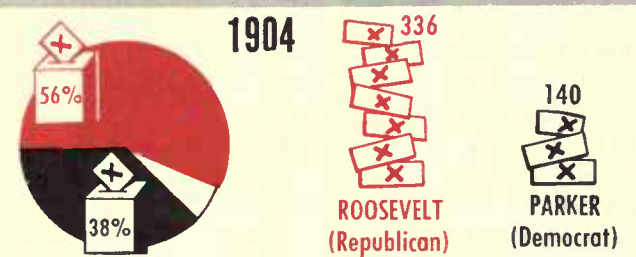
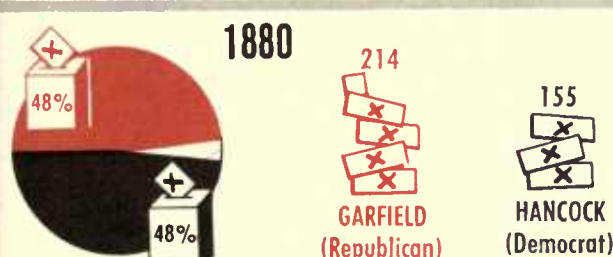
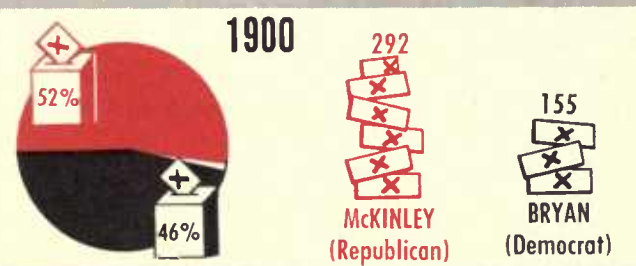
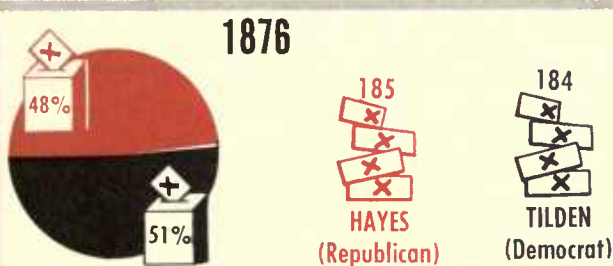
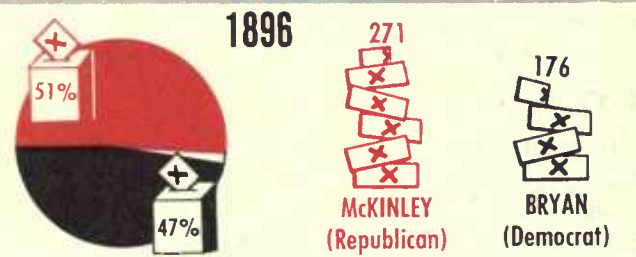
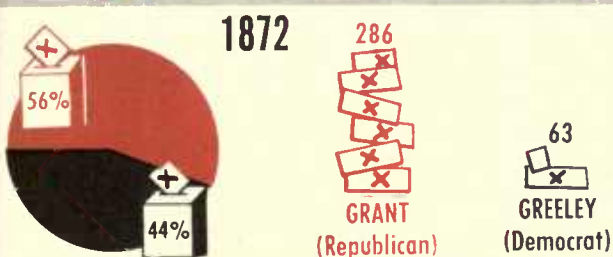
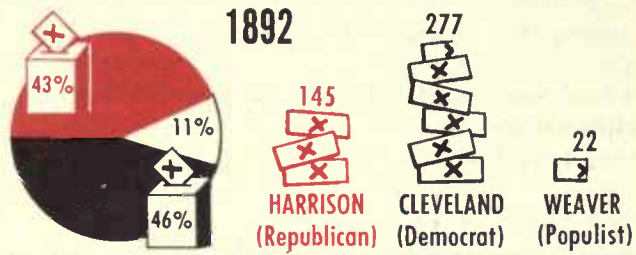
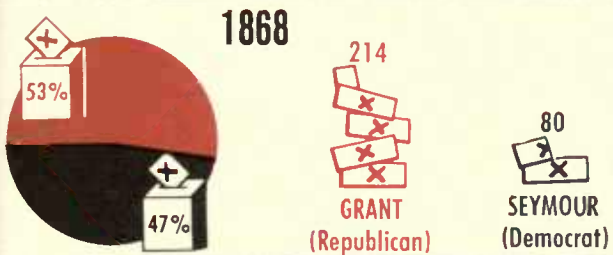
PRESIDENTIAL CAMPAIGNS, 1868-1912

% OF POPULAR VOTE

ELECTORAL VOTE

% OF POPULAR VOTE

ELECTORAL VOTE



The Presidency of Woodrow Wilson

Woodrow Wilson proved to be a vigorous executive—in the Roosevelt rather than Taft tradition. Immediately after his inauguration, the new president called a special session of Congress to lower the tariff. Jefferson had established a precedent of sending messages to Congress rather than reading them in person, but Wilson broke this. In response to his personal appeal, Congress set rates at the lowest level since the War Between the States. Though protection was not eliminated, an effort was made to allow fair competition from abroad.

To compensate for the cut in government income caused by the slash in import duties, Congress passed its first levy under the new Income Tax Amendment. The tax scale ranged from 1% on the income of single men earning \$3000 a year to 6% on incomes exceeding \$500,000.

WILSON'S REFORMS

While the tariff bill was being passed by Congress, Wilson appeared before that body again to put forward a plan of currency and banking reform. As a result Congress set up the Federal Reserve System. This centralized our banking system under government supervision while making it easier to expand credit and currency (see Chapter 52). A special lending agency was also established for farmers through Federal Land Banks, set up to provide long term, low interest farm mortgages.

In support of Wilson's anti-monopoly program, Congress passed the Clayton Act. It tried to prevent interlocking control of Big Business, and the granting by a business of special price scales to particular customers. In addition, Congress created the Federal Trade Commission. This new agency's function was to investigate unfair business practices, and put a stop to them through Commission orders backed up by the courts.

The administration's reform program also proved beneficial to labor. The Clayton Act exempted unions from prosecution as combinations in restraint of trade. Labor, it said, "is not a commodity or article of commerce." Other legislation provided for an eight hour day for railroad workers, and arbitration of their disputes with management. The LaFollette Seamen's Act raised working standards for sailors on American vessels.

Additional reforms supported the extension of civil service classifications, greater self-government for the Philippines and Puerto Rico, and federal aid for the construction of state highways. Almost all of the measures summarized above were passed in the first eighteen months of Wilson's administration. After that, foreign relations with Mexico and the European belligerents became the president's main preoccupation.

A united Republican party faced Wilson in 1916 with Supreme Court Judge Charles E. Hughes as the G.O.P. candidate. The Progressive Party again nominated Roosevelt. But the former president, violently hostile to Wilson's neutrality policy in the European war, declined and threw

his organization behind Hughes.

The Democratic campaign emphasized the progressive legislation passed under Wilson, and his diplomatic achievements in keeping us out of war. Republican orators characterized this foreign policy as "shifty and vacillating." Meanwhile, they angled both for pro-Ally and pro-German votes. On domestic issues the Republicans attacked the Democratic tariff and tax program, and Wilson's friendliness to labor.

Though the solid South helped Wilson roll up a majority of 600,000 popular votes, his electoral vote margin was of the narrowest. Late tabulations from California swung that state into his column, to give him 277 electoral ballots to Hughes' 254. Wilson's progressive record had stood him in good stead, but even more influential—most observers believed—had been the Democratic slogan, "He kept us out of war."

Within six months, however, Wilson led the nation into the conflict. Here again his vigorous leadership asserted itself, both in organizing the country for war and in proclaiming idealistic peace aims for the Allies. Less than a year after our entry we were helping to feed, clothe and supply our allies, and American troops were in the front lines. Meanwhile, Wilson's Fourteen Points were widely accepted as the basis for peace.

WILSON'S POLITICAL DECLINE

Contrasted with Wilson's success in these fields, however, was his growing loss of domestic political control. In the Congressional election of 1918, the majority of Americans rejected the president's plea for a Democratic Congress to back his policies. Resentful of wartime restrictions, the voters gave the Republicans a large margin in the House and a small majority in the Senate. As a result, the Senate blocked approval of both the peace treaty and the League of Nations designed by the president.

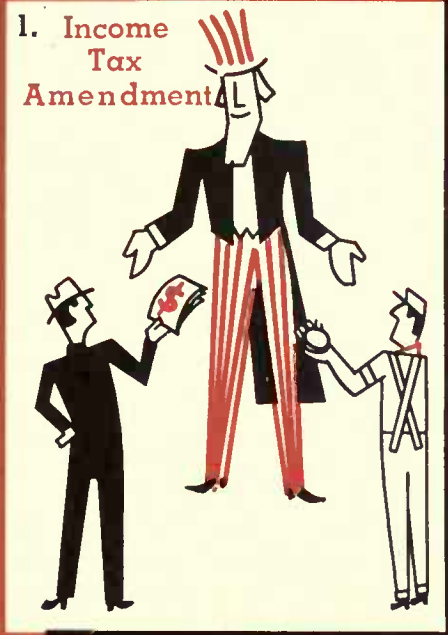
The 1920 presidential election seemed to offer a chance for a popular referendum on this question. The Democratic candidates—Governor James Cox of Ohio and Assistant Secretary of the Navy Franklin Roosevelt—urged approval of the League and peace treaty without major changes.

Having nominated two undistinguished politicians—Senator Warren Harding of Ohio and Governor Calvin Coolidge of Massachusetts—the Republicans countered with a wholesale denunciation of Wilson's foreign and domestic policies. They advocated a protective tariff and immigration restriction, and rejected the League.

In the election, Harding rolled up an enormous seven-million vote advantage, and tallied 404 electoral votes to Cox's 127. Harding's vague gestures toward internationalism caused some interpreters to feel that the people were not so much rejecting the League as rejecting Wilson and the discomforts of war. They hoped for a return to prewar "normalcy" with Harding.

MAJOR DOMESTIC REFORMS UNDER WILSON

1. Income Tax Amendment



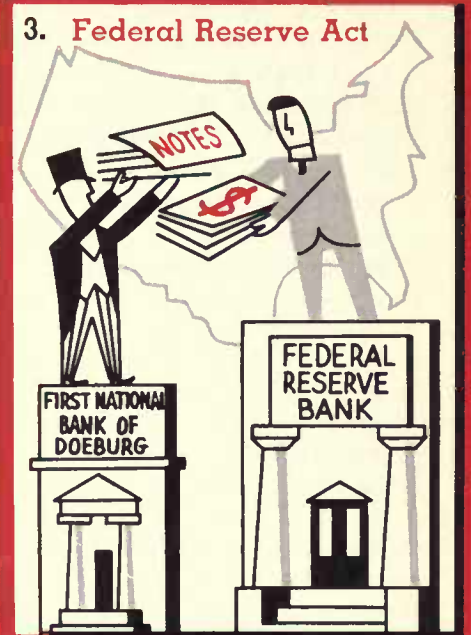
Allowed passage of tax which increased in proportion with income.

2. Underwood Tariff



Cut tariff to lowest level since before the Civil War.

3. Federal Reserve Act



Centralized banking system, facilitated expansion and contraction of currency.

4. Anti-Trust Laws



Banned discriminatory selling, interlocking directorates. Set up Commission to enforce laws.

5. Adamson 8 Hour Day Act



Set 8 hours as standard work day for employees in interstate rail-road traffic.

6. Federal Land Bank Act



Established banks to make long-term mortgage loans to farmers at low interest rate.

Return of the Republicans

Under the new Harding Administration, two important meetings took place. First, a special session of Congress was called, which immediately scrapped the Democratic tariff and raised the rates. Second, Secretary of State Hughes called an international disarmament conference which secured substantial cuts in the world's navies.

Aside from these achievements, Harding allowed Congress to take the leadership in setting national policy. More serious was his trustful appointment of oldtime political cronies to important administrative offices. Although his cabinet contained some able men (Charles E. Hughes as Secretary of State, Andrew Mellon as Secretary of the Treasury, Herbert Hoover as Secretary of Commerce), other cabinet posts and important lower level positions went to unqualified and sometimes corrupt politicians.

The result was a series of scandals reminiscent of the Grant Administration. Grave frauds were uncovered in the Veterans' Bureau, the Alien Property Custodian's Office and Prohibition Enforcement Bureau. Attorney General Daugherty was involved in the latter two scandals. Another cabinet officer—Interior Secretary Fall—leased government oil reserves to private operators. The bribes Fall received for this bargain subsequently led to his arrest and imprisonment.

None of these scandals had yet hit the public eye when President Harding suddenly died in early summer 1923, on his way back from an inspection trip of Alaska. Sincerely and sorrowfully mourned by the country, eulogized as one whose "vision was always on the spiritual," Harding was scarcely buried a year when Congressional committees began to rip down the handsome facade of his administration and reveal the corruption behind it.

COOLIDGE AND PROSPERITY

Fortunately for the Republican party, Calvin Coolidge, who succeeded to the presidency, was the epitome of honesty and respectability. His main program was to run the government as cheaply as possible, and to reduce taxes and the national debt. Rather than regulate Big Business, Coolidge offered cooperation when it was "requested," maintained a hands off policy when it was not.

The end of the war had seen a brief business boom, accompanied by a steep rise in prices. In the latter months of 1920, with consumer income lagging far behind these rising prices, the boom collapsed and gave way to a year-long depression. But the war had left this country alone capable of both helping Europe rebuild, and supplying the clamoring market for manufactured goods throughout the world. Then came the emergence of the giant automobile industry. American business rallied. By the middle of 1922 the economic cycle was well on the upward swing, ushering in seven years of prosperity.

Pointing with pride to prosperity, the Republicans re-nominated Coolidge in 1924. Their platform stressed economy, tax reductions, high tariff, strong merchant marine,

liberality to veterans, and aid to agriculture. To oppose Coolidge, a badly split Democratic convention finally nominated Wall Street corporation lawyer John W. Davis. The Democratic platform attacked Republican corruption, condemned monopolies, advocated federal operation of the government-owned nitrate and power plants at Muscle Shoals. Also advocated was a referendum on the question of joining the League of Nations.

A third major slate appeared on the ballot with the nomination by the Progressive Party of the veteran Senator Robert LaFollette. Quiescent since the Roosevelt campaign of 1912, this party had been reformed to give expression to the discontent of western farmers and organized labor. Agriculture had failed to make a substantial recovery from the depression of 1920-21, while the hostility of the federal government had weakened the strength of the unions. The result was the endorsement of the LaFollette ticket by the railroad brotherhoods and the A F of L executive council—the first time the latter body had ever backed a presidential candidate. True to its sponsors, the Progressive platform contained a host of liberal measures. Among them were government ownership of railroads and abolition of the right of the Supreme Court to nullify acts of Congress.

However, the growing "Coolidge prosperity" was strong enough to sweep the Republican ticket to victory. Coolidge received 15,725,000 votes to 8,336,000 for Davis and 4,826,000 for LaFollette. With this endorsement, the President put forward a program of tax reduction, immigration restriction, enforcement of prohibition and refusal to join the League. Willing to give the farmer tariff protection and credit facilities, Coolidge twice vetoed farm measures which provided for government price fixing. The standard of living rose and the public debt was cut one-third.

CAMPAIGN OF 1928

The President's leadership was generally considered a key factor in this 1924-28 prosperity. Therefore, Coolidge could easily have secured the 1928 Republican presidential nomination. But the New Englander removed himself from consideration in August 1927 with the statement: "I do not choose to run for President in 1928." In his place the Republican convention selected Secretary of Commerce Herbert Hoover. The party platform extolled Coolidge's record and promised more of the same.

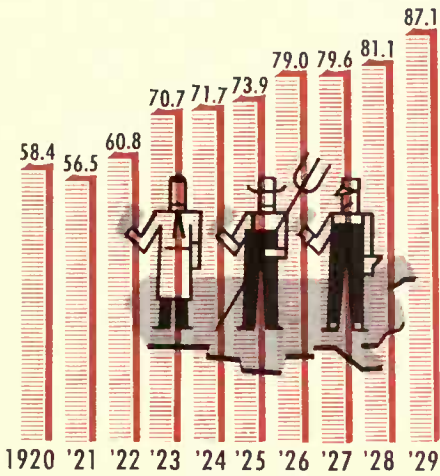
Governor Al Smith of New York swept the Democratic convention on the first vote. Though the Democratic platform differed little from the G.O.P.'s, Smith personally came out for ending the Federal Prohibition Amendment—a course opposed by Hoover.

Smith's "wet" stand and the fact that he was a Catholic undoubtedly cost him some votes, especially in the rural South. Besides, the electorate could see no reason for casting aside the party whose policies they associated with prosperity. The result was a landslide victory for Hoover.

ECONOMIC TRENDS IN THE 1920'S

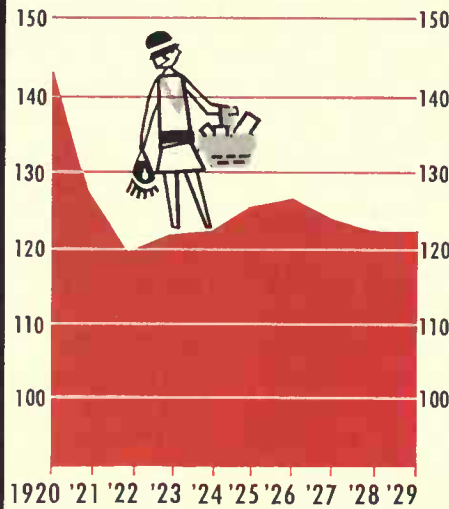
National income climbed steadily upward

(\$ Billions—in 1929 dollars)



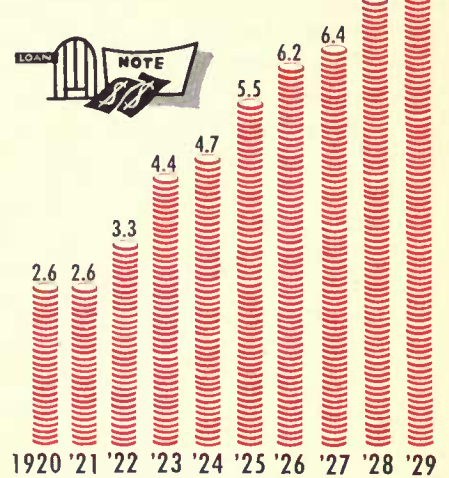
And cost of living settled down

(1935-39 prices=100)



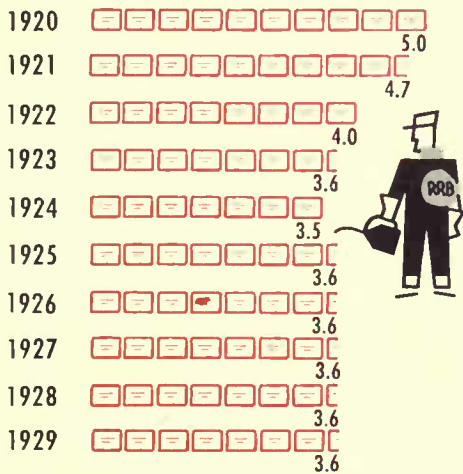
But consumer borrowing soared to record heights

(\$ Billions)



Union membership lost ground

(Total U.S. membership—in millions)



And factory wages never regained early postwar peaks

(Average weekly)



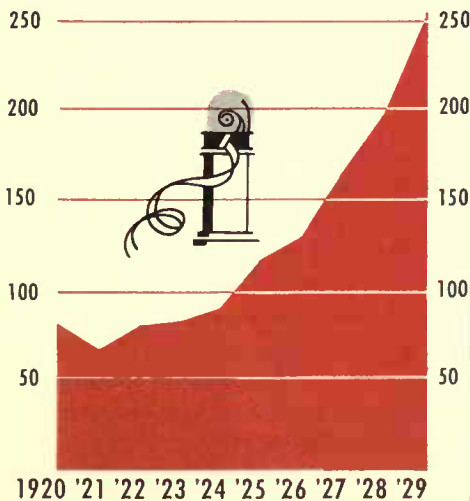
Though corporation profits surpassed previous highs

(\$ Billions)



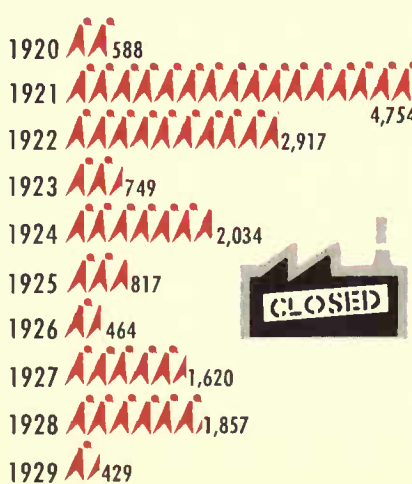
Stock market prices tripled

(N. Y. Times index—dollars per share)



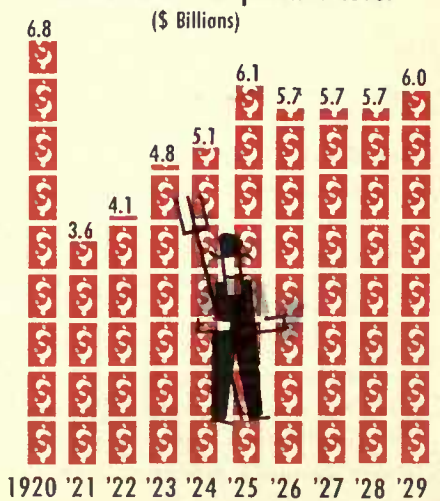
Though unemployment fluctuated

(Figures in thousands)



And farm income never quite climbed back to postwar level

(\$ Billions)



Improvements in Political Democracy

The period after 1865, as we have seen, had witnessed the development of large financial and industrial interests and their growing control over American life. Reform legislation such as was passed during the administrations of Theodore Roosevelt, Taft and Wilson was the people's reaction to this menace. In many cases, however, the big interests which were being regulated evaded reform. Or they gained special privileges from corrupt political machines and party bosses.

Therefore, additional legislation was drawn up to strike at this evil, and thus insure honest, efficient government. One of these measures was the *secret ballot*. It was borrowed from Australia and adopted first by Massachusetts in 1888. It gave the voter an opportunity to mark a ballot in private, instead of stating his preference by voice or show of hands. Thus, the voter was freed from worry about reprisals. The later invention of the voting machine made it even more difficult to tamper with the counting of these secret ballots.

Another blow at corruption was the widespread adoption of the *direct primary*. This enables the electorate to choose in a preliminary vote the candidates who will represent their parties on election day. Before the spread of the direct primary, candidates were picked by boss-controlled conventions or caucuses. Under the new system, anyone who could get the required number of signatures on a petition would appear on the primary ballot. Today this method is used for some or all state offices in every state but three. Only about one-third of the states, however, provide for presidential primaries.

DIRECT ELECTION OF SENATORS

Another attempt to secure more democracy was the fight for direct election of U. S. senators. The Constitution originally provided that senators be chosen by the state legislatures, often dominated by political bosses and Big Business. As a result, the visiting English political scientist, Lord Bryce, observed that: ". . . some, an increasing number, are senators because they are rich; a few are rich because they are senators." In the 1890's the Populists campaigned for the direct election of senators by the voters, in the same manner as representatives. After 1900 the Democratic platform contained a similar provision.

The senators themselves were naturally reluctant to give up their privileged status. So western reformers began to break it down by applying the direct primary to the selection of senatorial candidates, and binding the state legislature to indorse the winner. An increasing number of men elected by these methods took their seats. In 1912 the Senate finally responded to public pressure and approved the 17th Amendment for direct election of senators.

Another reform long overdue was granting women the right to vote in state and national elections. In 1900 women had full voting rights in only four states, although they were allowed to vote on some state and local questions else-

where. From 1890 on, an organization called the National American Woman Suffrage Association campaigned militantly for political equality. Led by Carrie Chapman Catt and Anna Howard Shaw, the organization enrolled 200,000 members by 1914 and raised the total of women's suffrage states to eleven. The Suffragettes then began to put pressure on Washington for federal action. As a result of their aggressive work, both parties endorsed women's suffrage in 1916, and Wilson recommended it to Congress in 1918. Embodied in the 19th Amendment (passed by Congress in 1919), it was ratified by the states in time for women to vote in the presidential election of 1920.

The "Oregon system," another political technique to give voters stronger control over legislation and officials, provides three new weapons. One is the *initiative*, which empowers any citizen to draw up a law. If he can then get it endorsed in petition form by 3%-10% of the legal voters, it is submitted to a general election for approval or disapproval. A companion piece is the *referendum*. This requires the legislature—after having received a petition signed by from 5%-10% of the voters—to submit a law it has enacted to the whole electorate for approval or disapproval.

The third measure is the *recall*. By submitting a petition signed by a stated number of voters, citizens dissatisfied with an elected official can force him to undergo a special election before the expiration of his regular term. If a majority of the vote is against him, he is removed.

Popular mainly in the West, this Oregon system has had a limited growth. Initiative and referendum are in use in less than half of our states, and recall in less than one-quarter.

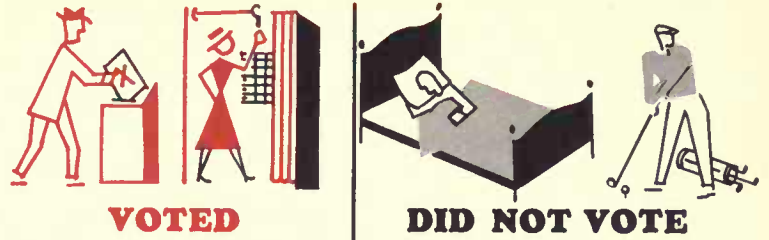
STATE AND LOCAL REFORMS

Efforts have also been made to make the election and operation of state and local governments more democratic and efficient. Among state governments this has taken the form of shortening the ballot so that the voter chooses only his legislative representatives, the governor, and lieutenant-governor. The governor is then free to pick a cabinet of experts. In addition, the trend has been toward the creation of special commissions of trained men, usually selected by the governor, to regulate the railroads and other public utilities (see map, Chapter 54) which have been such a frequent source of corruption.

In the field of city government, there has been the same search for government by experts. One method has been the *commission plan*. This provides for the election of commissioners to act as the executive heads of the main city departments and also as the legislative council to make new local laws. A variation of this method is the *city manager system*. Here a paid professional expert runs the city under the supervision of the commission (like a corporation president and the board of directors).

Do Issues Bring Out Voters?

% of potential voters who actually voted in presidential elections



YEAR **CANDIDATES**

VOTED

DID NOT VOTE

1896

McKINLEY vs.
BRYAN

79%

21%

1912

WILSON vs.
TAFT & ROOSEVELT

62%

38%

1916

WILSON vs.
HUGHES

71%

29%

1924

COOLIDGE vs.
DAVIS

49%

51%

1932

ROOSEVELT vs.
HOOVER

55%

45%

1940

ROOSEVELT vs.
WILKIE

62%

38%

1952

EISENHOWER vs.
STEVENSON

63%

37%

How Population Growth Has Lessened Individual Citizen's Electoral Importance

population per congressman 1790-1950



1790

34,436

1860

122,614

1900

193,167

1940

301,164

1950

344,587

Development of the Industrial Revolution

This unit deals with the story of how the United States changed from an essentially agricultural country to the greatest industrial nation of the world. It begins with a discussion of the frontier and the federal land policy. It then turns to the beginnings and development of the Industrial Revolution, particularly in manufacturing and transportation. Much of this great development was based on the coming of millions of immigrants. With big business came the problems of monopoly, followed by government regulation of industry and transportation. As industry grew large, so did labor and its organization. Like a thread running through all this story is the problem of currency and banking.

The Frontier and Western Land Policy

In colonial days three main methods were used to settle fresh land. The first was the *manorial system*. Under it, the king granted large tracts to favorites—who then settled colonists on this land and tried to collect small rents from them. Under the *New England system* a group of prospective settlers would band together, pick out a likely site, and then petition the colony's legislature to grant the land to them. If their petition was successful, the settlers moved in. They divided most of the land among themselves, but reserved some for community institutions such as the church, meeting place, and school. *Headrights* was the principal means of acquiring land in the southern colonies—a grant of unoccupied land to each immigrant landing in the colony.

DEVELOPMENT OF FEDERAL LAND LAWS

After the American Revolution, one of the new government's tasks was to develop a fair and practical policy for making available to settlers the land west of the borders of the thirteen original states. The first step was taken in the Ordinance of 1784. It provided for the surveying of the western land by the government, and its division into townships each containing thirty-six sections one square mile in area. The income from section sixteen of each township was reserved for the support of public schools.

In 1796 Congress set the minimum price for federal land at \$2 an acre and the minimum size at 640 acres—allowing credit for one year on half the purchase price. But the \$1280 investment thus required was far more than the average frontiersman could pay. As a result, the size of tracts was reduced several times, so that by 1832 it was 40 acres. The minimum price was also reduced. It was set at \$1.25 an acre in 1820. Cash was required—and buying of land on credit was halted.

In addition to smaller plots and lower prices, the western settler wanted the right of *pre-emption*. This meant the right to settle on land before it had been purchased—even before the government had surveyed it and offered it for sale—and the right to buy this land once it was put on sale. In Acts of 1830 and 1841 Congress finally legalized pre-emption by allowing settlers to occupy 160 acres before government survey, and buy it later at the minimum price, free from competitive bids.

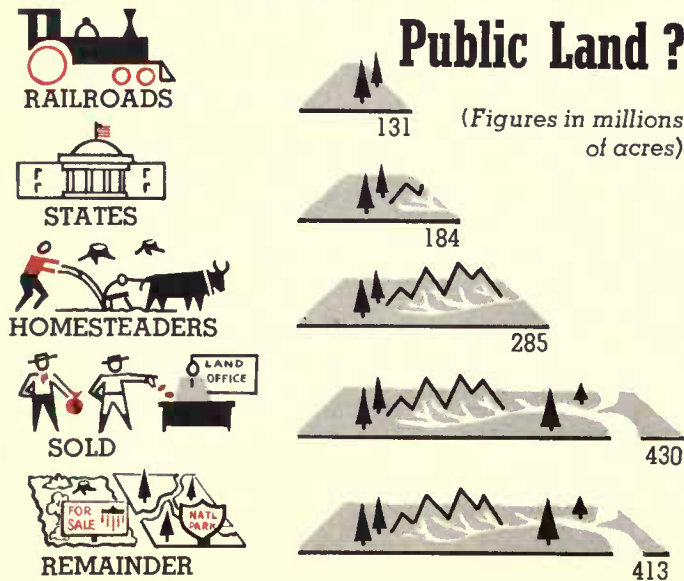
These triumphs for the frontier farmers encouraged their campaign to end entirely the government charge for land. In the colonial days the headright grants had been free, as had been the land granted to groups under the New England system. Even the lands acquired under the manorial system had been practically free because of the difficulty of collecting rents from the colonists.

But a free land policy was opposed by leaders in the Northeast after the Revolution. They felt that this policy would raise wages by making labor scarce. They also feared free western land would depress the value of eastern land, and deprive the government of needed revenue. Southern leaders joined the opposition to free land in the 1850's. They feared it would so speed the movement of small farmers to the West that it would prevent the extension of slavery. Supporters of the free land policy agreed that it would stimulate the rapid occupation of the West, but maintained that this would benefit the whole nation. Besides, they claimed, every American had a natural right to free land, and ownership of small farms by many Americans would promote democracy.

So burning a political issue did the question become that the Free Soil Party was founded in the 1840's to push the free land policy. Later the Republicans took over the issue, and passed the Homestead Act of 1862. This granted 160

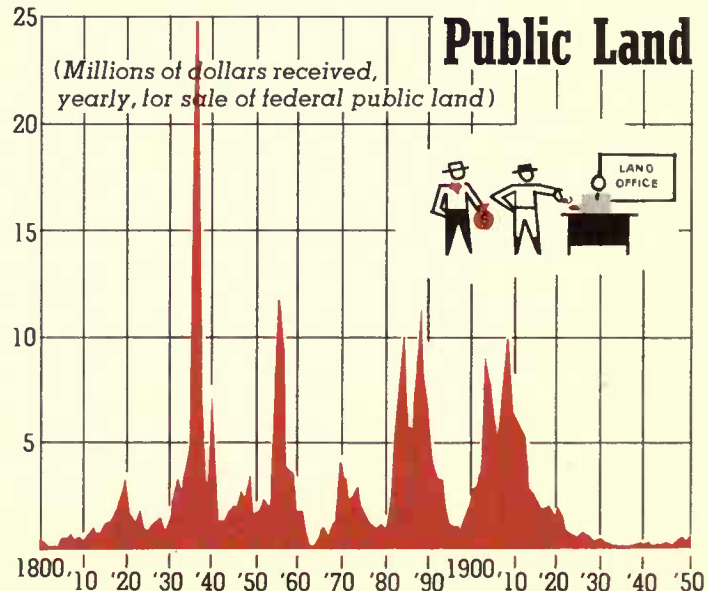
Who Has Gotten Our Federal

Public Land ?



The Waves of Interest in

Public Land



INFLUENCE OF THE FRONTIER ON U. S. ECONOMIC DEVELOPMENT

Provided continuous supply of fresh land



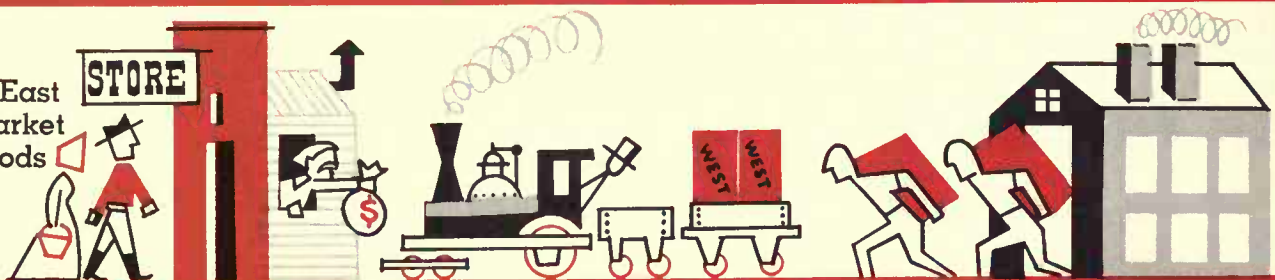
Encouraged wasteful methods of farming



Caused labor scarcity and high wages in East



Supplied East with a market for her goods



acres free to genuine settlers after they had occupied the land for 5 years. However, in the remaining 40 years of the century, the government sold for cash and gave to the railroads or the "land grant" colleges much more land than it gave away to homesteaders.

EARLY WESTWARD MOVEMENT

During the seventy years that the fight for free land had been going on, settlers had steadily spilled westward beyond the borders of the original thirteen states. Emigrants from New England, New Jersey and Pennsylvania first filled up western New York. After 1800, they went on to the Old Northwest—the region bounded on the south by the Ohio River, on the west by the Mississippi, and on the north by the Great Lakes. This westward wave was made up in great part of discontented easterners hoping for greater opportunities and immigrants who had fled the hard conditions of Europe. With the launching of the first steamboat on the Ohio in 1811, the pioneers found quicker and more efficient means to move west and send their produce back east. As a result, the population of the Old North-

west rose from a few thousand in 1800 to seven million in 1860.

The settlement of the Old Southwest (south of the Ohio River and east of the Mississippi) began as early as the Revolution, when Daniel Boone led settlers into Kentucky and James Robertson headed a group that settled in Tennessee. Though they were subject to constant Indian attacks, these pioneers held on and attracted reinforcements. As a result, Kentucky had enough population to join the Union in 1792 and Tennessee in 1796.

Soon settlers were pushing farther south—into Alabama, Mississippi, Louisiana and Arkansas. Here the rich black soil attracted many slaveowners who had already exhausted the coastal land with their crude and inefficient methods of cotton culture. It is estimated that two-fifths of the population of South Carolina, one-third of North Carolina and Virginia, and one-quarter of Georgia moved west across the mountains. By the 1830's the center of cotton culture, southern wealth and political leadership had shifted to the Southwest.

Settlement of the West

The permanent settlement of a new area in the West usually involved three distinct stages. In the first stage the pioneer entered with his family, built a crude log cabin, started a garden, and began to clear the land. Quite often he would sell out after a short while, and move to a new area to repeat the process.

The settlers in the second wave would work hard to change the area from a frontier into a farming community. They thoroughly cleared the land, put up wooden houses with glass windows and stone chimneys, and built adequate roads. Grain mills were constructed to process local crops, and schools and courthouses established.

In the third stage, men with capital and enterprise would move into the community and buy land. Under the direction of established farmers and businessmen, the village would often grow into a substantial community. Farms were consolidated, brick and stone houses built. As the town grew, stores, churches and colleges were established, and the refinements of civilization appeared.

Of course, this picture of the successfully growing community does not apply to many areas which lacked good land or transportation facilities. And the Southwest was more likely to see the planter buy out the frontiersman, consolidate small farms into a plantation, and speedily exhaust the land by raising a single crop with unskilled slave labor. He would then push west to repeat the process, leaving the exhausted area to decline.

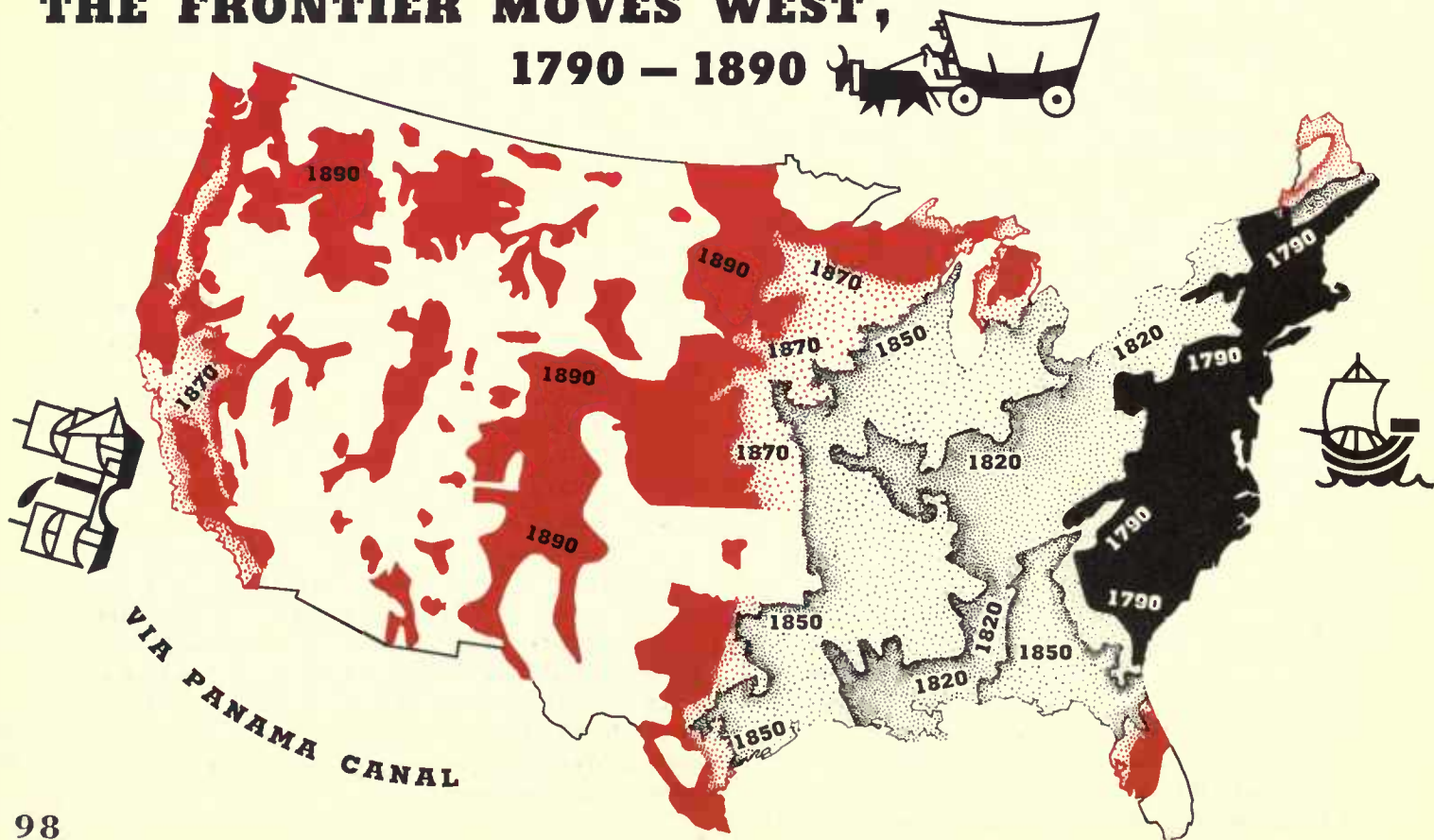
THE MINING FRONTIER

By the 1840's, the steadily westward moving frontier had crossed the Mississippi, as the map shows. But the California Gold Rush of 1849 brought thousands of settlers directly to the Pacific Coast (and incidentally provided a Far Western base for advances into the unsettled Rocky Mountain area). A very small minority of gold seekers actually found gold. The big profits went to the businesses that served the prospectors: the merchants, transportation companies, hotel keepers and gambling house proprietors. The influx of gold seekers provided enough population to bring California statehood by 1850. When the production of gold died down, the population turned to a more lasting prosperity based on agriculture and industry.

Though it lacked the glamour of gold, the Oregon area attracted enough settlers to be organized into a territory in 1848. Oregon had at first been exploited principally by fur traders, and occupied jointly by Britain and the United States. During the 1830's American frontiersmen began to trickle in, followed by missionaries and farmers. By 1846 enough Americans had settled in Oregon to terminate joint rule with Britain, and set Oregon's northern boundary at the 49th parallel.

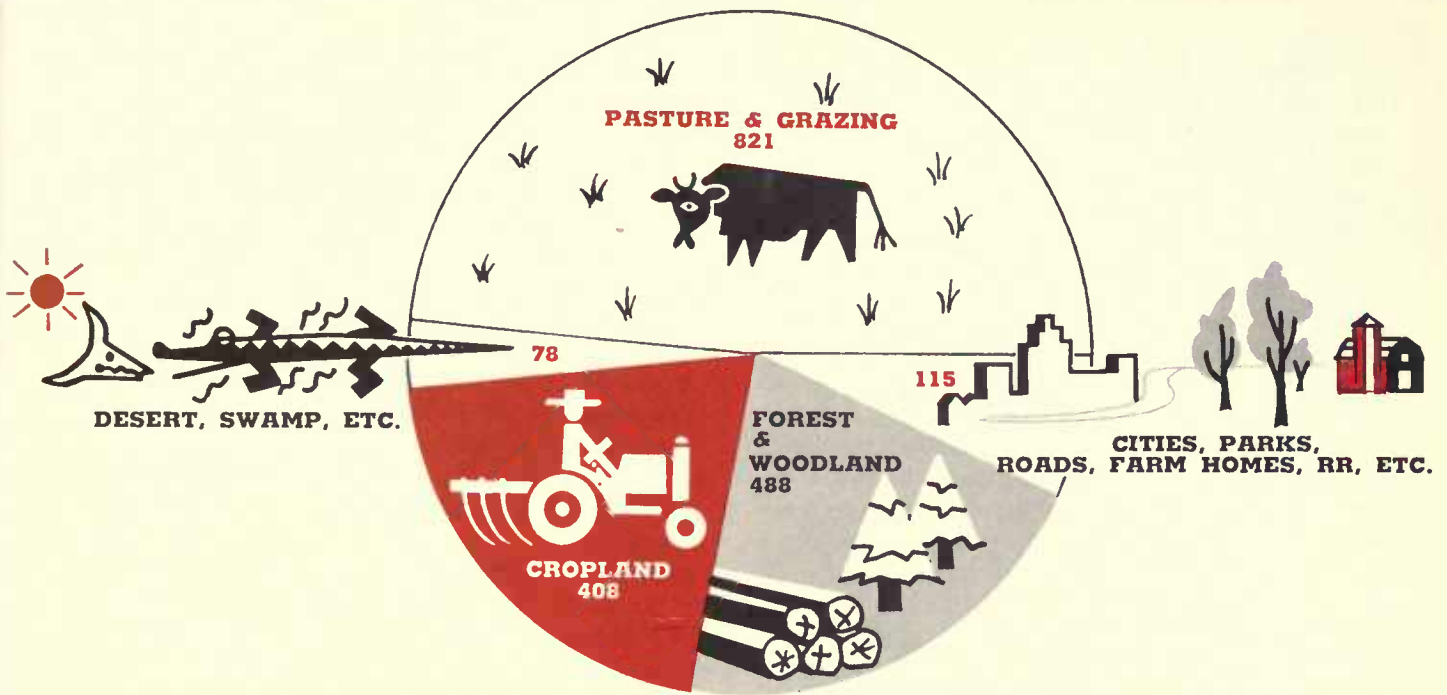
To the southeast in Utah the Mormons had accomplished the most successful group migration in our history. Because of their religious beliefs, they had been persecuted in the eastern states and driven out of their settlements in

THE FRONTIER MOVES WEST, 1790 - 1890



HOW WE USE OUR LAND TODAY

(Figures in millions of acres)



THE RANCHING FRONTIER

Illinois and Missouri. Under the leadership of Brigham Young, they crossed the Great Plains and settled in the valley of the Great Salt Lake in 1847. Here their group spirit and hard work made the desert bloom, and gave them funds to import new converts from the East. In 1850 Utah became a territory. But statehood was delayed until 1896, when the Mormons agreed to abandon polygamy.

In 1859, ten years after the California Gold Rush, another strike was reported in the vicinity of Pike's Peak, Colorado. Professional prospectors and miners from the Far West were joined by amateurs from the East. Almost simultaneously the silver-rich Comstock Lode was unearthed in the western part of Utah. The Territory of Nevada was carved out of Utah in 1861, and became a state in 1864. Colorado, meanwhile, was organized as a territory in 1859 and reached statehood in 1876.

Rumors of gold discoveries pushed the Mining Frontier into other uninhabited areas of the West. Territorial organization was brought to Arizona (1863), Idaho (1863), Montana (1864) and Wyoming (1868). Miners who scurried after gold from one boom town to another were hardly a stable base upon which to build prosperous states. However, they blazed a trail for the farmers, ranchers, lumbermen and large mining corporations interested in oil, lead, zinc, copper and other minerals. These interests formed the more permanent basis for the new states.

Meanwhile the cattle industry grew tremendously in the area between the Mining Frontier on the west and the Farmer's Frontier (a few hundred miles west of the Mississippi River) on the east. Shortly after the Civil War it was learned that cattle could survive the northern winter and thrive on the grass of the Great Plains. A reservoir of Texas cattle became the source of the new industry. Young cattle were rounded up in the spring and summer of each year, and driven north to newly developed cattle centers on the recently completed transcontinental railways.

But within twenty years the railroads, which had made this large scale grazing on public land possible, brought it to a close. They brought in hundreds of thousands of farmers who protected their land against cattle grazing with fences of the newly invented barbed wire.

Ranching, after this first great expansion and collapse, now developed on a more stable basis. The ranchers themselves bought and appropriated large tracts of land which they fenced in. Improved methods of meat packing, refrigeration and transportation became necessary to move the expanding meat supply. As these methods were invented, the East and Europe were enlisted as steady customers. Competing with the rancher for the prairie was the farmer with a windmill to pump up water and a fence to mark his land. Together they battled the railroads in an effort to lower the price of transporting their goods.

The Beginnings of American Industry

The Industrial Revolution has been described as "the transition from mother and daughter power to water and steam power." Before the 19th century, the typical American farm family not only raised its own food, but also made most of its own clothes and furniture. However, some small scale manufacturing was carried on by: (1) Local lumber, flour, and wool finishing mills. (2) Craftsmen like blacksmiths, leather workers, and cabinetmakers who found enough business in the towns to support themselves. (3) Merchants who distributed raw material (like yarn) to farm families for piece work manufacturing at home, and then collected the finished cloth for sale in the market.

While this primitive economic life continued, revolutionary changes were taking place in Britain. A series of inventions caused a shift in manufacture of textiles from the home to the factory. First was John Kay's invention of the flying shuttle in 1733, which speeded the weaving of cloth. The invention of Arkwright's water frame in 1769 and Hargreave's spinning jenny in 1770 made possible the increased production of cotton thread. In 1785 Cartwright invented a power loom, propelled by water, to weave cloth. James Watt's invention of a practical steam engine in 1769 meant that textile manufacturing would no longer be dependent on water power.

EXPANSION OF THE INDUSTRIAL REVOLUTION

In addition, engineers soon adapted the steam engine to other uses in manufacturing and transportation. In America Robert Fulton used it to propel a steamboat from New York to Albany in 1807. By 1838 the British had put into operation a steamship which crossed the Atlantic. In land transportation the Englishman George Stephenson demonstrated a steam locomotive which, in 1829, pulled a train weighing thirteen tons.

Textile manufacturing on a machine basis also developed in the United States. Britain had attempted to keep a monopoly on its equipment and "know-how" by forbidding the export of machinery or plans and the emigration of skilled workmen. Nevertheless, Samuel Slater, a former overseer in Arkwright's works, came to America in 1789 and built from memory a set of spinning machines for a Rhode Island merchant. By 1791 they were producing satisfactory yarn.

With an increasing demand for raw cotton, some way had to be found to speed up the slow hand process of separating the cottonseed from the cotton. In 1793 Eli Whitney, a New Englander then in the South, invented the cotton gin. A machine operated by horse power, the gin could clean 300 pounds of cotton a day to a slave's five to six by hand. Another New Englander, Francis Cabot Lowell, returned in 1812 after a two year study of textile machinery in England, and built his own plant and machines. Financed by a group of relatives and friends, his Massachusetts plant was said to be the first in the world to unite all spinning and weaving operations in one mill. Since

European goods were cut off during the War of 1812, Lowell's backers later financed other factories to meet the needs of the U. S. market. Soon American inventors were adding their own improvements in the textile machinery field. Among these was the sewing machine, invented by Elias Howe in 1846, which became the basis for factory production in the clothing and shoe industries.

Another industry which grew in response to domestic demand during the War of 1812 was iron manufacturing. This industry took another big step forward in 1830 when it was discovered that the abundant anthracite coal of Pennsylvania could be used to smelt iron from nearby mines. Further advances came in response to the demands of the textile machinery, steamboat and railroad industries. In 1851 William Kelly of Kentucky invented a quick, inexpensive way of refining iron into steel—a method very similar to the one being perfected by Bessemer in England at the same time. By the end of the Civil War, large steel mills had been built and were producing steel at a price comparable to that of iron.

Agriculture was also advanced through new inventions made of metal. The wooden plow was supplanted by the iron plow patented by Charles Newbold in 1797. The latter was improved by John Lane's invention of the steel moldboard (1833) and James Oliver's technique of chilled steel construction (1869). Harvesting was speeded when Cyrus McCormick and Obed Hussey began to market their reaping machines in the 1830's.

Farm and town both provided customers for the iron stoves which, during the 1840's, began to replace the old fashioned fireplace for cooking and heating. The firearms industry was another large consumer of metal. In this field Eli Whitney made another significant contribution. He standardized the design and manufacture of parts, thus making replacements interchangeable with the original part. This was vital in changing manufacturing from a "custom-made" trade to a mass production industry.

CAPITAL AND LABOR

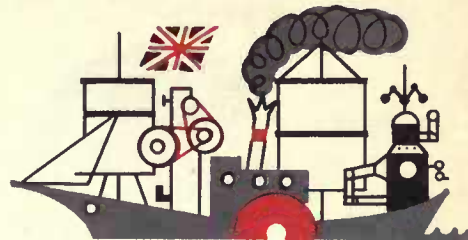
Capital for the financing of the American Industrial Revolution came partly from local savings, partly from European investors. The New England textile mills were at first largely financed by merchants and shipowners. Many of them had left the maritime trade because of the disruptions in shipping caused by the Embargo and the War of 1812. A great many factories, however, originated from small shops or mills whose owners reinvested the profits until good sized plants resulted.

Working conditions in these early factories were a subject for debate. English observers such as Dickens found American factories a paradise compared to their own sweatshops. However, child labor was widespread, especially in the textile mills. And the working day, stretching from sunup to sundown, lasted from twelve to fourteen hours. As a result, local trade unions slowly developed.

The INDUSTRIAL REVOLUTION Comes to the U. S.



U.S. inventors make important contributions



Spread of inventions from England.



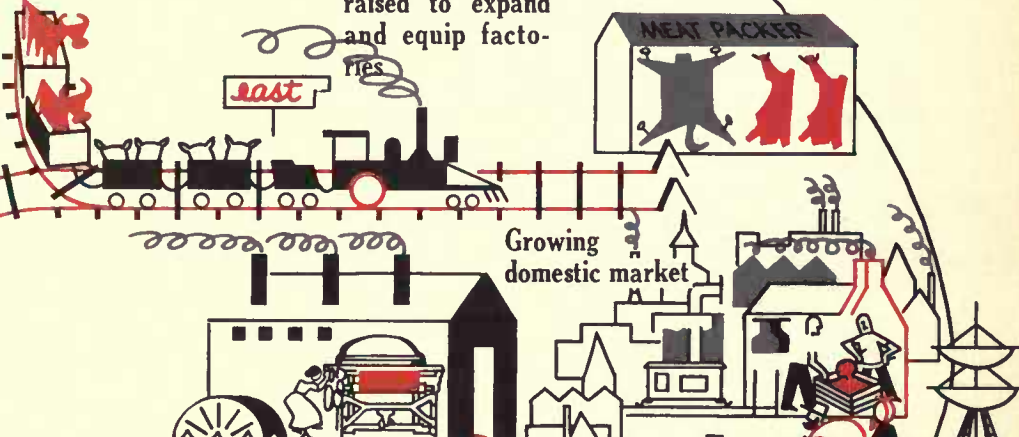
Availability of raw materials



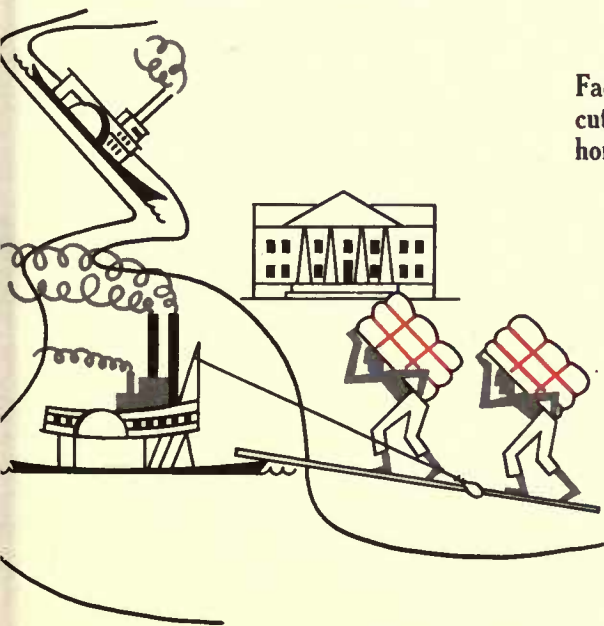
Capital saved and raised to expand and equip factories



Improvements in transportation



Growing domestic market



Factory machinery cuts costs below home production



Immigration of skilled and unskilled European labor

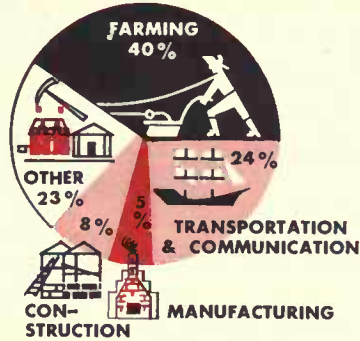
GOODS	7¢
TARIFF	2¢
FREIGHT	1¢
PER YARD	10¢

Tariff and freight costs give protection against imports

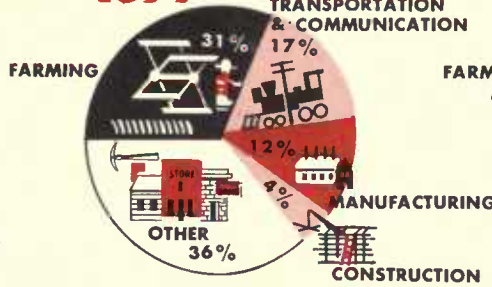
GROWTH OF INDUSTRY IN THE 19TH CENTURY

(Share of national income provided by each division)

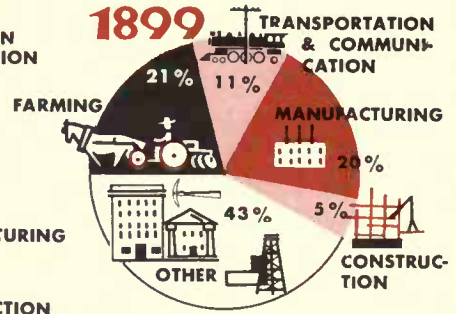
1799



1859



1899



C H A P T E R

43

Industrial Growth After 1860

In the years between 1840 and 1900, the U. S. became the world's foremost industrial nation. It also developed from a country dependent largely on water transportation to one with the largest railway system in the world.

Iron was the basic industrial metal in 1840, when 286,000 tons were produced; in 1899, United States mills turned out more than 10½ million tons of steel. Less than a quarter of our workers were in industries other than agriculture in 1840; by 1900 two-thirds of all workers were in non-farm occupations. Though the Industrial Revolution had started in Europe, the U. S. ranked fourth among all nations by 1860 in volume and value of factory made goods. By 1894 America had reached first place in factory production, with an output larger than the combined total of England and Germany.

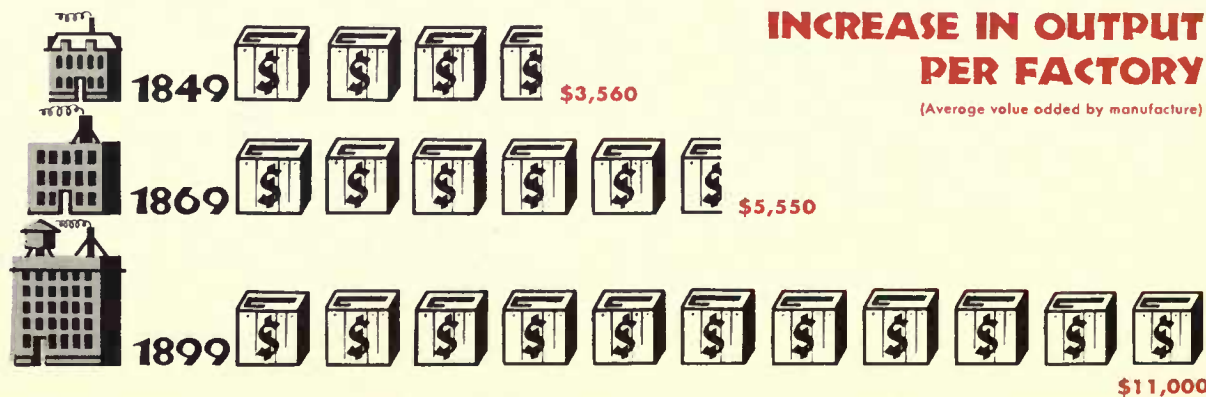
As we have seen, the first big stimulus to factory output came when imports from Europe were cut off during the period of the Embargo and the War of 1812. Output continued to climb during the following decades. It was bolstered by a protective tariff, by the growth of domestic population and markets, and by improvement in transportation facilities. Industry was also stimulated by the War Between the States. Textiles, food and munitions were needed for the army, for the civilian population and for

export. And the market for manufactured products continued to increase after the war, as the charts show.

STEEL, MEAT PACKING AND OIL

Steel was the key factor in this rapid postwar growth. Before 1860 steel had been a luxury product. But the refining methods of Kelly and Bessemer made possible speedy, cheap, volume production of the metal. In the twenty quick years between 1860 and 1880, the number of iron and steel plants increased from 402 to 1000, their capitalization from \$23 million to \$231 million, value of product from \$37 million to \$297 million, and number of employees from 22,000 to 141,000. Centering in western Pennsylvania, the steel mills spun a web upon which rested railroads, steamships, huge city buildings, and the modern farm.

Another important industry which mushroomed in these years was meat packing. The growing mass of city dwellers here and abroad provided an expanding market. In response, the cattlemen increased their flocks and the railroads ran their lines into cattle country. Methods of refrigerating and canning the meat developed. As the center of cattle raising moved west to the Great Plains, Chicago replaced Cincinnati as the chief packing center. Kansas City, Omaha and St. Louis also became important. The



number of plants rose from 259 in 1859 to 921 in 1899, and the number of workers from 5,058 to 68,534. In 1899, meat packing ranked second among American industries.

Petroleum was another industry which grew to giant size. Sold principally as a cure-all medicine by quacks during the first half of the 19th century, oil's use for lubrication and lighting gradually became known. When E. L. Drake began to collect 25 barrels a day from the well he sank in western Pennsylvania in 1859, the oil boom was on. Other wells were soon drilled. The first pipe line was built in 1859, and the first tank car a few years later. The half million barrels produced in 1860 grew to 63½ million in 1900, while the price dropped from \$9 a barrel to little more than a dollar.

In the last quarter of the century, northern capital moved into the South to build cotton and tobacco factories and exploit the region's coal, iron and water power. Railway mileage doubled between 1878 and 1890. But the South could not satisfy all the capital seeking profitable investment, and industrialists began to look abroad to build industrial empires.

One important result of the Industrial Revolution was the growth of cities. Towns full of workers sprang up around growing factories. And the increasing number of city workers whose income was solely in cash in turn enlarged the market for industry and commerce. Between 1880 and 1900 the number of people in urban areas of 2,500 or over more than doubled—from 14 million to 30 million—while the urban share of our population rose from 28% to 40%. Rural population grew slowly (and in some eastern areas declined), with large numbers of the more adventurous younger generation taking off for the city.

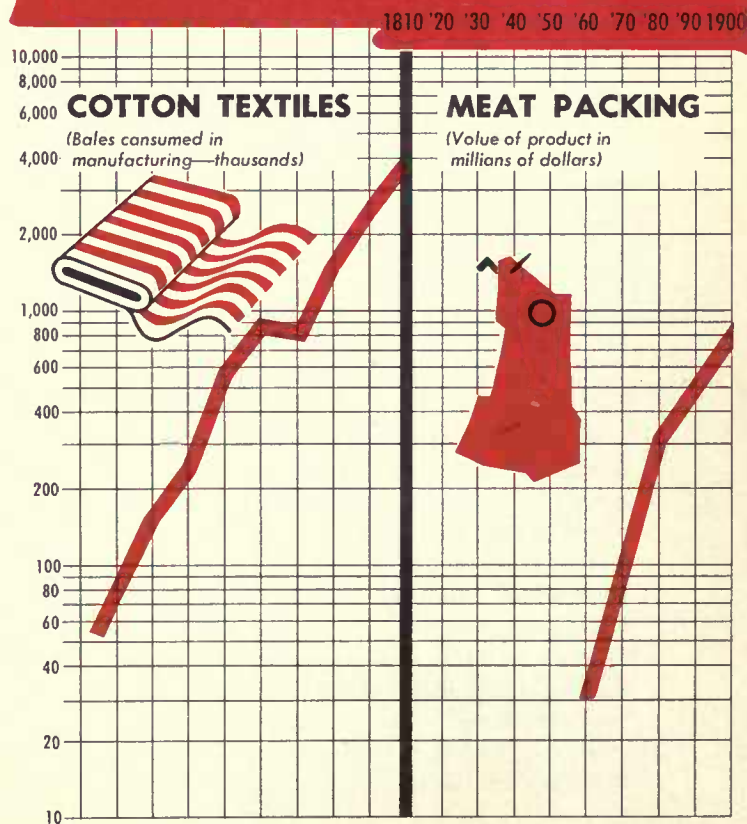
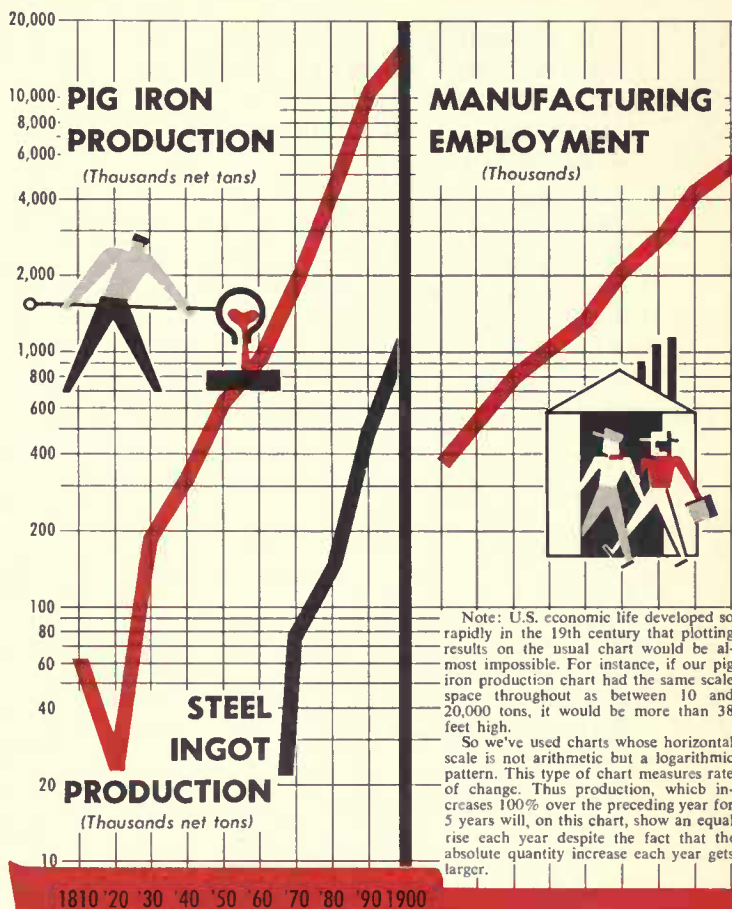
INDUSTRY AND ECONOMIC CLASSES

At the bottom of the social scale in these jumbled new cities were the factory workers, many of whom were immigrants. They were jammed into brick tenements or wooden frame houses, without adequate room, air, heating or plumbing—though rents were high. Sweatshop wages were all too common. Many families had to increase their income by sending the children to work at an early age, and by doing piece work at home.

Conditions were much better for the growing middle class: doctors, lawyers, teachers, minor executives, shopkeepers and office workers. They profited along with the rich from new inventions, expanded schools, colleges, museums and theatres. Home life was made pleasanter by the installation of the telephone (invented in 1876), the electric light (1878) and the gas stove (1893). Getting to work was made easier by the development of the electric trolley and the elevated railway in the 1880's and 1890's. Neighborhood conditions gained by improvements in street paving, sewage disposal, water supply, and the establishment of police and fire departments.

At the top of the heap stood the newly rich heads of industrial firms. By 1900 it was estimated that one-tenth of the population owned nine-tenths of the wealth. The handful of millionaires in 1860 had grown to 3800 by the end of the century. Many used their wealth for purely personal luxury and display. But some gave fortunes to museums, colleges and charities.

4 FIELDS OF GROWTH



Trusts and the Anti-Trust Movement

As industrial units became large, means had to be invented to finance and manage them. Typewriters, adding machines and accounting methods were invented to expedite the increased paper work. Most important of all, the corporation form of ownership became widespread.

The corporation had distinct advantages over the individual ownership or partnership method previously used. The large amounts of money needed for equipping and operating a big business could be raised through the sale of stock in the corporation. The small investor could share in a large firm, while risking only part of his savings. And the death of a key figure in a corporation meant only that he had to be replaced—not that the business had to be sold.

TYPES OF MONOPOLY PRACTICE

The corporation form also accelerated the next trend in big business—consolidation. By 1914, though only 12% of the manufacturing firms in the country had a capital of over \$100,000, they employed 80% of the workers and manufactured 85% of all goods. This concentration of business was speeded by the methods used to halt the bitter competition for markets which had broken out in the last quarter of the nineteenth century.

Pooling, the first method, was an agreement among a number of competitors to secretly divide available business while keeping the price high. For fifteen years after the Panic of 1873 this device was used by the railroads and other industries, such as salt, whiskey and coal. However, railroad pooling was forbidden by the Interstate Commerce Act of 1887, and the whole practice was replaced to a large extent by other forms of consolidation.

One method, the *trust*, was the organization formed when the controlling stockholders in a group of firms turned their stock over to the same board of trustees. These trustees were given absolute control over the individual firms. If enough firms in an industry joined the trust, a monopoly was created. This happened in the late 1880's and early 1890's in many industries. As a result, the word "trust" came to be used to mean a monopoly—or even any dominant business firm.

State and federal laws were soon passed to combat these monopolistic trusts. As a result, the Standard Oil Company (the oil trust) was ordered to dissolve by the Ohio courts in 1892. This ruling, coupled with the depression of 1893, for a time discouraged the formation of new trusts. But a new device, the *holding company*, was used when the march toward monopoly resumed in 1897. A holding company actually owns a controlling interest in other firms and dictates their policy. With Standard Oil again leading the way, a number of large firms took advantage of helpful state laws to form holding companies which dominated their industries. During the peak consolidation years, 1897-1904, over six billion dollars worth of securities were sold in these giant business firms. United States Steel, formed

from eleven constituent companies, controlled through them 170 subsidiary concerns producing about half the country's steel. Some of these new holding companies were absolute monopolies and were dissolved by the Supreme Court. Others, such as U. S. Steel, managed to survive court action.

The fourth type of monopolistic device was the "*community of interest*." Here the same men, or their representatives, served as directors of several large firms in the same industry. With similar interests, they took care not to disturb each other by vigorous competition.

The growth of industrial monopolies in their early forms in the 1870's soon produced a popular protest. In 1880 the Greenback Party called for government anti-monopoly action. The major parties adopted similar resolutions by 1888. By the end of 1890, 27 states and territories had passed laws against monopolies. In the same year Congress passed the Sherman Antitrust Act. This measure outlawed combinations or conspiracies "in restraint of trade," and provided fines or punishment for violators. A popular measure, it was only discussed for one day by the Senate, and but one vote was cast against it in both houses of Congress. Yet the business-dominated administrations of the 1890's instituted few antitrust actions in the first twelve years of the Act, and these were generally unsuccessful.

TRUST BUSTING

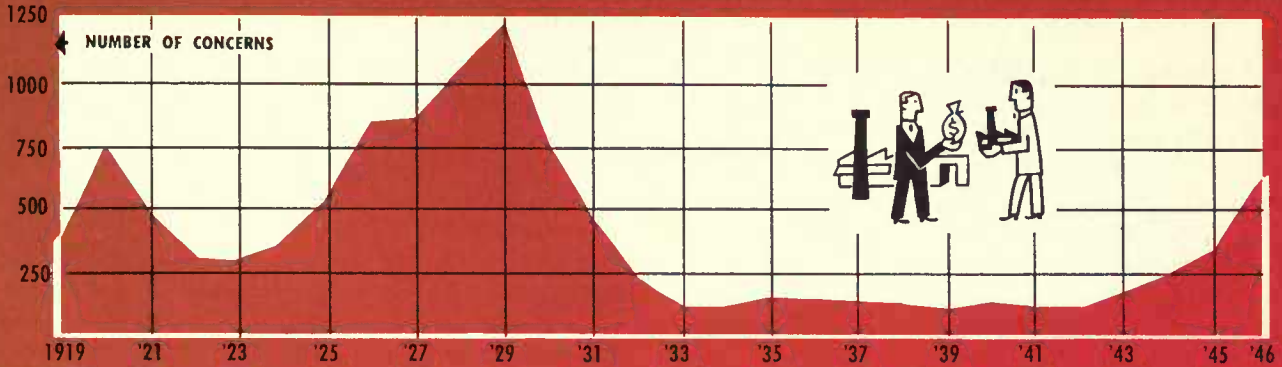
A more aggressive attempt to enforce the Act was made by Theodore Roosevelt, whose Attorney-General started sixteen civil and eighteen criminal suits against monopolies. Taft continued the same vigorous tactics. Two notable victories were scored in his administration when, in 1911, the Supreme Court held that Standard Oil and American Tobacco were illegal monopolies. The Court ordered them split up into smaller firms.

The Clayton Antitrust Act, passed under Wilson in 1914, sought to prevent some of the specific abuses perpetrated by monopolistic business. It forbade a firm's charging its customers different prices for the same commodity where such a policy lessened competition. It also forbade the sale of goods to a dealer under any agreement preventing him from carrying a competitor's line. Directors of large companies were prohibited from serving on the board of competing firms. The act also made it illegal for a corporation to acquire stock in another firm if the effect was to lessen competition.

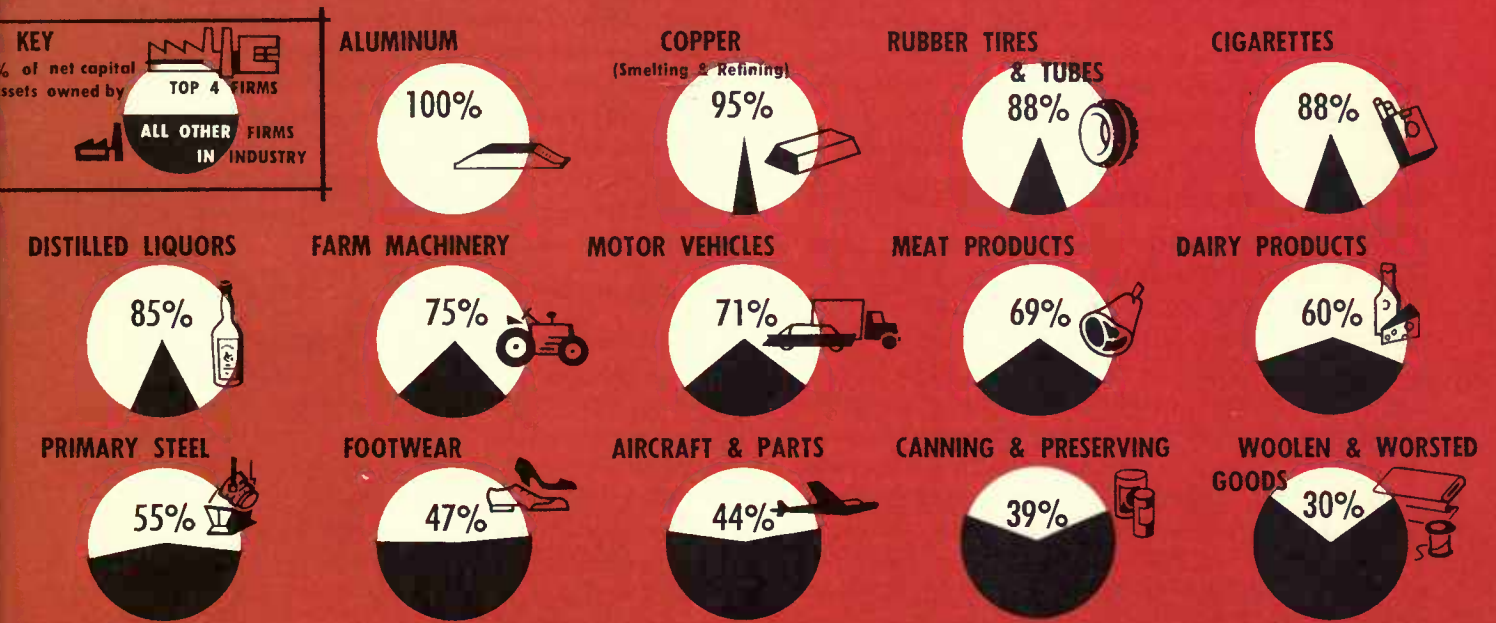
The Federal Trade Commission was set up at the same time to investigate firms subject to the antitrust laws. It might order these concerns to desist from illegal actions, and institute court action, if necessary.

Despite these acts, a rash of new mergers and consolidations broke out in the 1920's. Thousands of companies in utilities and manufacturing were consolidated. Another merger wave rolled up in the 1940's, as the chart shows.

MERGER MOVEMENT IN MANUFACTURING & MINING, 1919-1946



EXTENT OF BIG FIRM CONTROL OF SOME IMPORTANT INDUSTRIES, 1947



GIANT FIRMS EMPLOY LARGER SHARE OF ALL U. S. WORKERS THAN PRE-WAR—BUT LESS THAN AT WARTIME PEAK

% of U. S. Workers Employed by Firms with ...



The Early Growth of Organized Labor

The beginnings of organized labor in the United States can be traced back to the late 18th century. A carpenters' union appeared in Philadelphia in 1791, a painters' union in New York in 1794, and local groups banded together in other towns. They had many grievances against the new factory system—long hours (twelve to fourteen a day); low wages (fifty cents to a dollar a day); child labor, unhealthy working conditions, company stores where the employee had to buy, though prices were high; and unfair laws and judicial decisions.

The common law tradition carried to the United States from England held illegal the combining of men into a union—as well as the combining of businesses into a monopoly. In the early 19th century, most judges followed this line of reasoning. However, some of the unionists grimly defied the courts and continued to strike, boycott, and demand (and sometimes obtain) collective bargaining rights. One important advance came in 1842, when the State Supreme Court of Massachusetts declared it legal for men to organize a union—and even to strike for a closed shop.

LABOR AND THE INDUSTRIAL REVOLUTION

In the first decades of the 19th century most of the small local unions were too weak to try militant action. Instead, they concentrated on mutual insurance schemes to provide members with sickness and death benefits. Moreover, many working class leaders felt that the only way to improve labor's position was through political action, not union organization. This group favored a public school system, free public land for the pioneer, and an end to the imprisonment of debtors. Education and the opportunity to acquire land would, they felt, make labor free.

Between 1820 and 1860, as the Industrial Revolution advanced, the number of factory workers almost quadrupled. The small local unions grew too, uniting in city associations and national craft unions. The panic of 1837 and the eight year depression that followed caused the destruction of many of these unions. But with the return of prosperity, union organization advanced again. At least five national unions were in existence by 1860.

During the War Between the States the great demand for labor spurred union membership, as did the increase in the cost of living. Many local unions and at least ten more national unions were founded. Among them was the first of the Big Four railroad unions, the Brotherhood of Locomotive Engineers (organized in 1863). But the panic of 1873 and the depression that followed again weakened the union movement.

In these discouraging times, a group of Philadelphia garment workers formed the Knights of Labor—an organization which planned to unite all labor on a national scale. After a long period of slow growth, membership shot up from 52,000 in 1883 to almost 700,000 in 1886. This support was attracted by a broad program of labor aims and general reforms: The eight hour day; taxes on incomes and

inheritances; workmen's compensation for industrial injuries; postal savings banks; government ownership of public utilities; and the organization of workers' cooperatives to produce and sell goods.

However, the mixture of workers, reformers and politicians attracted by this program was not long able to work together. Factional fights, a series of unsuccessful strikes, and failures among its cooperatives caused a rapid decline in membership. Shrinking to less than 100,000 by the end of the decade, the Knights disappeared in the 1890's.

One other prime reason for the demise of the Knights of Labor was its failure to get firm support from the established craft unions. A number of these unions formed a national organization of their own in 1881. Reorganized as the American Federation of Labor in 1886, it put its primary stress on union objectives—the eight hour day, higher wages and better working conditions. Its great leader, Samuel Gompers, president, except for one year, from 1882 to 1924, had little faith in large political objectives. Said one of his colleagues to a Senate Committee in 1883: "We are all practical men. We have no ultimate ends. . . . We are fighting only for immediate objects—objects that can be realized in a few years."

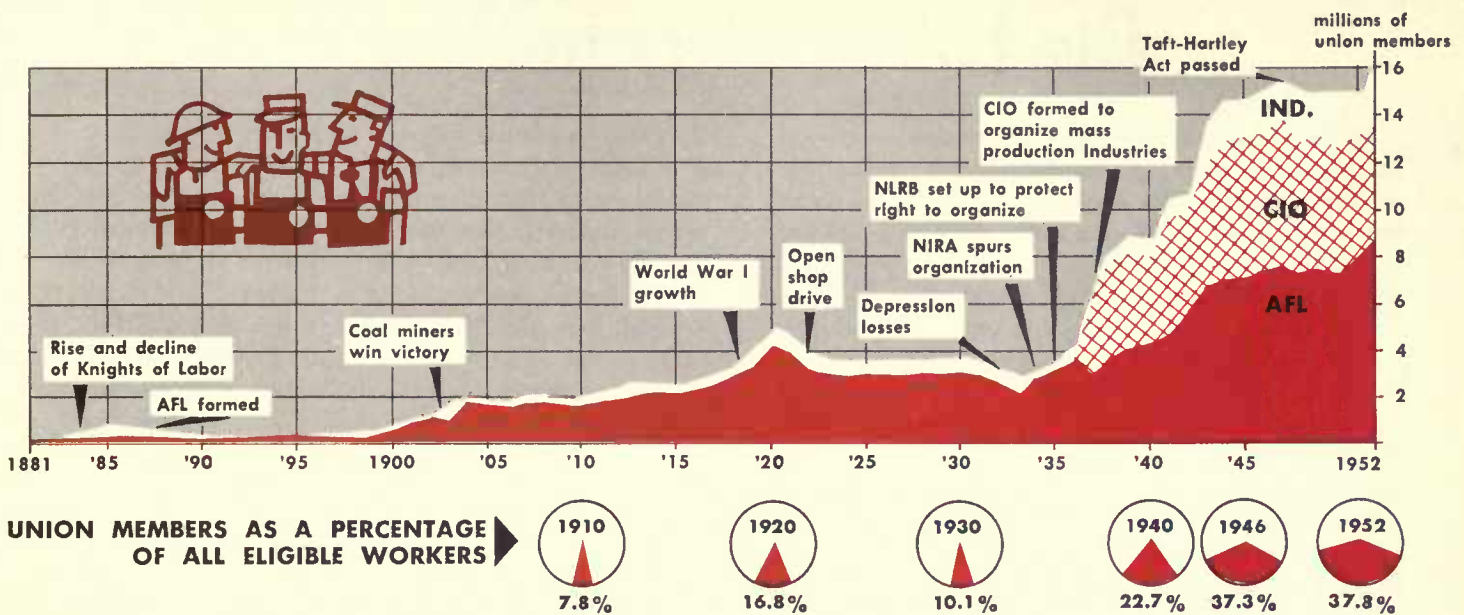
THE AMERICAN FEDERATION OF LABOR

Unlike the Knights of Labor, who attempted to organize all the workers in an industry into one union, the A.F. of L. organized workers into separate craft unions (such as carpentry). Craft workers in one locality formed a local union. The locals were combined into a national or international (including Canadian members) union. In each city and state, locals from the various national unions also joined hands to form City Central Labor Councils and State Federations, to handle local problems.

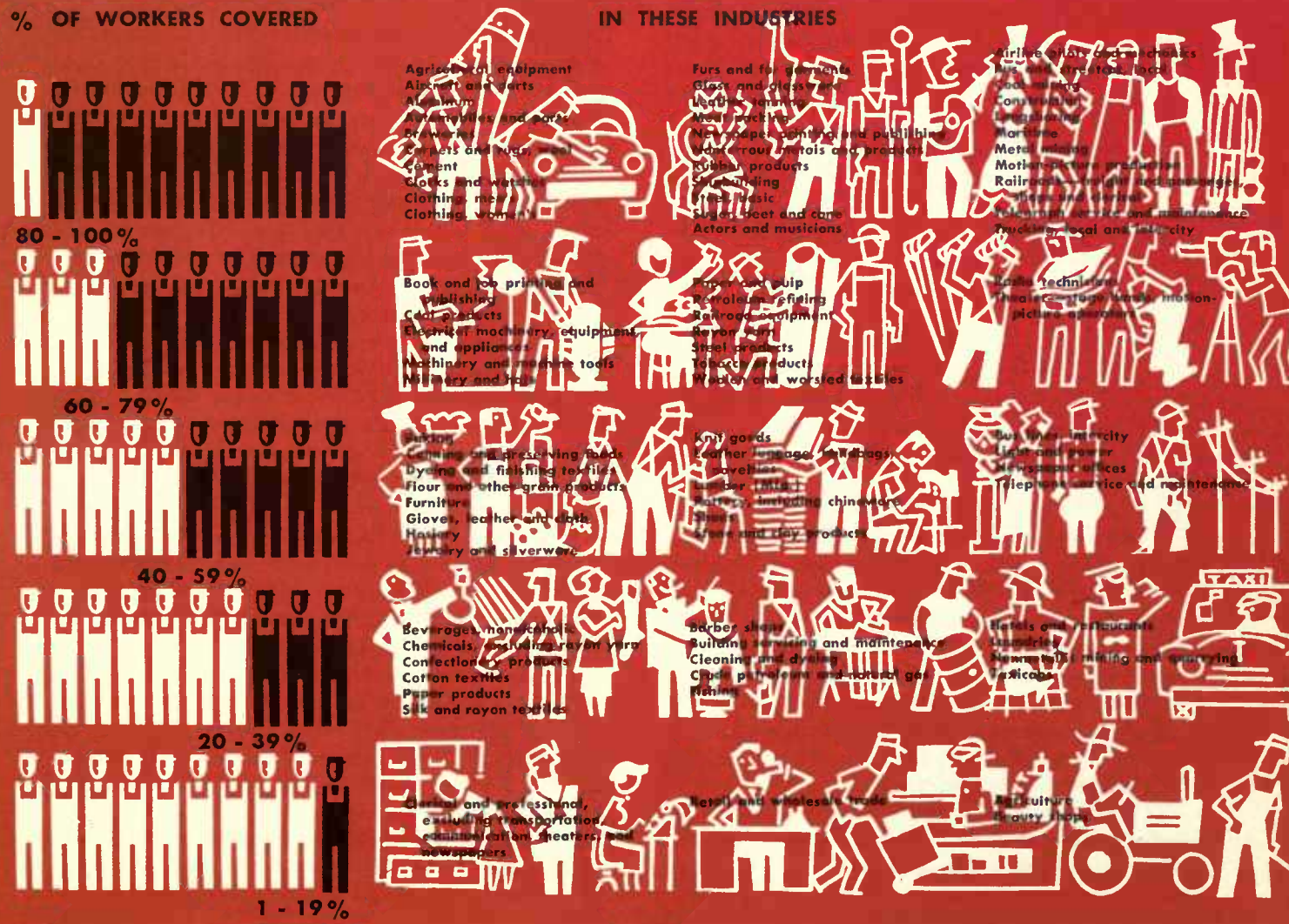
Like the Knights of Labor, the A. F. of L. grew slowly during its early years. Membership climbed more rapidly after 1898, to a total of 548,000 in 1900. A tremendous upsurge of unionization in the next few years boosted A. F. of L. membership to 1,676,000 in 1904. As Gompers put it, "It was the . . . years of organizing work which were beginning to bear fruit." Membership totalled 2,371,000 in 1917. World War I brought another leap forward, to over four million in 1920.

Between 1881-1900 there was a total of 23,798 strikes. One notable clash occurred in 1892 when a steel workers' union struck the Homestead, Pa., plant of Carnegie Steel. Ten people were killed in an armed battle between strike-breakers and the unionists. Thereupon the governor sent in the National Guard to "restore law and order." The strike and the union itself were broken as a result, and the steel industry operated on an open shop basis for the next forty-five years. Two years later, regular army troops sent in by President Cleveland broke the Chicago strike of the American Railway Union against the Pullman Company.

GROWTH OF UNION MEMBERSHIP IN THE U.S.



DEGREE OF UNIONIZATION TODAY—BY INDUSTRY



Big Labor: Here to Stay

As the union movement grew in strength, employers organized and developed methods to combat labor. One weapon was the *blacklist*. The names of militant union men were passed among employers to prevent such men being hired. Another device was the "*yellow dog contract*" in which the employee agreed not to join a union. Also used were *private detectives* to spy upon unions, and *strikebreakers* to break through picket lines. With the cooperation of the courts, the employers were able to get *injunctions*—court orders temporarily forbidding workers to strike, picket, or take other militant action. The leading newspapers usually supported the employer.

The unions also had weapons: the *strike*, the *picket line*, and the *boycott*. The boycott was the union version of the blacklist—an appeal to union members to refrain from buying the products of an anti-union firm. This device was quite effective in the early 1900's when products were sometimes marketed in only one locality. But the employers counter-attacked through the courts. As a result, the Hatters' Union was fined \$234,000 for one such campaign, and high A. F. of L. officials given jail sentences (never served) for cooperating in another boycott. These reprisals, together with the fact that distribution of products has become national rather than regional, has ended the boycott as a major union weapon.

Strikes and picketing have remained the chief union weapons in directly seeking to bring employers to terms. But increasingly in recent years the unions have also made a bid for public support, using everything from the lowly leaflet to paid newspaper ads, radio and television programs, plays and films to get their story across.

DECLINE IN THE 1920's—REVIVAL IN THE 1930's

A. F. of L. membership fell off from 4,078,740 in 1920 to 2,865,799 in 1924, as a result of the postwar depression, and the "open shop" drive staged by Big Business. Unions were also hurt by government raids, arrests and deportation proceedings.

By the mid-1920's this wave of reaction died down, but union membership failed to rebound. The prosperity of the era convinced many workers that trade union protection was unnecessary. Wages were stable or rising, prices were stable or falling, and management was handing out pensions, insurance, stock ownership and welfare plans. The only type of union to grow was the "company union"—an organization of workers sponsored and controlled by management, with membership limited to workers employed by one particular company. An estimated 1,400,000 were members of these groups in 1927.

The policies pursued by the A. F. of L. chieftains contributed strongly to the lack of union progress during the 1920's. The A. F. of L. still aimed chiefly at organizing the highly skilled craft worker. However, every year production became more mechanized, so that the semi-skilled worker replaced the craftsman as the basic figure in industry.

The depression beginning in 1929 struck another blow at the A.F. of L. Membership dropped to 2,126,796 in the summer of 1933, as unemployed workers dropped out. But the Roosevelt New Deal program gave a shot in the arm to labor along with other sections of the economy. Labor's vaccine was contained in Section 7 (a) of the National Industrial Recovery Act, passed in 1933. This clause provided that employees should have the "right to organize and bargain collectively through representatives of their own choosing" without hindrance by their employers.

Despite employer opposition, union membership jumped forward—especially where workers were organized along industrial rather than craft lines. The United Mine Workers, whose membership had fallen to 150,000, tripled its strength within four months. Meanwhile, several hundred thousand workers joined the A. F. of L. through newly chartered local industrial unions, instead of allowing themselves to be split up into craft groups.

FORMATION OF THE C. I. O.

Under this influence, the 1934 A. F. of L. convention passed a resolution calling for the organization of the mass production industries. But top A. F. of L. officialdom showed little interest in organizing the auto, rubber, radio, aluminum, oil, cement and other industries. Defeated in an attempt to get action at the 1935 convention, the industrial union forces, under the leadership of John L. Lewis, moved ahead on their own. They formed the Committee for Industrial Organization, appropriated a half-million dollars for an organizing campaign, and got suspended from the A. F. of L. for their vigor.

However, the C.I.O. soon registered significant gains. Following spectacular "sit down" strikes early in 1937 at the General Motors and Chrysler plants, the C.I.O. Auto Workers Union gained contracts with the managements. The rest of the industry followed suit, with even Ford succumbing to organization by 1941. Based on the power it showed in the auto industry, the C.I.O. was able to gain a contract with United States Steel without a fight—though a bitter struggle was necessary before the smaller steel firms signed up with the union. In 1938, the C.I.O. unions changed from a committee to a permanent federation, the Congress of Industrial Organizations.

The vigorous drive unleashed by the C.I.O. prodded the A. F. of L. into similar organizing action. The net result was a labor movement of eleven million by 1941, and over fifteen million by 1947. However, the increase in membership was much slower after 1947—for which union leaders blamed the Taft-Hartley Act, shown in the accompanying graphic. A campaign by the union for repeal of the Taft-Hartley Act—though endorsed by the Democratic Party in 1948 and 1952—failed to make any headway in Congress.

Labor-Relations Under the Taft-Hartley Act

These "Unfair Labor Practices" FORBIDDEN

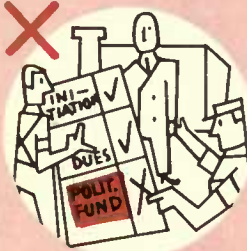
FOR UNIONS



1. Restrain or coerce workers, to force them to join a union.



6. Charge excessive initiation fees to keep new members out of union.



2. Request firing, under union-shop contract, of employee who's paid dues and initiation fee.



7. Try to make employer pay for work not done or workers not hired.



3. Refuse to bargain in good faith with an employer.



1. Closed shop outlawed. Union shop only by vote of workers.



4. Force an employer to recognize a union where another union is already certified.



2. Striking employees who have been replaced cannot participate in NLRB elections.



5. Engage in secondary boycotts or stop work over jurisdictional disputes.



3. Union must file financial statements, list its officers, have them sign anti-communist affidavits before NLRB will consider union complaints.

FOR MANAGEMENT



1. Interfere with employees in their right to organize union, bargain collectively.



2. Dominate, support or interfere with the activities of a union.



3. Hire or fire workers to encourage or discourage union membership.



4. Fire a worker because he has appeared against employer in a labor case.



5. Refuse to bargain in good faith with a union of the employees' choosing.

PLUS THESE NEW REGULATIONS

Special Provisions for Handling a "National Emergency" Dispute



1. Controversy or strike occurs which imperils the national health or safety.



2. President appoints board to investigate, report back.



3. President then requests court order barring stoppage for 80 days.



4. Further efforts made to settle dispute during next 60 days.



5. If no agreement reached, employees vote by secret ballot to accept or reject final employer offer.



6. If majority vote to strike, strike can then occur.

Immigrants Help Build the Nation

For three hundred years the number of immigrants arriving in America each year zigzagged upward. Two basic factors supported this trend: oppression and endless poverty in many parts of Europe; political freedom and economic opportunity in America.

When Britain controlled the colonies, the majority of immigrants naturally came from the mother country. In fact, Census Bureau research indicates that over 80% of the population in 1790 was of English descent. Despite some attempts to prove an aristocratic ancestry for these early settlers, most of them actually came from the middle and poor classes of English life. The same economic groups were later to provide the immigrants from other countries.

The new United States government did not begin to collect immigration statistics until 1819. However, it has been estimated that the number of arrivals rose gradually from five thousand a year in the decade 1790-1800, to a little more than eleven thousand a year during the span 1811-20. This was a small trickle compared to later years.

IMMIGRATION AFTER 1819

After recovery from the Panic of 1819 the United States entered upon a period of economic growth. The rising tide of immigrants was indispensable in this expansion. They helped to open up western lands, build and man factories, and construct canals and railways. Many of these newcomers brought valuable skills as mechanics, craftsmen and professional workers. Almost equally useful were the large number of unskilled immigrants who took over the laborious "pick and shovel" jobs.

High wages resulting from the competition between farm, factory and the construction industry were one factor in stimulating increased immigration. Meanwhile reductions in the time and cost of crossing the Atlantic had combined with advances in safety. Further stimulus to immigration was given by Europe's habitual round of famines, wars, and political oppression. Over 1,300,000 German settlers came here in the years 1840-60, mainly refugees from autocratic governments. In the decade 1850-60, about 1,000,000 Irish immigrants also arrived, fleeing from famine and hard times.

During the War Between the States, the North, traditionally more receptive to immigrants, adopted a policy of encouraging newcomers, in order to meet the war-born demand for factory and mine labor. An act was passed in 1864 which allowed agents of American industries to recruit laborers abroad under contracts. In return for the payment of his fare by the agent, the immigrant would pledge his wages for a term not to exceed twelve months. However, there was strong opposition to the law on the grounds that it legalized a form of slavery. As a result, the act was repealed in 1868, and the contract system specifically prohibited by legislation passed in 1885. Other more acceptable forms of aid to immigrants continued: European governments and charitable societies financed the emigra-

tion to America of poorhouse occupants; relatives and friends in the United States sent back passage money; and steamship agents and brokers made loans without demanding specific repayment contracts.

As a result of these inducements from the New World and pressures from the Old, the number of arrivals each year continued to climb. Until around 1890 northwest Europe was the chief source of immigrants, particularly Ireland, Germany and the Scandinavian countries. But during the 1890's the main supply area shifted to southern and eastern Europe, as the chart shows. A good proportion of these immigrants were Jews fleeing religious persecution as had the Pilgrims almost three hundred years earlier.

CLOSING THE GATES

Meanwhile, the rate of American economic growth was beginning to slow down. By 1890 the frontier had disappeared and with it most of the choice unstaked farm land, while factory employment leveled off. As a result, agitation for limiting immigration arose from a number of sources. The A. F. of L. favored restriction to prevent the importation of cheap labor. Some civic spokesmen, seeing these non-English-speaking immigrants crowded together in city tenements, felt that the newcomers would fail to become Americanized. Others feared further immigration because of the growing number of socialist and anarchist workmen who were arriving.

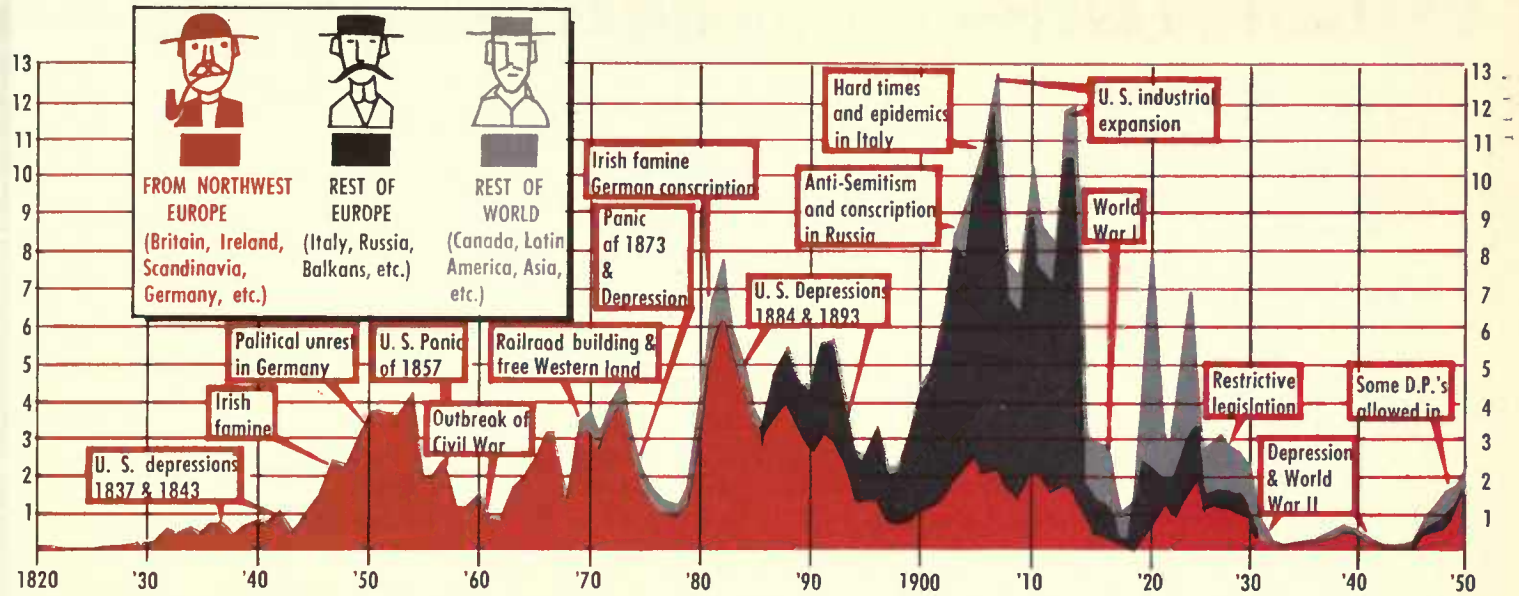
Under pressure from these groups, Congress passed a series of ever more restrictive laws. In 1882 the Chinese, who had been welcomed during the 1860's when they helped build the Union Pacific railway, were barred from further immigration to the U. S. This law also provided for the exclusion of immigrants (from any country) who were convicts, lunatics, or people likely to need public support. This barring of undesirable types was broadened in laws of 1891, 1893, 1907 and 1917. Meanwhile, steamship lines were forbidden to encourage or solicit immigrants. They were also made liable by fines for bringing immigrants illegally, and were made responsible for taking them back.

A further restriction was added in 1917. Congress passed over Wilson's vetoes a law requiring that immigrants be able to read, overruling the president's argument that literacy was no true test of character.

But this failed to halt the tide. So Congress devised in the 1920's a series of measures which restricted immigration to 150,000 a year. These laws also set up quotas favoring immigration from northwest Europe. This system, along with the depression, virtually ended immigration during the early 1930's. After World War II, Congress refused to alter notably the quota system laid down in the 1920's. But it did allow the entrance of some 400,000 persons displaced by the war. Nevertheless, it was plain that America was no longer a free refuge for the oppressed and dispossessed.

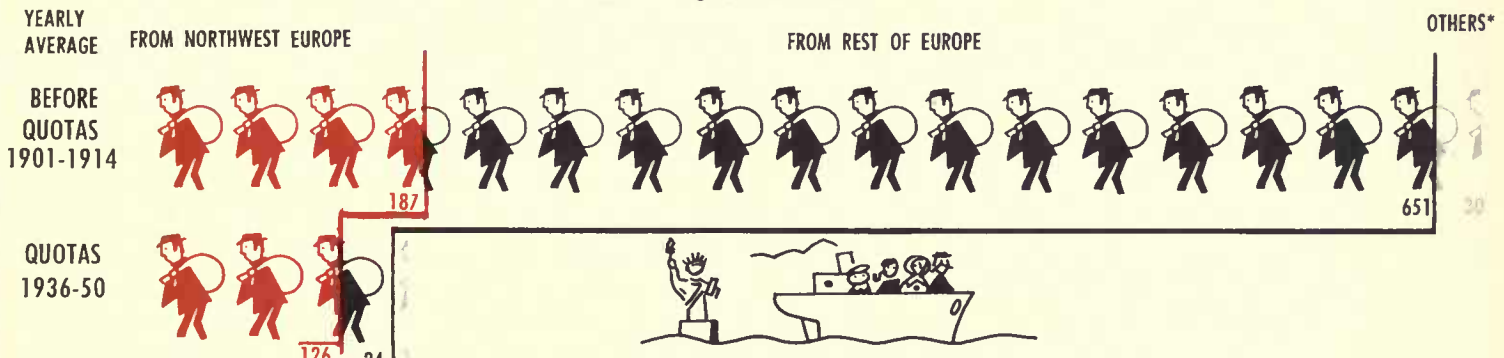
THE TIDES OF IMMIGRATION

(Hundreds of thousands of immigrants entering U. S. each year)



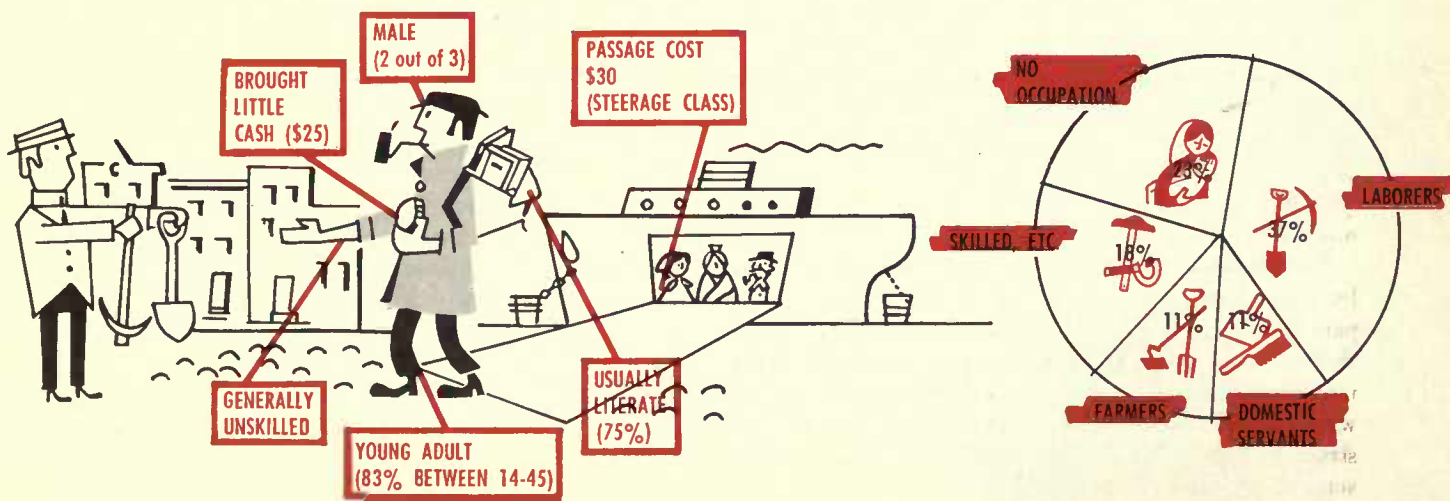
EFFECT OF QUOTA SYSTEM ON U. S. IMMIGRATION

Figures in thousands



*Canada & Latin America, which are exempted from the quota system, have also been left out of this Immigration data.

PORTRAIT OF THE IMMIGRANT—AROUND 1900



Early Developments in Transportation

In colonial days the small flow of commerce and travel was mainly limited to natural waterways. Roads were few, and difficult to build and maintain. Besides, there were few coaches to travel them.

But soon after the Revolution an upsurge in road building occurred, for three reasons which recur continuously in American transportation history: (1) There was a need for easier and cheaper ways for farmers to get their produce to the city, and manufacturers and merchants to ship their goods to the countryside. (2) Easier access to the countryside increased the value of land. (3) Building new roads was frequently a profitable speculation, since many of these turnpikes were built by private companies who charged tolls for their use. Hundreds of companies built thousands of miles of these roads.

This roadbuilding era began with the completion of a 66-mile macadam turnpike from Philadelphia to Lancaster, in 1794. Financially successful, it stimulated similar projects throughout the East. During the next thirty years Pennsylvania chartered 86 companies which built 2,200 miles of road, while by 1811, 137 New York firms had constructed 1,400 miles of turnpike.

A strong demand for federal aid in these projects brought Congressional authorization in 1806 of a road to link the Atlantic coast with the Northwest Territory. Called the Cumberland Road, it was built westward from Cumberland, Maryland. It reached Wheeling, West Virginia in 1818, and Vandalia, Illinois in 1852. Travel along its route soon became so heavy that it looked more like the leading avenue of a great city than a road through rural districts, according to eyewitness accounts.

CANAL AND RIVER TRANSPORTATION

But the heavy cost of wagon transportation over these roads was no solution to the American transportation problem. Following the example of Great Britain, this country soon turned to canals. The chief reason was that a horse can drag through still water a load fifty times as great as on land. The first large project was built by New York State, 1817-25, when the 363 mile Erie Canal was dug between Lake Erie and the Hudson River. The freight rate for shipping goods from Buffalo to New York City was cut from \$100 to \$15 a ton. As a result, New York speedily gained the position of the leading terminal for western commerce. The Erie Canal was so successful that other states quickly followed New York, and a great canal building boom set in. Over 3000 miles were built by 1840.

But after this boom came the bust. Too costly to be built by individuals, these canals were financed for the most part by state governments who had borrowed the money through bond issues. Much of this canal mileage was built into sparsely populated country on the theory that the new wealth created by the canal would easily pay for the construction. But the Panic of 1837 dashed this dream, causing some of the states to repudiate their debts.

A big impetus to the development of canals and other water transportation was the successful run up the Hudson River from New York to Albany of Robert Fulton's newly perfected steamboat, the *Clermont*, in 1807. By the outbreak of the War of 1812, Fulton and his partner Livingston had a fleet of steamboats plying the Hudson and New York Harbor. Soon their boats were being launched on the Ohio, Mississippi and other midwestern waters. At first a monopoly on steamboat transportation granted the partners by New York State slowed the growth of steamboating. But when the Supreme Court declared the monopoly illegal in 1824, competition was opened to all. Soon farmers along the Mississippi and Ohio were able to ship their goods south and east, where they brought higher prices than locally. And they were able to bring in manufactured goods at lower costs.

Although the steamboat speeded traffic along the prevailing north-south axis of our rivers, it did not solve the problem of quick, cheap, dependable east-west movement. The railroads did that. The first U. S. railroads were started in the late 1820's, with the thought of using horsepower to pull wagons over the rails. However, the successful tests of George Stephenson's steam locomotive in England in 1829 stimulated American railroaders to build and import steam locomotives.

EARLY RAILROAD TRANSPORTATION

At first planned merely as feed lines to canals and rivers, the railroads soon demonstrated their superiority in long distance hauling. The estimated mileage of railway tracks in the United States jumped from 73 in 1830 to 2,800 in 1840, and 30,600 in 1860. By the opening of the War Between the States, the East had a solid framework of lines. In addition, tracks had been built through all the primary passes of the Allegheny Mountains to the Midwest. The solution to the problem of moving goods cheaply and rapidly between east and west had been found, and farm products from the Midwest flowed into North Atlantic ports. Thus the economic interests of the sections were bound together. These ties helped put the Midwest on the Northern side during the war.

Though cheaper to build than canals, railroads were still enormously expensive. Financing was a problem. With many industries expanding rapidly at this time, there was not sufficient American private capital available to do the job. In some cases the states helped out by financing construction through state bond issues, or by subscribing to or guaranteeing railroad securities. Cities, counties and farmers through whose area the railroads proposed to build were frequent subscribers to railroad stocks, since the coming of the line meant an increase in land values and business. European investors also contributed a large amount of capital. Starting in 1850 the United States Congress helped the railroads greatly by grants of land.

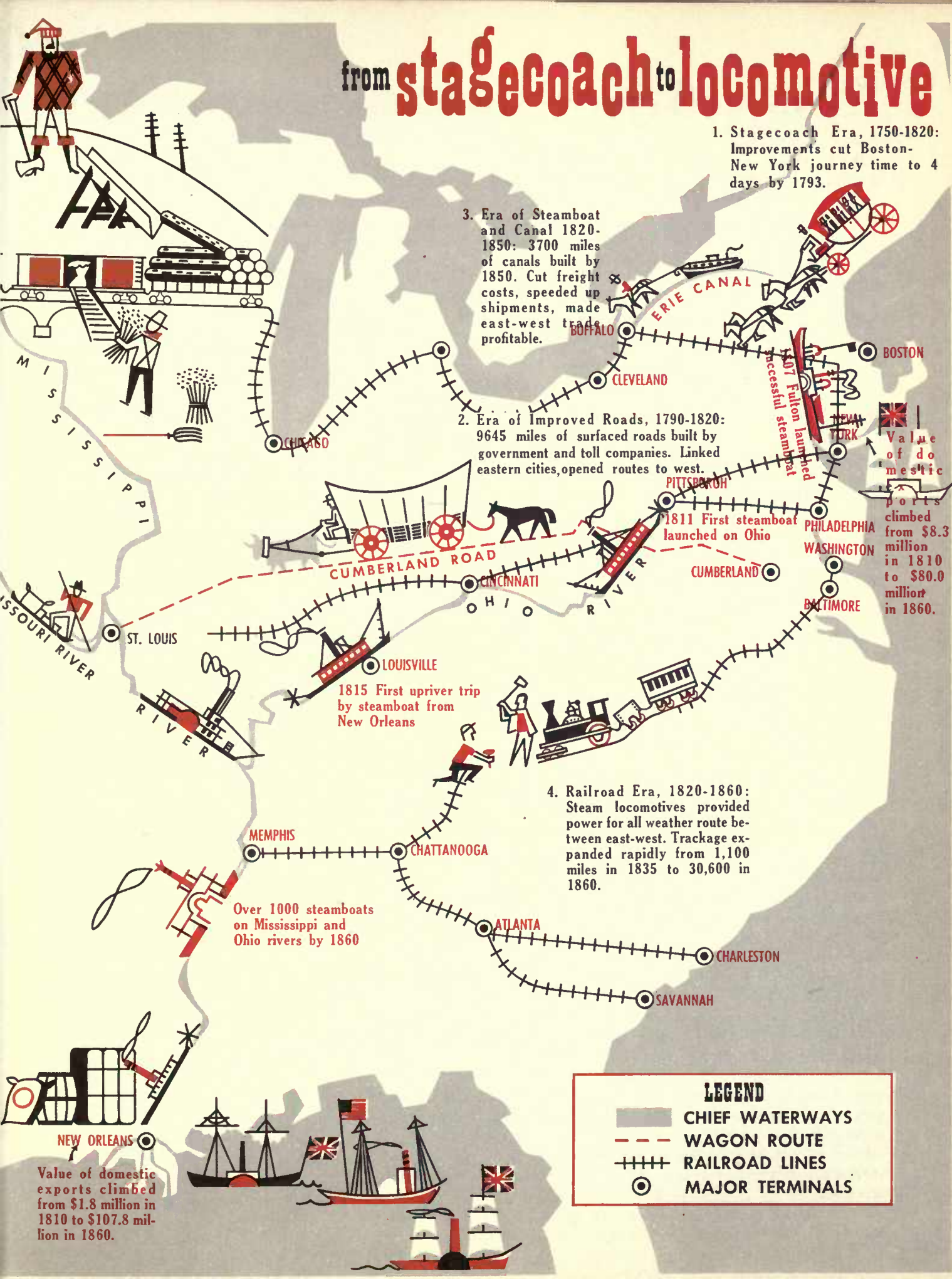
from stagecoach to locomotive

1. Stagecoach Era, 1750-1820: Improvements cut Boston-New York journey time to 4 days by 1793.

3. Era of Steamboat and Canal 1820-1850: 3700 miles of canals built by 1850. Cut freight costs, speeded up shipments, made east-west trade profitable.

2. Era of Improved Roads, 1790-1820: 9645 miles of surfaced roads built by government and toll companies. Linked eastern cities, opened routes to west.

4. Railroad Era, 1820-1860: Steam locomotives provided power for all weather route between east-west. Trackage expanded rapidly from 1,100 miles in 1835 to 30,600 in 1860.



Value of domestic ports climbed from \$8.3 million in 1810 to \$80.0 million in 1860.

1815 First upriver trip by steamboat from New Orleans

Over 1000 steamboats on Mississippi and Ohio rivers by 1860

Value of domestic exports climbed from \$1.8 million in 1810 to \$107.8 million in 1860.

LEGEND

- CHIEF WATERWAYS
- WAGON ROUTE
- RAILROAD LINES
- MAJOR TERMINALS

Travel Today—By Land, Sea and Air

The whole country enjoyed a railroad boom after the War Between the States. New lines linked the Far West to the rest of the country, as miles of track jumped from 30,600 in 1860 to 254,000 in 1916. However, this expansion proved to be a mixed blessing to customer and investor. Many of the roads were in the hands of financial manipulators. They built the railways at high cost, financed them through the sale of more stock and bonds than they were worth, and then attempted to make good by charging high rates. This last tactic was especially strong in areas where there was no competition.

How embittered farmers spearheaded a campaign for government regulation to prevent these abuses is told in Chapter 54. The most effective regulation, however, was the growth of competition from other transportation media. The development of motor vehicles—and recently of airplanes—seriously chopped down railroad passenger mileage and dented railway freight traffic. The building of pipe lines has also hurt the railroads. The result was that after 1916 the number of locomotives, freight cars, and passenger cars decreased. The miles of railway line declined by 30,000 between 1916 and 1950.

THE AUTOMOBILE AND THE AIRPLANE

The chief cause of this decline was growing competition from the motor vehicle in its various forms: auto, truck and bus. The auto first appeared in the 1890's, as the rich man's unreliable horseless carriage. But by 1915 the auto industry had begun installing such improvements as the closed car, self-starter, electric headlights, and demountable tire rims. Prices declined as production soared.

This expansion in U. S. autos—from 8,000 in 1900 to over 8,000,000 in 1920—brought a demand for better roads. Largely the concern of local governments during the 19th century, our road system began to receive state and federal aid early in the twentieth. Rural dirt roads which turned to glue in wet weather were surfaced with concrete, macadam or gravel. Not much mileage has been added to our 3,000,000 mile road system in recent years, but over half of this roadweb has been surfaced. This network of dependable all-weather roads has served as a further stimulus to auto and truck sales, which hit a peak of over 8,000,000 in 1950. By 1952, almost 52,000,000 motor vehicles were registered.

World War I gave a boost to the infant aviation industry which had developed slowly after the Wright Brothers' first successful flight in 1903. Yearly aircraft production zoomed from 49 in 1914 to 14,000 in 1918, and then dived under the thousand mark until 1926. Except for a few depression years, commercial aviation service increased rapidly after 1926. In 1950 thirty-seven scheduled airlines carried almost 19 million passengers on domestic or international routes, flying more than 10 billion passenger miles. Air service has cut substantially into railroad pullman travel, and is making gains in express and freight

service. Government aid has helped to make this expansion possible—by building airports, paying more than actual costs for the carrying of air mail, and in many other ways.

Shipping, our other major means of transportation, has had frequent fluctuations in prosperity and importance. Favored by cheap, abundant shipbuilding resources, excellent craftsmen and skillful sailors, America built up a large merchant marine after the Revolution. The protection of the new federal government and the Napoleonic wars in Europe stimulated further growth. During the 1790's, the U. S. had the second largest merchant marine in the world, and our ships carried over 90 per cent of our foreign trade.

Jefferson's Embargo (see Chapter 17) and the War of 1812 dealt the merchant marine a hard blow, but by the 1820's our shipping had recovered. With population still clustered near the sea coast, shipping was a natural outlet for both adventurous men and money. The California gold rush and expanding trade with the Orient stimulated New England shipyards to design the clipper ships, the fastest and most graceful sailing ships afloat.

THE IRON STEAMSHIP

However, British shipyards were at this time beginning to concentrate on an ugly iron steamship. It was slower than the clipper under full sail, but not dependent on the wind and capable of carrying more cargo. Competition from British steamships was one of the major reasons why the share of our foreign trade carried in U. S. vessels fell from 89.7% in 1830 to 66.5% in 1860.

Confederate sinkings during the war hastened the decline of our merchant marine. But the main reason was the greater profits obtained by investments in industry and internal transportation. Our tonnage engaged in foreign trade dropped steadily from 2,379,000 in 1860 to 783,000 in 1910. Coastwise and internal shipping, however, showed an increase during that period.

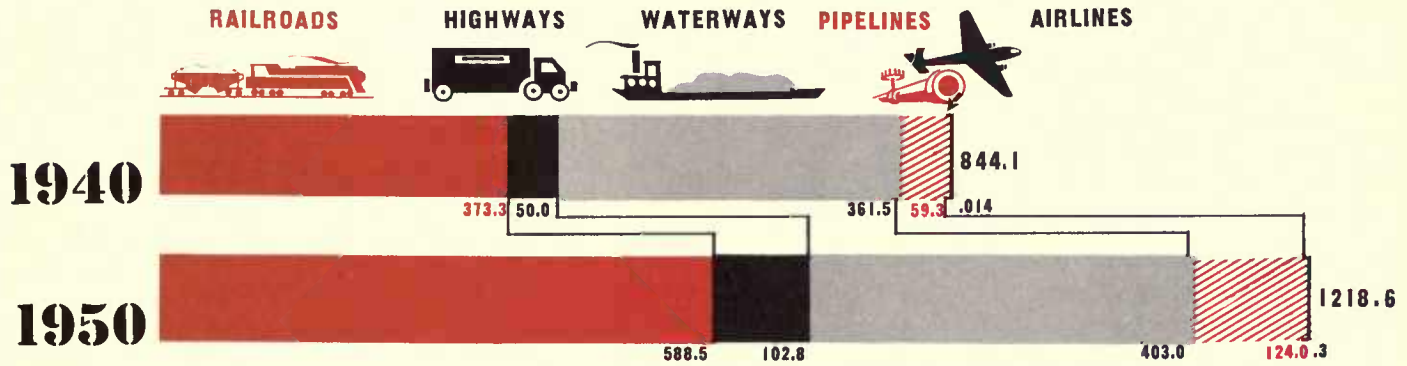
World War I saw a big revival in overseas shipping. Both as a neutral and then later as a belligerent, the U. S. enlarged its shipping and shipbuilding industries. An 8,000,000-ton expansion of our ocean-going fleet between 1915 and 1920 resulted. After the war, the government sold much of its fleet at bargain rates to American steamship lines, lent them money, and subsidized them.

World War II saw a repetition of our rapid expansion in tonnage, this time from an ocean-going total of 8,000,000 tons in 1939 to 40,000,000 in 1945, far outdistancing the British. But the United States did not need this huge war tonnage and it declined to 13,000,000 by 1950. Most of it was again privately owned, but, as before, kept in operation by government subsidies. American ships now took care of about half of our foreign trade. The government still owned over 2,000 World War II ships. The best were kept in condition and were again put into use with the outbreak of the Korean war.

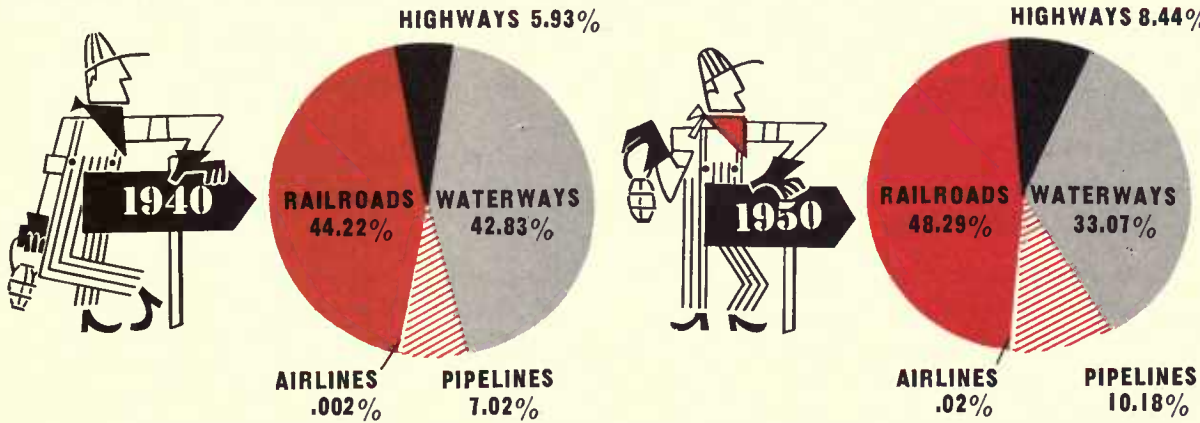
RECENT TRENDS IN TRANSPORTATION

VOLUME OF FREIGHT TRAFFIC CARRIED

(in billions of ton miles)

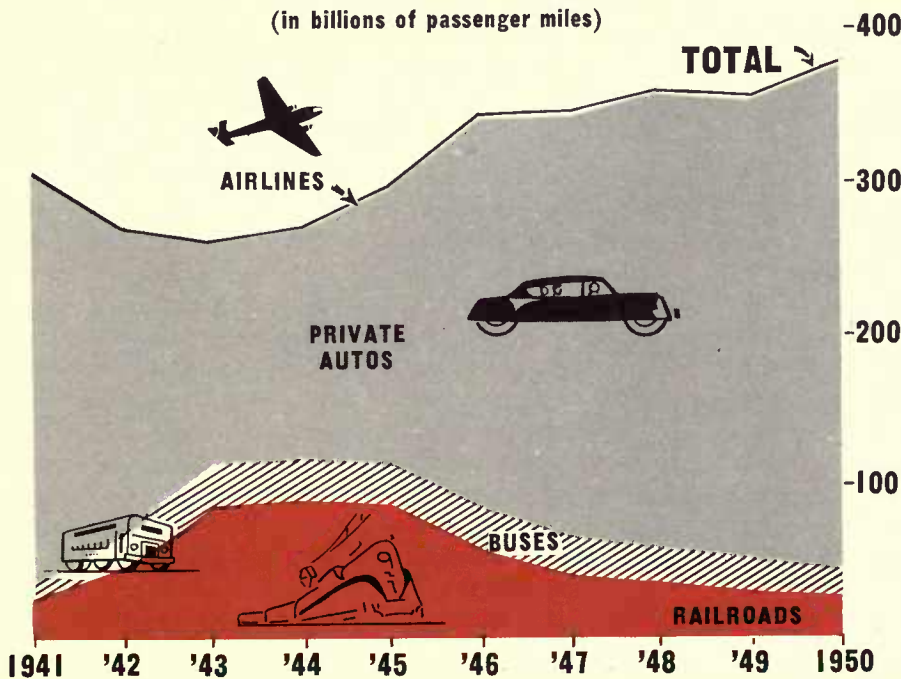


SHARE OF TOTAL FREIGHT TRAFFIC

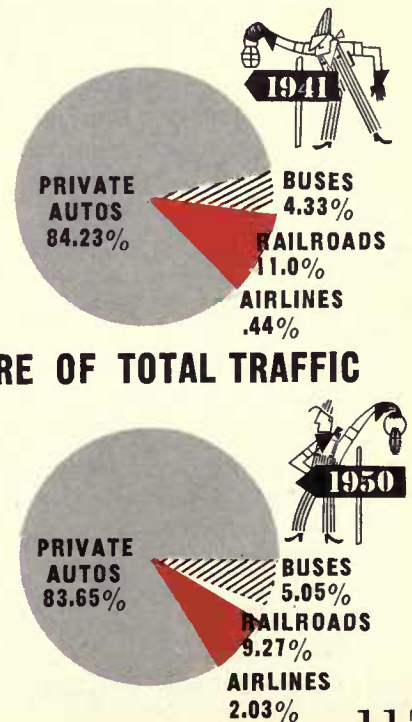


TRENDS IN INTERCITY PASSENGER TRAVEL

(in billions of passenger miles)



SHARE OF TOTAL TRAFFIC



The Modernization of Agriculture

In 1790, nine out of ten working Americans had to devote themselves to farming in order to keep the population fed and clothed. Today less than two out of every ten need to engage in farming. The introduction of labor saving farm machinery and improved farming methods have vastly increased the average farmer's output, and released the bulk of the population for other work.

Great changes have taken place, too, in the average farmer's pattern of working and living. In 1790, he and his family raised or made almost everything they used. And they used most of what they raised. Today the average farmer specializes in one or two crops for cash sale. With the proceeds he buys machinery, supplies, clothing—and even food.

Modern farming has become an expensive business to enter. The end of the frontier has eliminated the former source of cheap land. Machinery, such as a tractor, harvester, and other tools necessary to operate a modern farm, cost thousands of dollars. In times of strong demand for farm products, the average farmer is able to bear these costs. But in times of surplus crop production, he has found it difficult to meet mortgage and machinery installment charges.

TRENDS IN MODERN AGRICULTURE

Thus, four main trends appear in modern agriculture: (1) The raising of a cash crop; (2) the use of scientific and mechanized methods; (3) the elimination of many small farmers and farm laborers; and (4) the organization of the remaining farmers, politically and economically, to insure for themselves the highest possible return.

All four trends became clear after the War Between the States. Before then, the early 1830's had seen the invention of mechanical reapers by Cyrus McCormick and Obed Hussey. Even in their crude early form these reapers cut one-third from the cost of harvesting grain. McCormick's sales at first were slow, but in 1847 he wisely moved his headquarters to Chicago, close to the expanding prairie markets. By 1851 he was turning out a thousand reapers a year. The Marsh harvester, patented in 1858, and the twine binder invented by Appleby in 1878, speeded the wrapping and binding of the grain to keep pace with the faster cutting speed. Progress was also made in the development of the steel plow and many other types of farm machinery. By 1880 about four-fifths of all the wheat grown in the United States was cut by machine.

The War Between the States was both a test of these new developments and a further impetus to their use. A million farmers were called to army service by the Union forces. Yet, with the aid of the new machines, the men and women left behind produced a greater wheat crop than during peacetime. Since a good portion of this crop was exported to England at a time when southern cotton was cut off, the mechanization of northern agriculture helped to keep England from recognizing Confederate independence.

The period between 1860 and 1910 saw the substitution of horse-drawn machinery for manpower in many forms of farm work. Horses provided the power for the plow, grain drill, reaper, thresher, hay mower, and rake, harrow and corn picker. Dairying, too, underwent mechanization. By 1910 the invention of cream separators, improved churns and other apparatus shifted cheese and butter making from the farm to the factory.

With World War I, farm equipment entered another stage of development: the substitution of mechanical and electrical power for horse power. After some not too successful experiments with steam, the gasoline tractor was introduced in 1905. Efficient and durable, the tractor gradually supplanted the horse on large and medium size farms.

Both private and governmental activity have been undertaken to promote scientific agriculture. Agricultural societies were formed and agricultural papers published as early as the last quarter of the 18th century. The U. S. Patent Office in 1858 listed more than 900 agricultural societies, most of which were state and county organizations founded chiefly to hold fairs.

FEDERAL AID TO AGRICULTURE

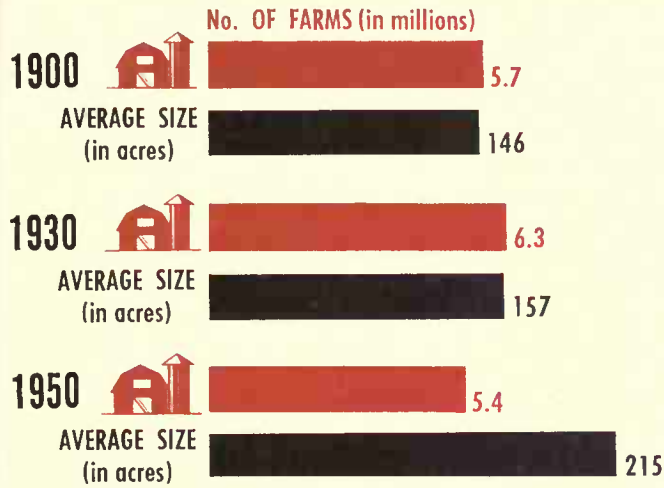
Of great importance in developing scientific farming in this country have been the agricultural colleges. Under the Morrill Act of 1862, the federal government granted large tracts of public land to each state to use for the support of agricultural schools. Sixty-nine "land grant" colleges have been established under this act. Their work was enlarged by the Hatch Act of 1887, which provided for experiment stations to be set up at the various state colleges. In the Smith-Lever Act of 1914, Congress also granted money for the state colleges to do extension work—carrying the new scientific methods to farmers by neighborhood demonstrations, lectures and meetings.

Efforts by the government itself in the field of agriculture have proved valuable. The first official federal action came in 1839, when an Agricultural Division was set up in the Patent Office to collect statistics, conduct research, and distribute seeds. The division grew steadily. In 1862 it was established as the Department of Agriculture, headed by a Commissioner without cabinet rank. In 1889, it was given full cabinet status. Its research and statistical work have steadily expanded, and it has been responsible for the development and importation of many new and valuable plants. It has led the fight against insect pests; it has distributed literature on these and many other subjects to farmers; and it has provided them with valuable marketing statistics.

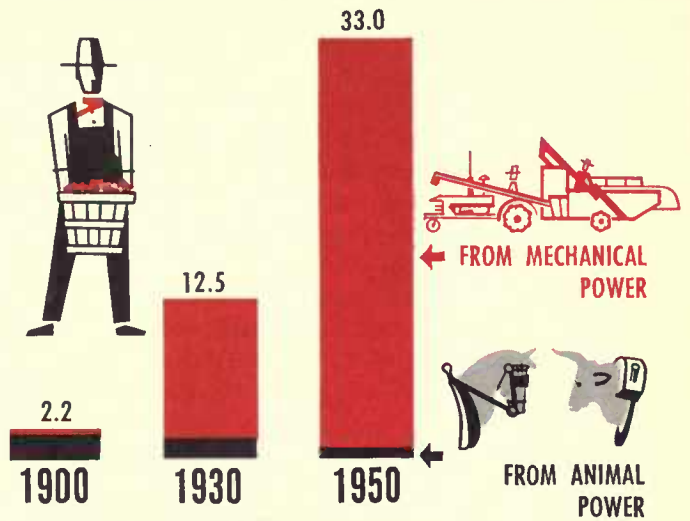
Starting with the Carey act of 1894, the federal government has aided land reclamation and irrigation projects through grants to the states. It has also built huge dams like Hoover Dam and Grand Coulee for the storage and distribution of water.

FARMING IN THE 20th CENTURY

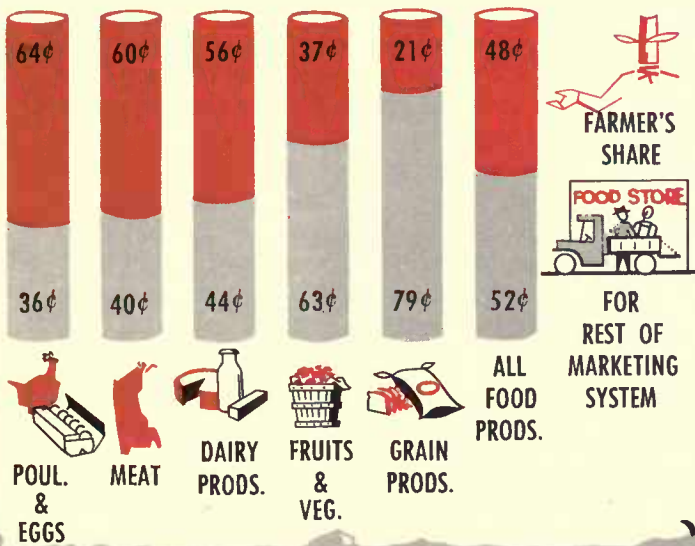
A. Farms get fewer—but bigger



B. More horsepower per farm worker

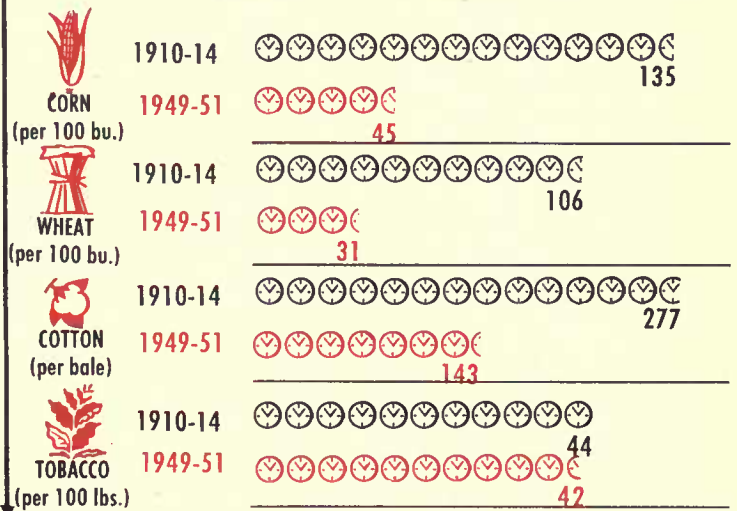


C. Farmer gets varying share of food dollar



D. Production times have been cut

(average hours of labor need for production)



E. Two-thirds of all farms raised cash crops worth less than \$5000 in 1950

(value of crops sold for 100 typical farms reporting to the census)



Struggles Over Banking and Currency

One of the urgent problems faced by the new Congress in 1789 was the creation of a money and banking system. The states, which had issued a confusing mixture of coins and paper currency during the Revolution, were now barred from this activity by the Constitution. A scanty supply of foreign coins was the chief medium of exchange.

In 1792, Congress provided for the establishment of a mint in Philadelphia, where gold and silver were to be coined. Following a wise suggestion by Jefferson, our currency was set up on the decimal system, with the convenient unit of ten as the basis. By specifying that the dollar was to contain 24.75 grains of gold or 371.25 grains of silver, Congress thus priced gold at fifteen times the value of silver. However, little of either metal was mined or coined here in the next fifty years.

The need for a sound paper currency issued by a safe bank to supplement our inadequate stock of coins was one of the arguments advanced by Hamilton for the establishment of a United States Bank. Since there were only three banks in existence in the United States in 1790, Hamilton offered other good reasons (as graphically shown in Chapter 15) for Congress to charter, supervise and subscribe to a national bank. Jefferson and his followers opposed the Bank. They asserted it would give a monopoly on money to wealthy financiers, would compete unfairly with the state banks, and would further strengthen the federal government. Despite these arguments, Hamilton got Congressional approval for establishment of the Bank.

THE TWO BANKS OF THE UNITED STATES

In the twenty years of its charter life, the first Bank of the United States did much to prove the logic of both sides. It handled the federal government's financial business without charge, and loaned the government over \$6,000,000. Through its eight branches, it provided a national banking service. Basing its own banknotes on a coin reserve, it refused to accept the notes of local banks which would not similarly redeem their own notes with coin. It thus drove the unsubstantial banks out of business. Its operations strengthened the federal government, provided a sound currency, and aided business. But it restricted the state banks and hurt the debtor class—who wanted cheap money.

Opposition prevented the Bank from winning a new charter when its original authorization expired in 1811. With its restraining influence gone, the number of state banks tripled from 88 to 246 in five years. Their issue of banknotes, which passed as currency, doubled. The War of 1812 and the problem of financing it caused such a strain that most of the state banks suspended their guarantees to redeem their paper notes in coins. As a result, most of their notes depreciated.

A Jeffersonian who had opposed the first United States Bank, President Madison now found that to untangle postwar finances he had either to make terms with the northern

bankers or create a second Bank of the United States. He chose the latter course, and the Bank was given a twenty year charter in 1816. The government subscribed one-fifth of the Bank's capital (total, \$35,000,000) and was empowered to appoint five of the Bank's twenty-five directors.

But under forceful Nicholas Biddle, who became president of the Bank in 1823, the government directors had little power. "We know absolutely nothing," wrote Henry D. Gilpin, one of the federal appointees. "There is no consultation, no production of correspondence . . . We are perfect ciphers." Objections to the power wielded by Biddle and his associates arose also from other sources. Under a less able predecessor to Biddle, the Bank had joined with state banks (particularly in the West) in issuing quantities of paper money between 1816-1819. But hard times in 1819 caused the Bank to reverse its position and demand that state banks redeem their notes in coin. The resulting monetary panic and collapse earned the Bank the hatred of western banking men and debtors, who now had to repay easy money loans in hard-to-get specie.

Opposition to the Bank was also voiced by eastern liberals. They objected to letting a clique of private bankers monopolize the important power of creating money. Both eastern and western anti-Bank groups found a leader in Andrew Jackson. He added a political grudge: the Bank had plunged into politics to oppose him.

When Jackson took the case to the people in the presidential election of 1832, he won a sizeable victory. So he allowed the Bank's charter to expire in 1836. Before that date he refused to deposit government funds in the U. S. Bank, and distributed them among 23 state banks. Rapidly issuing paper money on the basis of federal deposits, the state banks tripled bank note circulation between 1829 and 1837. Inevitably the rapid expansion contributed to another panic and crash.

THE INDEPENDENT TREASURY SYSTEM

To prevent a repetition, President Van Buren advocated setting up federal subtreasuries in principal cities. Here the government would keep its own funds, collect its revenues and make its payments entirely in coin, independent of any banks. Passed by the Democratic Congress in 1840, the Subtreasury Act was repealed by the succeeding Whig administration. However, it was reestablished in 1846, and operated unchanged until 1920. One factor which enabled this system to work was the discovery of gold in California in 1848 which poured gold into the federal mint.

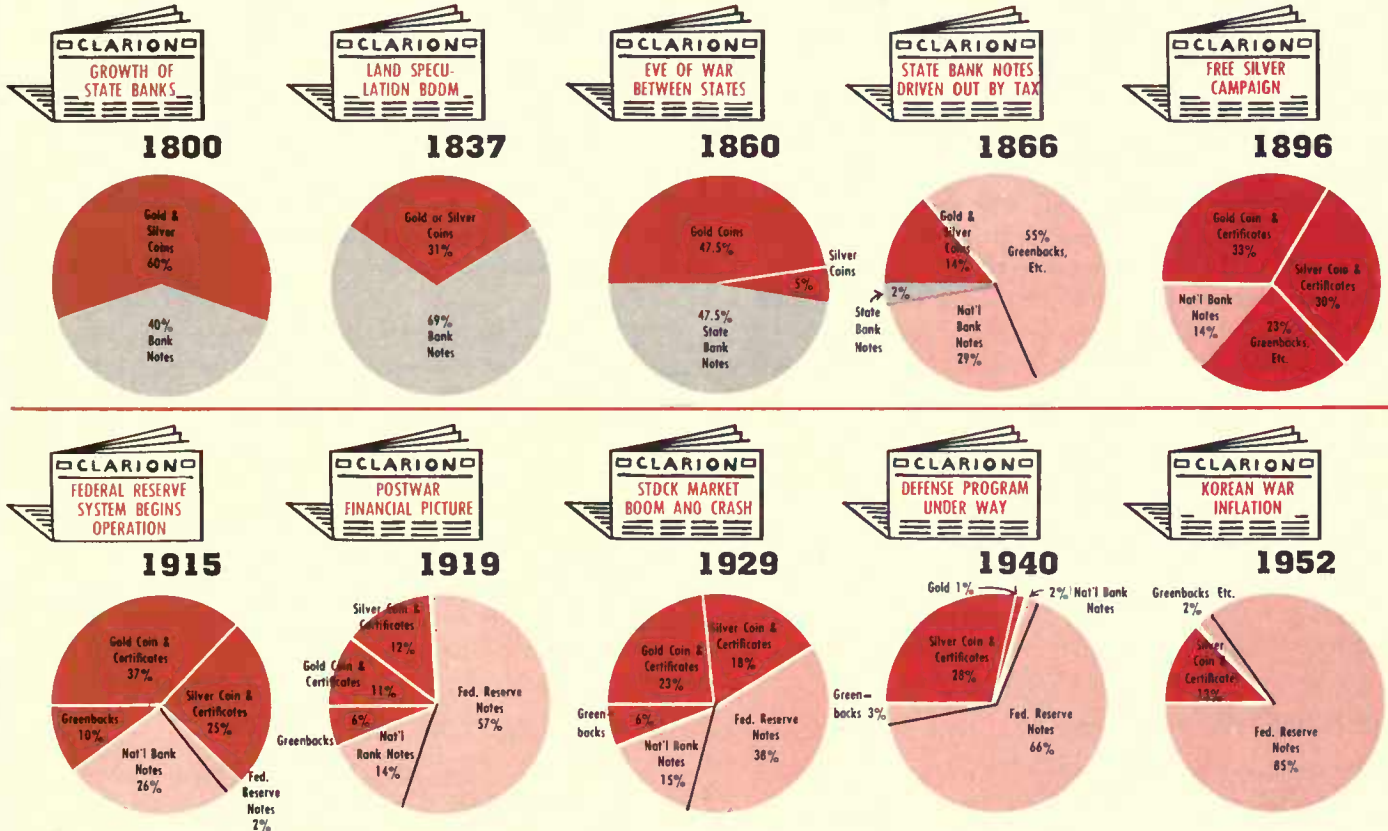
During the War Between the States, however, the federal government was forced to suspend payments in coin. It printed almost \$450,000,000 of paper currency called greenbacks, which fluctuated in value with the progress of the Union forces. Meanwhile, gold and silver practically disappeared from circulation as people made payments in the distrusted greenbacks. This new federal paper currency was one of the major postwar financial problems.

Money in Circulation in the U. S. A.

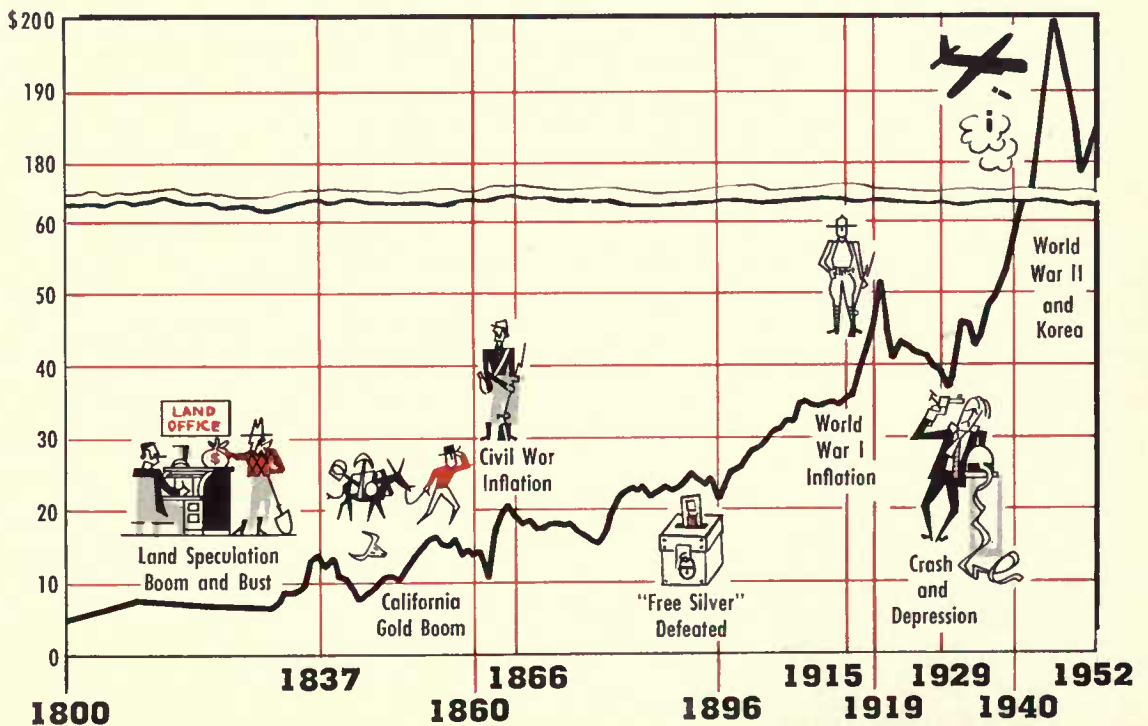
1800-1952

A. THE KINDS

KEY  Coins or Govt. notes with 100% Gold or Silver backing.  Paper currency issued or guaranteed by U.S. Govt.  Paper currency issued by state-chartered banks.



B. THE AMOUNT IN CIRCULATION (per person)



Monetary Problems Since 1865

During the war, the federal government was forced to raise and spend more than ten times as much money annually as ever before. Besides the greenbacks, noted in the last chapter, there existed 7000 different types of banknotes issued by 1600 state banks. To end this complicated and inefficient system, as well as to widen the market for its many bond issues, Congress passed the National Bank Act.

Under this act the government issued national bank charters to any group of men who would raise a specified sum to found a bank, and invest at least one-third of this capital in federal bonds. These bonds could be deposited with the Secretary of the Treasury who would issue to the depositing bank banknotes equal to 90% of the face value of the bonds. The new national bank thus could obtain double interest: on the bonds they bought and on the banknotes they lent customers. Because these provisions did not quickly attract enough banks into the National Bank System, the government put a 10% tax on state banknote issues. As a result, the notes of state banks virtually disappeared, while national banks increased greatly.

One flaw in this system became obvious as the government began to pay off the public debt after the war. Since the amount of banknotes in circulation depended on the bonded debt, the reduction in debt reduced the banknote circulation. In addition, the government began to reduce the amount of money in circulation by a policy of gradually retiring its unsecured greenback currency.

THE FIGHT FOR "CHEAP MONEY"

The war boom plus the issuing of the greenbacks and national banknotes had made money cheap. Now cheap money was disappearing. Families had borrowed money to buy houses, businessmen had secured credit, farmers had obtained loans and mortgages when money was cheap. Now they found they had to pay their debts in money that was much harder to earn.

The debtor groups wanted to reverse this trend by increasing the amount of money in circulation. Their first step was to try to get the government to expand the issuance of greenbacks. A separate Greenback Party was founded, and elected a number of state and federal legislators during the '70's. But the best they could do was to halt the retirement of greenbacks in 1878. In that year Congress passed a law specifying that the \$346,681,016 in circulation be maintained—but not increased. However, in 1879 a law went into effect providing that greenbacks and all other paper money be once more redeemable in coin.

The cheap money advocates then turned their attention to silver. In 1873 little silver was being mined or coined, and the market value in gold of a silver dollar rose to \$1.02. But very soon thereafter two factors greatly lowered the market price of silver: (1) Most of the nations of western Europe began to drop silver as a currency base, and go on a purely gold standard, throwing an immense supply of silver on the market. (2) Large new deposits of silver were

discovered in the West. As a result, the market value of the silver dollar declined from \$1.02 in 1873 to \$0.48 in 1900.

Soon after this decline began, the cheap money advocates started to press for the resumption of unlimited silver coinage at the ratio of 16:1. They were partially successful in 1878 when Congress passed the Bland-Allison Act—providing for the purchase of \$2,400,000 of silver a month. But prices continued to decline and there was no substantial increase in currency, since during the same period the government was paying off war bonds and thus eliminating the banknotes based on those bonds. In 1890 the cheap money forces passed the Sherman Silver Purchase Act. This required the Treasury to buy 4½ million ounces of silver each month—practically the entire output of U. S. mines.

Conservative financial circles blamed the ensuing Panic of 1893 on this silver legislation. With the Treasury's gold supply being drained, the conservatives were fearful that the government would soon be unable to maintain a gold backing for its currency. Since the actual market value of the silver dollar was then only around 50¢, a shift from the gold to the silver standard would probably have resulted in a rapid inflation. President Cleveland stood with the gold standard men. Calling Congress into special session he forced through repeal of the Silver Purchase Act. And with the aid of loans from J. P. Morgan and other eastern bankers, he kept the country on the gold standard.

SOLUTION OF THE CURRENCY PROBLEM

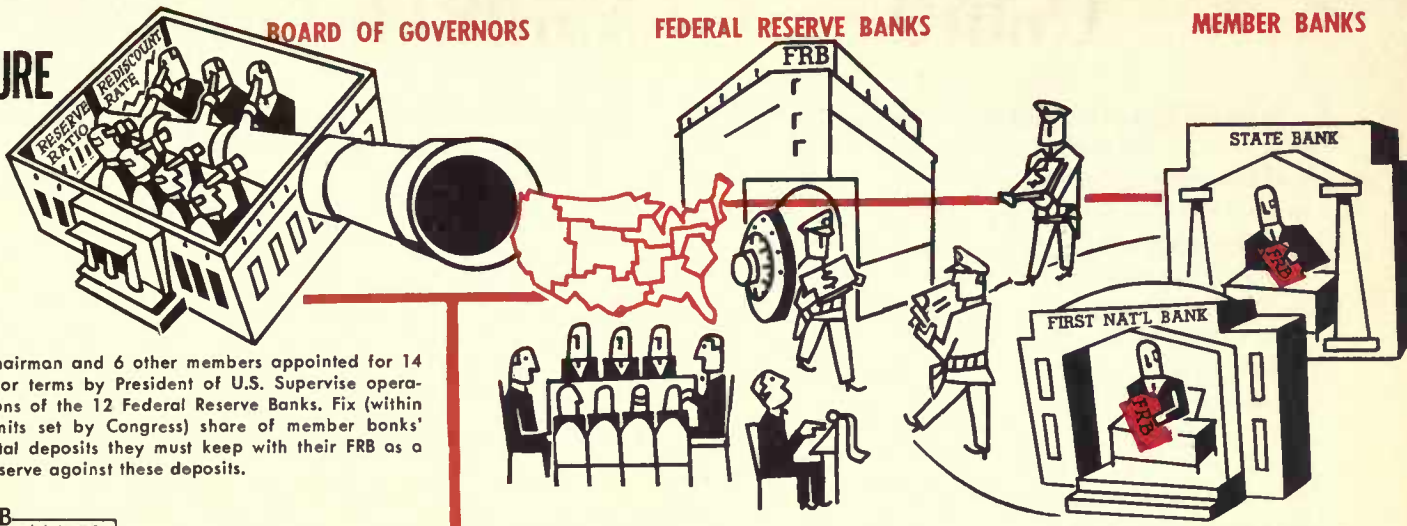
The climax of this conflict between gold and silver forces came in the election of 1896 (Chapter 34). Having defeated Bryan and the silver forces, the Republicans passed the Currency Act of 1900, which definitely established gold as the sole basis for our money. The discovery of gold in Alaska and South Africa contributed to general prosperity and to twenty years of slowly rising farm prices. This softened the demand for cheap money.

After 1900, businessmen joined the debtor groups in attacking our banking and paper currency system as inflexible. Banks could issue banknotes only upon the basis of government bonds. But for thirty years after the war the federal government concentrated on cutting the debt and retiring its bonds. Thus, although our rapidly developing business system needed an expanding currency, the supply of banknote money actually declined.

The Bankers' Panic of 1907, in large part due to currency difficulties, started the search for a solution. Congressional hearings and study finally resulted in the Federal Reserve Act of 1913. As shown in the accompanying graphic chart, it provides for a much more elastic currency and credit structure. How important the Federal Reserve System is in meeting our currency needs may be measured by Chapter 51's chart. It shows that Federal Reserve Notes make up 85% of our money today.

HIGHLIGHTS OF THE FEDERAL RESERVE SYSTEM

STRUCTURE



Chairman and 6 other members appointed for 14 year terms by President of U.S. Supervise operations of the 12 Federal Reserve Banks. Fix (within limits set by Congress) share of member banks' total deposits they must keep with their FRB as a reserve against these deposits.



OPEN MARKET COMMITTEE

Board of Governors plus 5 of the 12 FRB presidents. Buys and sells U.S. Bonds and other obligations on the open market.

One Federal Reserve Bank for each of 12 districts. Each FRB has 9 directors: 6 chosen by member banks, 3 (including chairman) by Board of Governors. Each FRB holds the reserve of its members. Also issues currency (Federal Reserve Notes) backed by gold certificates, U.S. Bonds, commercial and agricultural paper.

All national banks must join the System. State-chartered commercial banks can join too. Members must buy stock in their district FRB, keep their legal reserve balance on deposit there.

FUNCTIONS

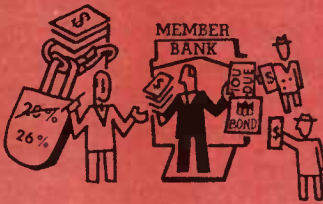
A. Influences the Supply of Money and Credit

To INCREASE supply



1. Lowers the % of cash (reserve) the members must put up against their deposits. Members can then use excess funds to extend credit.

To DECREASE supply



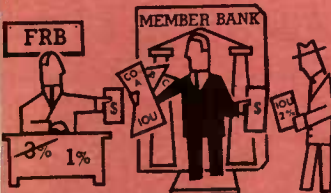
1. Increases the reserve requirement. Member banks put up additional money by calling loans, selling investments.



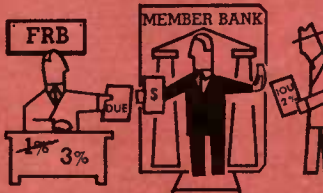
2. Buys U.S. Govt. securities in open market. This provides member banks with additional reserve funds.



2. Sells U.S. Govt. securities, draining deposits from member banks.

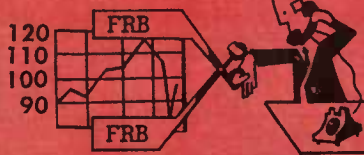


3. Lowers discount rate it charges members for loans. Makes it profitable for members, in turn, to make more loans.

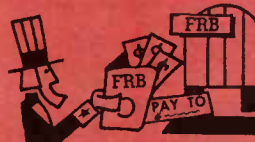


3. Raises discount rate. This causes banks to be reluctant to lend additional amounts of money.

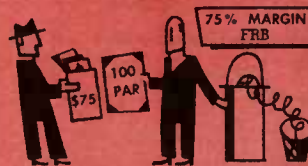
B. Provides special services for the Federal Government



1. Maintains an orderly market in Federal securities.



2. Acts as Treasury's banker, and helps issue and redeem its bonds.



3. Sets amount of down payment that must be made by buyers of stock market securities.

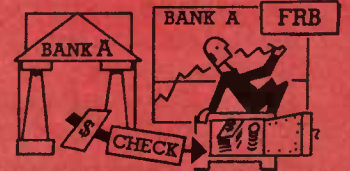


4. Sets amount and terms of real estate credit.

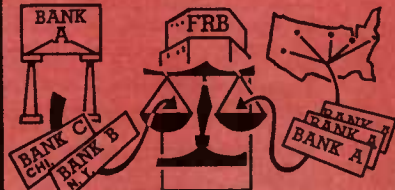
C. Provides services for Member Banks and the Public



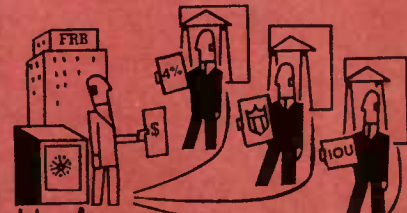
1. Furnishes elastic supply of currency for circulation.



2. Safeguards, keeps track of members' reserve balances.



3. Settles up for checks drawn on members or received by them.



4. Supplies credit by discounts, loans, security purchases.

United States Tariff History

From 1790 until the War of 1812 the Tariff supplied at least 90% of the revenue collected each year by the federal government. Its chief purpose was to raise money, not to protect industry. The War of 1812 changed the picture. Factories were set up to supply both our war needs and civilian demands for commodities from Europe cut off by the British fleet. After the war, the new industrialists called for protection against low priced foreign goods which were coming in. In answer, Congress passed the Tariff of 1816, erecting protective duties against imports of textiles, iron, leather, paper and other goods.

Support for this and subsequent protective tariffs came from agricultural as well as industrial groups. Henry Clay, for example, in 1824 pointed out that the American farmer had enjoyed a big European market from 1792 to 1819, because European agriculture was crippled by war and postwar dislocations. But now European farmers had recovered this market. Therefore, he supported protective tariffs on the ground that the workers necessary to staff the new American factories would provide a big home market for farm products.

THE FIGHT OVER TARIFF POLICIES

But strong opposition to this policy developed in the South. Its major product, cotton, was sold principally to Europe. Not having developed a manufacturing industry, the South had to buy its manufactured goods from the North or Europe. The tariff meant that it had to pay more for these goods.

When the Jackson Administration's Tariff of 1832 failed to make large cuts in duties, South Carolina mutinied. Its legislature, influenced by John Calhoun, declared the tariff not binding in the state. President Jackson forcefully rejected the idea that a state could set aside a federal law, but the protest brought results. Clay steered through Congress the Compromise Tariff of 1833, which provided for a gradual reduction of all duties exceeding 20% in the Tariff of 1832.

The downward trend continued until 1861. An alliance between the South and the West brought this about, based on the fact that the West sold its food crops to the South. Legislators from the Middle Atlantic States, a center of manufacturing, were for high tariffs. New England at first was split, with its shipping interests opposing high tariffs, while its manufacturers supported them. But as manufacturing became dominant, New England's congressmen generally favored high tariffs.

The War Between the States brought a rise in tariff rates. The government's need for increased revenue was one reason. Equally important was the demand for protection from manufacturers who complained that high domestic taxes were forcing their prices above those of European imports.

The protectionists continued in control of Congress for thirty years after the war, and the tariff remained high.

But in 1892 the Democrats set to work to cut the tariff. However, Democratic congressmen from the industrial areas were as little interested in reductions as the Republicans. The resulting Wilson-Gorman bill only slightly shaved rates, and was bitterly denounced by President Cleveland because it did not make deeper cuts.

Victorious in the 1896 election, the Republicans again raised the rates. They stayed around that level until Woodrow Wilson and the Democrats came to power in 1912. Wilson advocated a "competitive tariff"—one which added enough to foreign imports to equalize American costs, but not enough to guarantee American competitors large profits. Commodities which needed no protection went on the free list. The tariff on others was reduced about 25%.

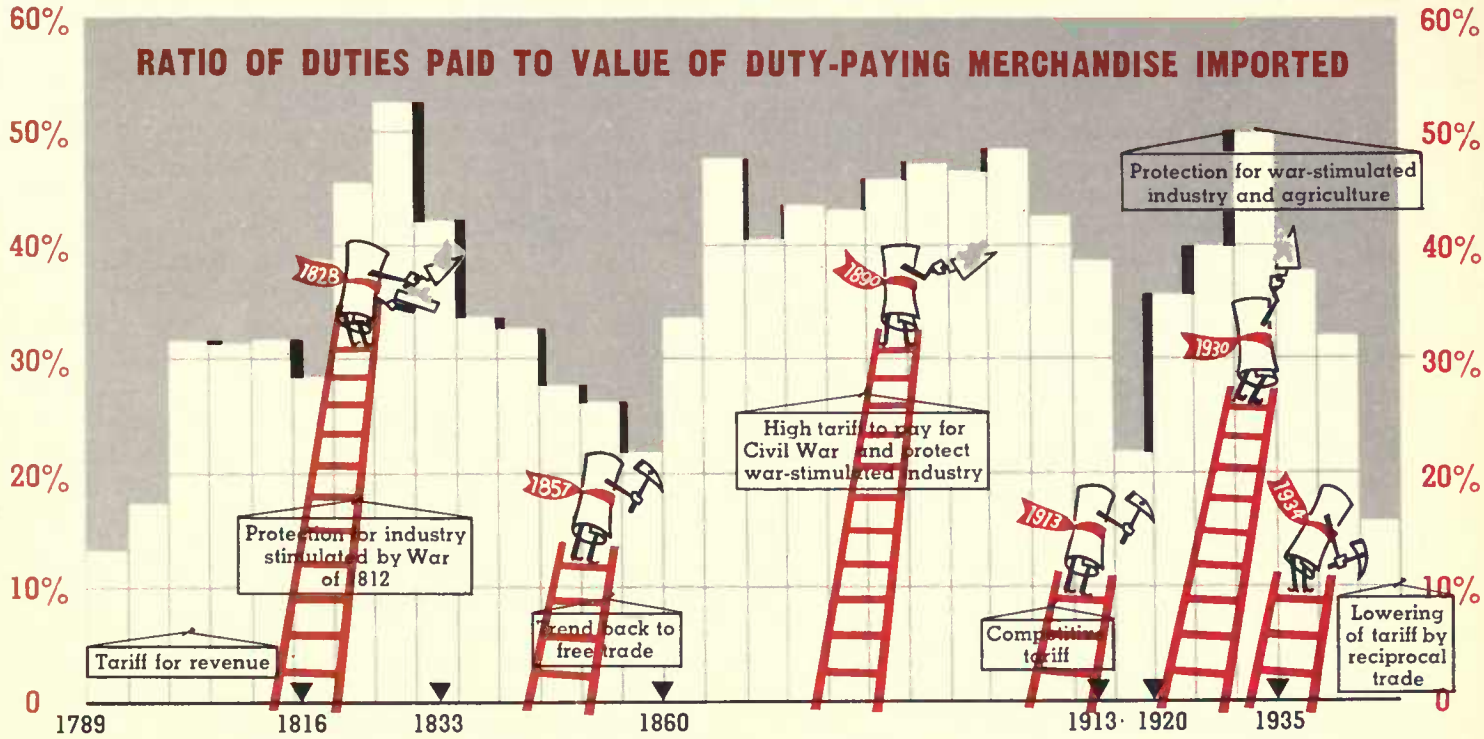
The return of the Republicans in 1921 once more ushered in a high tariff era. An emergency tariff in 1921, followed by revisions in 1922 and 1930, pushed rates up beyond previous peaks. Farm products as well as manufactured goods received protection. Since the farmer's prime need was expanded markets abroad, and since Canada and many European countries retaliated by raising their tariffs on our goods, the Smoot-Hawley Tariff of 1930 failed in its purpose.

THE RECIPROCAL TARIFF PROGRAM

The New Deal tariff program sought to reverse this world wide trend toward higher duties. Under the Trade Agreement Act of 1934, the Administration was empowered to make individual trade pacts with foreign countries which (in return for concessions from these countries) would cut our rates up to 50% of their Smoot-Hawley levels. These Reciprocal Tariff pacts also carried "most favored nation" clauses, providing that the lowest rate we granted any one country would be extended to all with whom we had pacts. Preliminary results indicated that our trade increased more rapidly with the 27 countries with whom we had agreements than the countries with whom we did not.

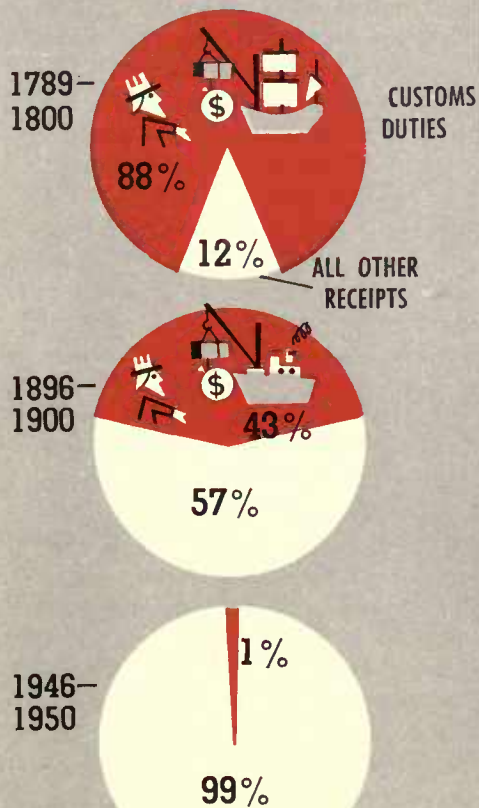
In 1947 the U. S. took a leading part in a UN-sponsored conference in Geneva on tariff reduction. Six and a half months of negotiations by 23 nations led to a General Agreement on Tariffs and Trade (GATT), and substantial tariff cuts by the 23 nations participating. Subsequent GATT conferences were held at Annecy, France (1949) and Torquay, England (1951). Cuts made by us at these conferences and in reciprocal trade treaties (in return for tariff cuts by other nations) have reduced our tariffs to close to the lowest levels in the last century. However, the *quota* has been developed as a new weapon to halt imports. Under the quota system, the President can cut off all imports of a product after they have reached a certain quantity, "to protect American producers." There has been much pressure for quotas from dairy products producers, watch manufacturers and others.

U.S. Tariff History

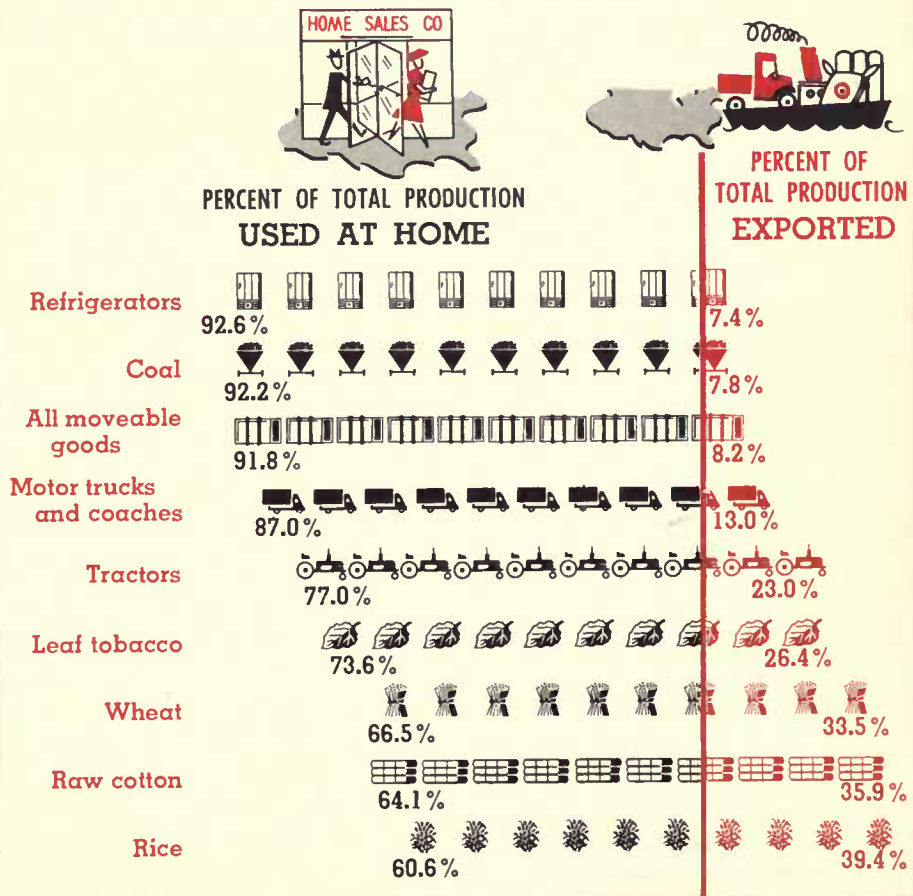


DEPENDENCE OF FEDERAL GOVT. ON CUSTOMS REVENUE

% of all Federal Govt. receipts from



IMPORTANCE OF EXPORTS TO CERTAIN U. S. INDUSTRIES (1949-1951 Average)



Government Regulation of Railroads

During the early days of railroad building, the one great public desire was to get more lines built and operating—regardless of cost. But during the long postwar depression of the 1870's, farmers, businessmen and the general public began to cast a critical eye at current railroad practices.

First, they noted that many railroads were in the hands of financial manipulators. These promoters frequently squeezed out the original investors through reorganizations. Then they inflated costs by paying excessive amounts for construction to companies in which they had an interest. To pay dividends on this inflated structure, the railroads had to charge high rates.

Lines would compete by cutting their prices, and make up the costs by charging high rates where they had a monopoly. Farmers in regions served by only one railroad suffered from this practice. The railroads also formed pools to eliminate competition. Uniform rates were set and customer traffic allocated among members. Receipts were paid into the pool, and later redistributed among members. To protect such arrangements, the railroads resorted to large scale political bribery.

In their rapidly growing organization called the Grange, many of the 1,500,000 farmer-members met and discussed the problem of high railroad rates. Stepping into politics, they elected hundreds of legislators during the early 1870's on platforms advocating government regulation of railroads.

STATE AND FEDERAL LEGISLATION

As a result, many midwestern states, beginning with Illinois in 1869, passed laws containing such provisions as: (1) Schedules of maximum freight and passenger rates, to be set either by the legislature or a state-appointed commission. (2) Outlawing of rate discrimination, such as charging more for a short haul than a longer one. (3) Forbidding the merger of railroad companies having parallel routes, in order to keep competition alive. (4) Making illegal the granting of free passes to public officials.

The railroads replied by lawsuits against all this "Granger" legislation. They contended that it deprived them of property without due process of law. They also questioned the power of a state to regulate public utilities. They asserted that most railroad traffic was across state boundaries and was subject to federal but not state regulation. Finally, the railroads contended that the power to fix rates within a state lay with the courts, rather than the legislatures.

Early Supreme Court decisions (such as the 1876 verdict in *Munn v. Illinois*) favored the Granger laws. The Court held that state legislatures had the right to regulate rates and fares. But the railroads continued to pound away. In the *Wabash* case (1886) they got the Supreme Court to rule that state laws could apply only to railroad traffic which stayed within the state. Since most traffic was across state lines, the Court's decisions made federal legis-

lation necessary.

Responding to public pressure, Congress in 1887 passed the Interstate Commerce Act. This law (1) declared that all railroad rates should be just and reasonable; (2) banned discrimination between shippers in the form of rebates, and discrimination between localities, classes of freight or connecting lines; (3) forbade a greater charge for a short haul than a long one, and (4) prohibited both pooling of receipts and traffic agreements.

Administration of the law was put into the hands of a five man commission. It was given the power to collect data, hear complaints and question witnesses. If it found that a railroad was disobeying the law, the Interstate Commerce Commission could order the road to desist. If the railroad refused, the ICC was to institute court action to force compliance.

In this form the Interstate Commerce Act proved ineffectual. The railroads evaded the law and fought the ICC's decisions. Enforcement through the courts proved to be long, costly and unsuccessful. Also, the courts seemed hostile to the law, and further whittled down the ICC's power.

EXTENSION OF FEDERAL LEGISLATION

The Hepburn Act of 1906 finally made the ICC an effective body. In a key clause, this act empowered the Commission to set just and reasonable rates which the railroads had to obey until and unless the roads could get a court decision upsetting the ICC order. Thus the burden of carrying through the legal procedure was put on the railroads. In addition, the Hepburn Act gave the ICC supervision over express and sleeping car companies, terminal facilities and pipe lines. Free passes were forbidden, as was the carrying by the railroads of commodities they had produced—except goods needed in the conduct of their business.

In 1910 the Mann-Elkins Act further strengthened the ICC. It was empowered to suspend for six months the operation of any new scale of rates proposed by a railroad, while it investigated the reasonableness of the rates. Railway labor was regulated by the Adamson Act (1916), which provided for a basic eight hour day on interstate carriers.

World War I put such a strain on the railroads that the government had to step in and operate them. They were returned to private hands under terms of the Esch-Cummins Act of 1920. This new law gave the ICC the right to pass on the railroads' new construction and financing, and to set minimum as well as maximum rates. It was authorized to appraise railroad property and provide rates which would give a fair return.

The Wheeler-Lea Act of 1940 expanded the ICC's power to cover the rates of water carriers operating in coastwise, intercoastal and inland waterways trade. Thus, the Commission, which also has power over motor trucking, can prevent ruinous rate wars between the competing facilities.

FEDERAL REGULATION OF PUBLIC UTILITIES TODAY



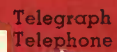
Interstate Commerce Commission



Civil Aeronautics Board



Federal Power Commission



Federal Communications Commission

1. Can fix rates

2. Can suspend new rates proposed by the company

3. Approval needed for consolidation or merger

4. Approval needed for sale of securities

THE COMMISSIONS IN GENERAL POSSESS THESE POWERS

9. Sets standard of service safety, etc.

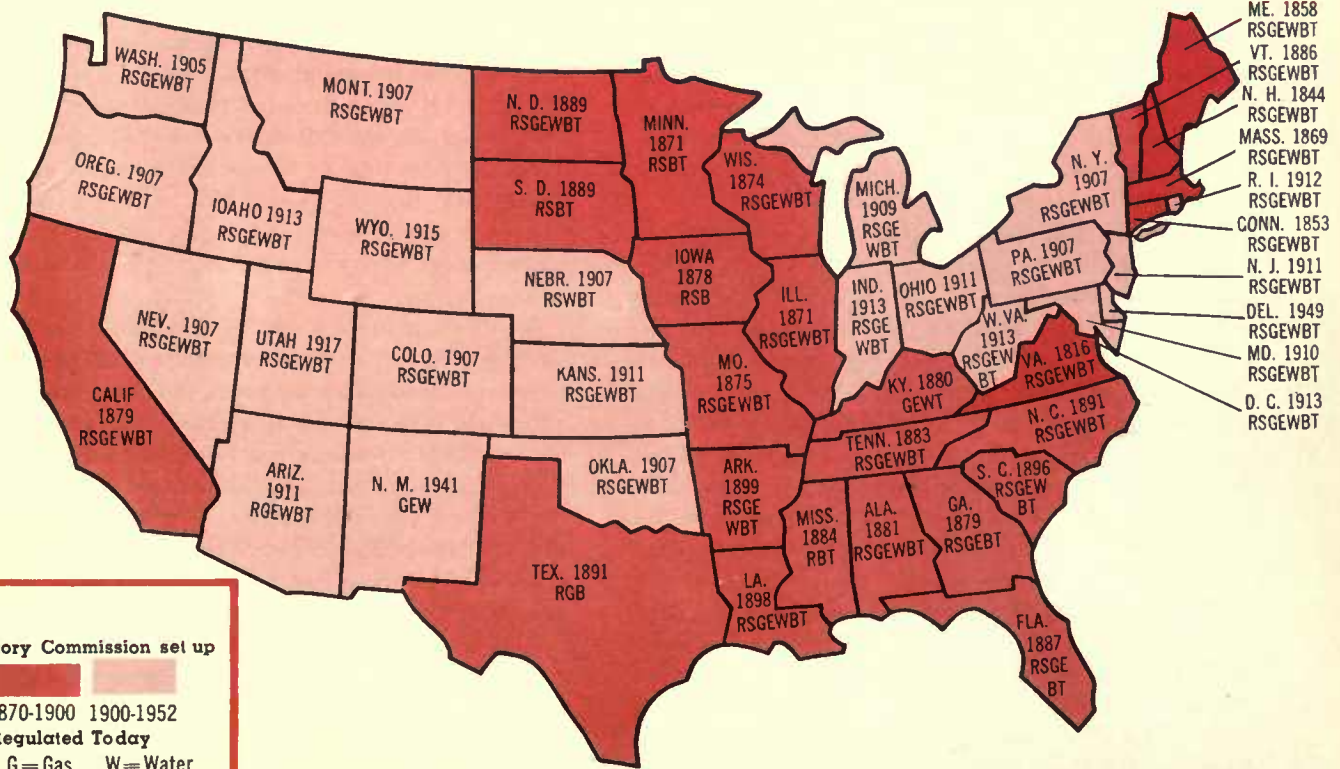
8. Can require establishment or extension of services

7. Approval needed for suspension of existing services

6. Approval needed for establishment of new services

5. Sets accounting procedures to be followed

THE SPREAD OF STATE REGULATION



KEY

State Regulatory Commission set up

Before 1870 1870-1900 1900-1952

Services Regulated Today
 R = Railroads G = Gas W = Water
 S = Street Railways E = Electricity B = Motor Buses
 T = Telephone & Telegraph

Conservation of Natural Resources

To its early settlers America seemed a limitless area of forests to be cleared, land to be farmed and minerals to be mined. In the process, large chunks of these natural resources were acquired by speculators through fraud and manipulation, and exploited wastefully for personal rather than public gain.

With the close of the War Between the States, scientists and public spirited citizens began to realize that certain resources faced exhaustion unless a policy of careful conservation was instituted. In 1891 Congress, impressed by a growing public demand, empowered the president to withdraw forest areas from the federal land available for sale. Harrison, Cleveland and McKinley showed enough interest in this provision to set aside a total of 45 million acres. And in 1894 Congress passed the Carey Act, which offered federal aid to the states to set up irrigation projects.

THEODORE ROOSEVELT PROMOTES CONSERVATION

Theodore Roosevelt promoted a great expansion in conservation activities during his presidency. With Gifford Pinchot, his head of the Bureau of Forestry, he developed a rounded program: (1) preservation of the forests, (2) reclamation of desert and swamp land, (3) development of inland waterways, (4) expansion in the use of water power, and (5) conservation for the public use of water sites and mineral lands.

In furtherance of his program, Roosevelt removed the For Sale sign from 148 million acres of federal land in the mountains west of the Mississippi. Here Pinchot worked to retimber waste areas, prevent forest fires, and preserve the timber for future use. During the Taft administration Congress went a step further and appropriated money to buy back land in the eastern states. These sites in the southern Appalachians and White Mountains were used to establish parks and institute flood control.

Under TR's leadership Congress also expanded the federal irrigation program through the Newlands Act. This provided that proceeds from the sale of federal land in 16 western states would be used to finance irrigation projects. Funds received from the sale of water and irrigated land produced by these projects would then be used to finance new projects. As a result, a string of dams has been built throughout the west, culminating in those two giants: Boulder Dam (Arizona-Nevada) and Grand Coulee (Washington). Today federal projects irrigate over 3½ million acres of farm land—about one out of every hundred on which crops are raised.

TR also stimulated development of our rivers, and flood control. He appointed an Inland Waterways Commission in 1907, and its report moved Congress to make extensive appropriations. One important result was the canalization of the Ohio River, completed in 1929. Funds were expended on the Mississippi River too—both for flood control and to develop a Great Lakes to Gulf of Mexico deep waterway.

In 1908, TR called a White House conference to formulate a nationwide plan of conservation. Attended by government officials and scientists, the conference resulted in the establishment of 41 state conservation committees. The parley also made a number of important recommendations. One was that the federal government hold on to lands known to contain valuable minerals. A second was that in all sales of public land the rights to mineral wealth underneath the surface be kept by the government, though the right to farm the soil be granted freely. Carrying out these recommendations, TR withdrew from public sale millions of acres of mineral lands and water power sites.

The administrations of Theodore Roosevelt and Taft saw the peak of conservation activities from the standpoint of setting aside forest, mineral and water power lands. One of the main conservation jobs of succeeding administrations has been to see that the areas set aside are used wisely in the interests of the nation. This policy has received strong popular support.

THE NEW DEAL AND THE TVA

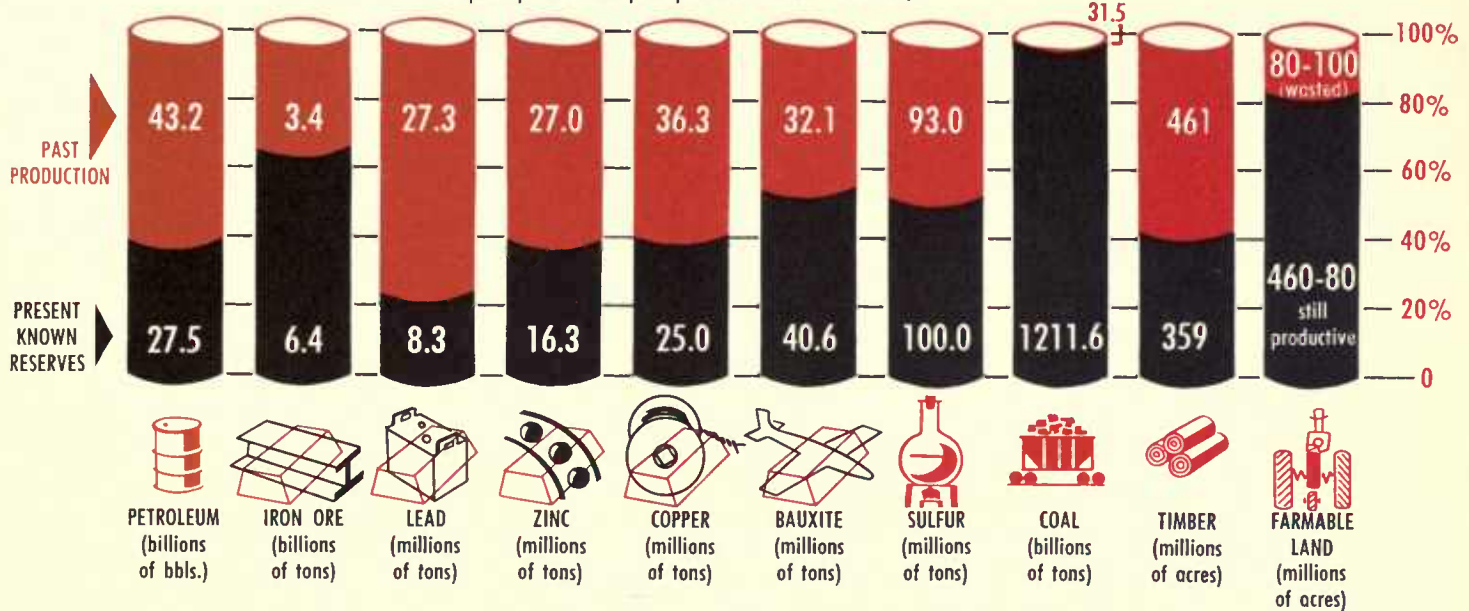
Another prize in the battle for conservation was the government power plant built at Muscle Shoals in the Tennessee Valley during World War I, to manufacture chemicals for explosives. After the war, Harding, Coolidge, and Hoover all favored turning the plant over to private industry. But progressives in Congress, led by Senator Norris, blocked this plan. Instead, they finally pushed through legislation providing for federal ownership and operation of Muscle Shoals. The act also called for construction of additional plants, and priority in power sales to state and municipally owned plants. Vetoed by Coolidge and Hoover, the legislation was passed in expanded form under the New Deal. A three-man Tennessee Valley Authority was set up to operate Muscle Shoals, build dams and power plants, develop flood control and reforestation, prevent soil erosion, and manufacture nitrates for fertilizer and explosives.

With its right to sell water power upheld by the Supreme Court in 1936, the TVA has forged ahead. Its program has greatly increased electric power production and use, and also raised farm and industrial production and income in the area. Public power is now being sold at Boulder Dam, Grand Coulee and other federal power sites—though plans by FDR and Truman for similar developments in the Missouri Valley and 3 other river basins were blocked by Congress. President Eisenhower's program envisages power development primarily by the states and private companies.

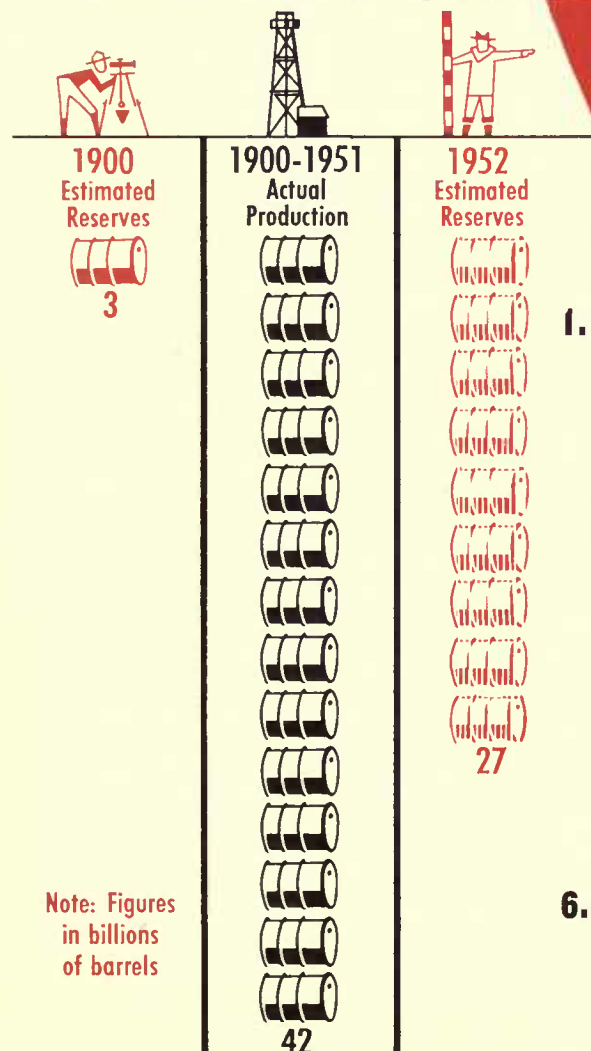
TVA was only part of the New Deal's conservation program. It also included reforestation through the CCC, soil conservation through the AAA, and many local projects carried out under the public works program. However, the impact of World War II on our resources (as the chart shows) has made conservation doubly necessary.

1. Many of Our Resource Reserves have been Seriously Depleted

(100% = Total of past production plus present known reserves)



2. But Oil Industry Shows that Reserves Can Be Expanded



Note: Figures in billions of barrels

2. Use of broader range of materials—Only 1/3 of known chemical elements enter strongly into industry. Rest is yet to be commercially utilized.

3. Fuller use of present materials, by-products, scrap—We now leave behind 1/2 the coal, more than 1/2 the oil in an "exhausted" field. We need to reduce this waste.

3. Six Steps We Must Take to Make the Most of Our Resource Reserves *

1. Push new discovery techniques — Aerial color photography to reveal traces of underground minerals in covering soil and vegetation; and deeper mines to tap large ore bodies believed to be far below earth's surface.

4. Use of lower quality resources — Economic ways to use 25% iron ore, oil shale, etc., as we exhaust 50% iron ore bodies, oil reserves.

6. Substitution of synthetics or abundant materials for scarce ones—Expansion of trend to replace such relatively scarce metals as copper, lead and zinc by aluminum, magnesium and plastics.

5. Harnessing Nature directly — Using sun for solar heating of homes, offices, and to run engines. Artificial rainmaking. Reforestation.

* (According to the President's Materials Policy Commission)

Intellectual and Cultural Life

One of America's greatest contributions has been the development of public education. Beginning on a small scale in early New England, it has broadened to include the whole nation, including every age group from kindergarten to state university. A wide reading public made possible in the nineteenth century the rapid growth of newspapers, magazines and books, further stimulated by technical improvements in printing and in the gathering and transmission of news. Education also promoted scientific advance, especially in the field of practical inventions. Along with public education, the rapid growth of towns and cities during the great era of industrial expansion must be given credit for the development of American intellectual and cultural life.

Education in America

Since a cornerstone of Puritan faith was the necessity for everyone to read the Bible, the matter of schooling received early attention in America. The first comprehensive ordinance, passed by Massachusetts in 1647, ordered every town having 50 householders to appoint a teacher of reading and writing. His wages could be paid by the parents or the whole population—whichever way the town might choose. Every town having a hundred householders or more was instructed to set up a grammar or Latin school which would fit its students for university training. Although inadequately enforced, this law established the important principle that the state could require—and the community should provide—schools for its children. With the exception of Rhode Island, the other New England colonies adopted the same system.

A few public schools were also established in the Middle and Southern Colonies. However, education was generally carried on through private schools supported by the various churches. And in the South, the wealthy planters often hired private tutors and sometimes sent their children to England to be educated.

Because of the strong religious influence among the early settlers, a number of colleges were established with the primary aim of training ministers. Thus, Harvard was founded in 1636, and Yale in 1701. In Virginia, the Anglican Church established William and Mary in 1693. By the end of the colonial period, six other institutions had been established: Princeton, Pennsylvania, Columbia, Brown, Rutgers and Dartmouth.

These institutions presented a common picture: meager equipment, simple courses dominated by the Latin and Greek classics, and a majority of students training for the ministry. Yet few of the younger generation got to college, and a great many failed to get any schooling at all. Illiteracy was widespread, especially on the frontier.

THE GROWTH OF PUBLIC EDUCATION

The slow growth of a sound American education system received a setback during the Revolutionary War and the years immediately following. But the democratic leaders of the American Revolution had better plans for the future. In the Northwest Ordinance of 1785, Congress set aside one section in every township for the support of schools. When Ohio became a state in 1803, Congress granted a township of land to support a state university. Similar grants were made to each new state entering the union, with the result that 17 state universities were founded by 1860.

The drive for public education gained new strength after 1800, for a number of reasons: (1) The growing concentration of population in cities made pupils and schools more accessible to each other. (2) Universal education was advocated to counteract the growth of poverty and crime in the cities. (3) The extension of voting rights enabled the common man to vote for free education for his children. (4) In the new states, it seemed possible to

finance public schools from the sale of public lands. (5) It was argued that democracy could survive and grow only if the masses were educated. (6) A training in the three R's was necessary for workers in offices, shops and factories.

Opposition to free public education came from several sources: wealthy taxpayers, proprietors of private schools, and religious groups which wanted the children to be educated only in church schools. But the trend of the times was against them. By 1860 the principle of a free, tax-supported public school system had won in a majority of the states. Such men as Horace Mann and Henry Barnard had led the movement.

EDUCATION AFTER 1865

The years after the War Between the States saw a rapid expansion in public high schools as well as elementary schools, as the chart shows. Some of this growth was at the expense of the 6000 private academies and seminaries operating in 1850. Colleges and universities, both state and private institutions, also expanded rapidly; most of these private institutions were under religious sponsorship. A big boost came from the Morrill Act of 1862. Under it, the federal government granted public land to each state, to support the establishment of state mechanical and agricultural colleges.

With the development of mass education has come some questioning of methods and goals. John Dewey, America's leading educational philosopher, has urged that the aim of education should be not the mere acquisition of knowledge, but the fitting of the child for real life. Thus, schooling should include play, the use of tools, contact with nature, and the development of the student's personality. Since students differ in capacity and interests, he pointed out the inconsistency in giving them all the same type of classical education.

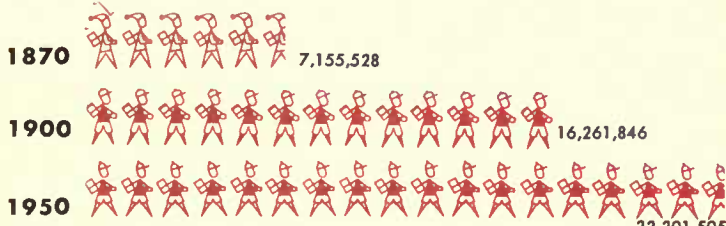
As a result of Dewey's "progressive education" movement, courses in agriculture, industry, trade and commerce have been introduced in both high schools and elementary schools. Studies like Greek, astronomy and geology have been dropped. Thus high school education has become a preparation for work rather than merely one for college.

After World War II, researchers, such as President Truman's Commission on Higher Education, found that much remained to be done to realize our ideals in education. Funds and schooling, they noted, are substandard in many areas. Years of depression and war had resulted in large shortages of trained personnel: teachers, doctors, dentists, engineers and scientists of all sorts. Yet inadequate university facilities, inability of many gifted students to pay high tuition costs, and discrimination against students from minority groups all contributed to the shortages. Many educators felt that only federal aid could remedy the situation.

Trends in American Education

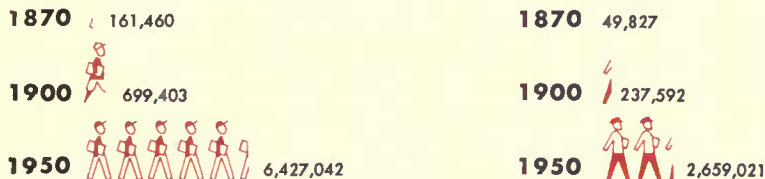
1. Enrollment has expanded and . . .

ELEMENTARY SCHOOL ENROLLMENT

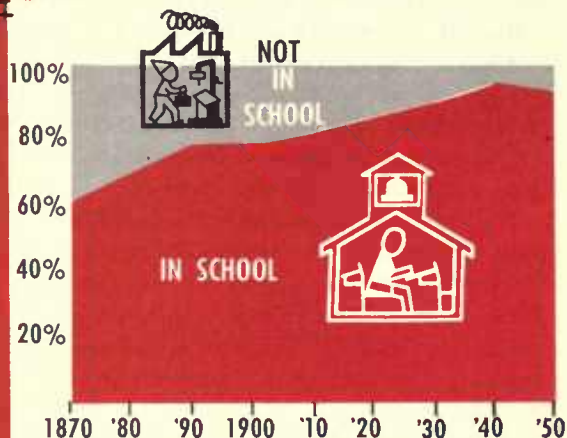


HIGH SCHOOL ENROLLMENT

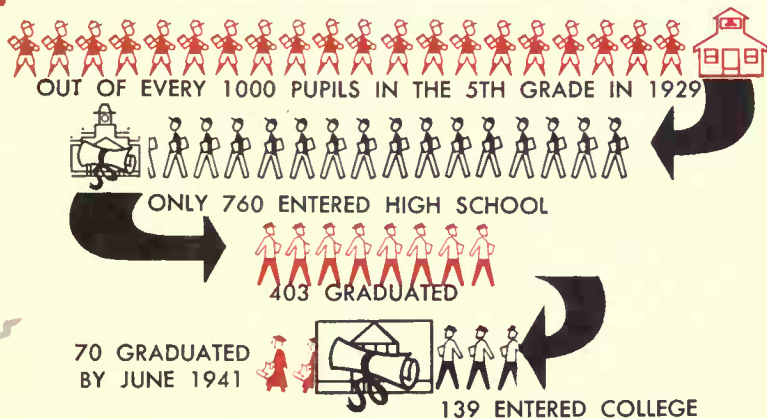
COLLEGE ENROLLMENT



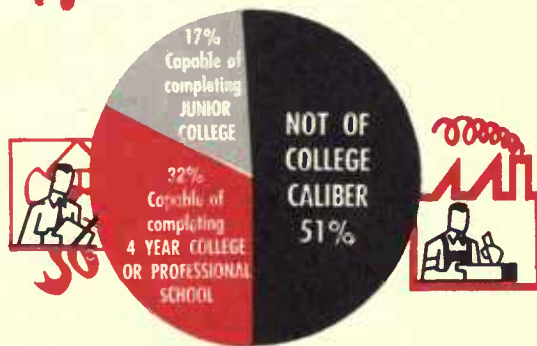
2. . . the per cent of children in school has increased.



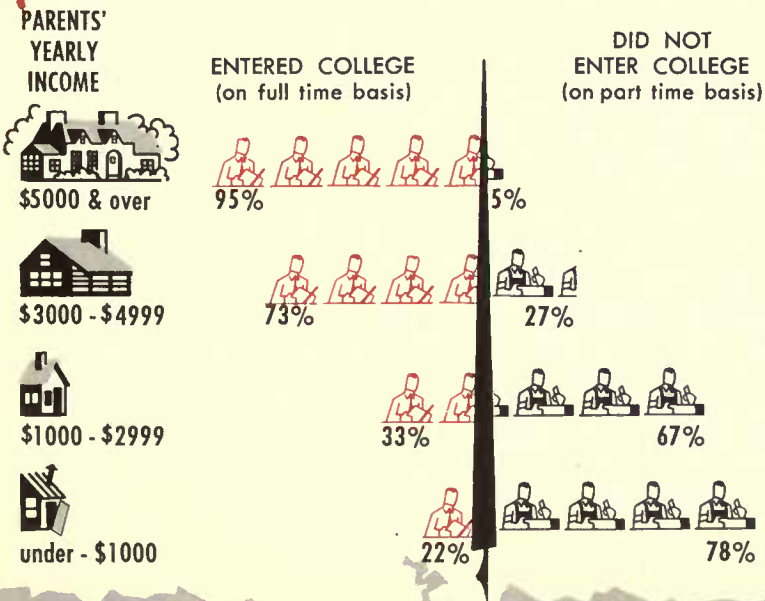
3. Only a small group go through to college . . .



4. . . though half our youth have I.Q.'s of college level.

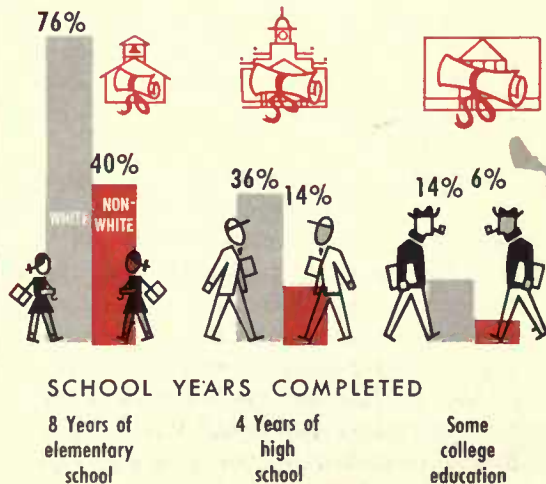


5. Low income bars a full education . . .



6. . . and education of Negroes still lags behind.

Based on U. S. adults 25 years old and over in 1950



The Power of the Press

With the founding of the *Boston News Letter* in 1704, the newspaper appeared in America as a medium for information, education and recreation. By the Revolution, newspapers had been established in every colony. Lacking today's mechanical and news gathering facilities, they were published weekly, with the limited contents shown in the accompanying graphic. Nevertheless, these publications were widely read and discussed.

The early colonial governors attempted to enforce newspaper censorship in America—a common European practice of the day. In 1734 the royal governor of New York sought to stop political attacks on him by a local newspaper. He had Peter Zenger, printer-editor of the newspaper, arrested on a charge of criminal libel. However, Zenger's attorney made an eloquent appeal to the jury to preserve a free press and the right to publish the truth. The result was Zenger's acquittal and the establishment of an important precedent for a free press.

DEVELOPMENT OF THE PRESS TO 1860

After the Revolution came a period of rapid growth for U. S. newspapers. The first daily newspaper was founded in Philadelphia in 1784, and 26 more dailies were established by 1809. The total number of journals, both daily and weekly, grew from 40 in 1783 to 366 in 1810. The division of political life into the Federalist and Republican parties stimulated this growth, as newspapers took political sides with vigor. Presentation of news was very openly colored by the particular newspaper's political complexion.

By the 1830's, technical and editorial advances had started newspapers along the road to our modern format. The development of the telegraph and the railroad speeded up the coverage and transmission of news. New presses powered by steam engines could print more copies in an hour than a hand press could print in a week. As a result of this mass production, the *New York Sun* (1833) was able to set the low price of a penny a copy and achieve mass circulation. Readers were also attracted by the *Sun's* lively emphasis on local news, instead of political attacks and stale European reports. Even more successful was James G. Bennett's *New York Herald* founded in 1835—the first newspaper to print financial news, discuss the theatre, and report social life.

Journalism reflecting the ideas of a group of brilliant editors flourished during the next fifty years. William Cullen Bryant, who became editor of the *New York Evening Post* in 1828; Horace Greeley, who founded the *Tribune* in 1841; and Henry J. Raymond, who established the *Times* in 1851, joined Bennett in giving New York a quartet of noted editors. Famous newspapers also appeared in New England and the Middle West. Joseph Medill's *Chicago Tribune* and Samuel Bowles' Springfield, Mass., *Republican* ranked with the nation's top papers.

Technical advances continued at an accelerated pace. Aid-

ing the printing were the development of the high speed rotary press, the linotype machine for quick typesetting, the photoengraving process for reproducing illustrations, and improvements in the camera. Reporting was speeded by the introduction of the transatlantic cable (1866), the telephone (1876), and the typewriter (1878). The founding of the Associated Press (1892), followed by the United Press and the International News Service, furnished subscribing members of these services with news from all over the world. In 1884, S. S. McClure organized the first newspaper feature syndicate. Soon he had more than 100 imitators competing to supply newspapers with columnists, cartoons, comic strips, and other features.

Another development during the latter part of the 19th century was *yellow journalism*—the technique used by Joseph Pulitzer in the *New York World*, which he bought in 1883. He stressed the sensational aspects of news stories, and played up political cartoons, feature articles, and a Sunday supplement in color with many comic strips. The result was a vast increase in the *World's* circulation. William Randolph Hearst pushed yellow journalism to new extremes in the *New York Journal*, which he purchased in 1895. Hearst, too, built a large circulation and went on to repeat his success in 25 other newspapers throughout the country.

THE PRESS SINCE WORLD WAR I

After World War I, a unique format was developed for yellow journalism—the tabloid newspaper. Half the size of the standard journal, it relied to a great extent on photographs and features, news of crime and sex. But the large majority of papers did not go in for sensational journalism. There was, however, much uniformity—resulting from growing dependence on the wire services and feature syndicates for news and articles.

Mechanical improvements in getting and printing news have required big investments in machinery and services. As a result, the Commission on Freedom of the Press (an independent group of distinguished scholars who investigated the press under a grant from *Time, Inc.*) estimated in 1946 that it would cost \$5,000,000 to \$10,000,000 to build a successful big city newspaper; \$750,000 to \$3,000,000 for a medium size city; and \$25,000 to \$100,000 for a small town paper. With these big investments to protect, our newspapers have tended to become primarily business ventures, influenced by the personal interests of owners and by pressure groups.

The Commission also cited evidence of concentration and monopoly. The number of daily English-language newspapers in the United States fell from a peak of 2600 in 1909 to 1800 in 1952. The 16,000 weekly newspapers of 1910 have shrunk to less than 11,000 today. 90% of the communities in this country have only one local newspaper. Concludes the Commission: We may have the best press in the world, but it needs much improvement to meet the needs of our society.

1800 — Era of partisan political organs

CHIEF SOURCES OF NEWS



Letters from political leaders

FINANCIAL BACKING



Small capital needed—often supplied by political leaders

CIRCULATION



Mainly limited to educated property holders

EQUIPMENT & STAFF—A printer-editor in any small print shop could produce a newspaper on a hand press.

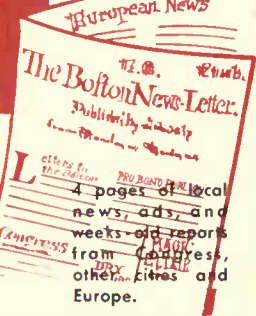


Newspapers from other cities



Letters and papers from Europe

THE PRODUCT



1860 — Era of brilliant personal editing

CHIEF SOURCES OF NEWS



Local reporters



Full and part time correspondents



Advance copies of political speeches



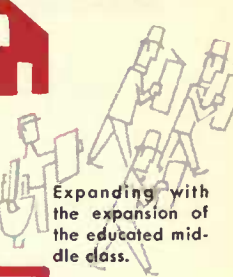
Out of town and European newspapers

FINANCIAL BACKING



It took \$100,000 to launch the N. Y. Times in 1851.

CIRCULATION



Expanding with the expansion of the educated middle class.

EQUIPMENT & STAFF—Editors, reporters, business managers, pressroom crew, newsboys, steam driven presses, telegraph dispatchers.

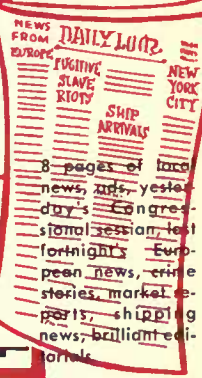


EDITORIAL & BUSINESS DEPTS.



PRINTING PLANT

THE PRODUCT



The Typical Big City DAILY NEWSPAPER

TODAY — Era of mechanization and syndication

CHIEF SOURCES OF NEWS



Local reporters



Correspondents



Worldwide press services



Syndicated columns, features, comics



Publicity releases



FINANCIAL BACKING

Revenue: 75% from advertising, 25% from circulation. Costs \$5-10 million to launch a new Big City Newspaper.

ADVERTISING & PROMOTION DEPT.



BUSINESS & CIRCULATION DEPTS.



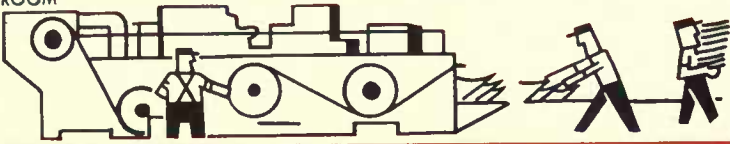
EDITORIAL DEPT.



COMPOSING ROOM

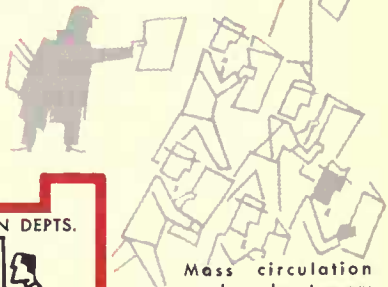


PRESSROOM



EQUIPMENT & STAFF—Editors, reporters, advertising and business staff, pressroom crew, newsboys, high speed rotary presses, linotype machines, telegraph, cable, and wireless dispatches, photoengraving.

CIRCULATION



Mass circulation reaches almost every family.

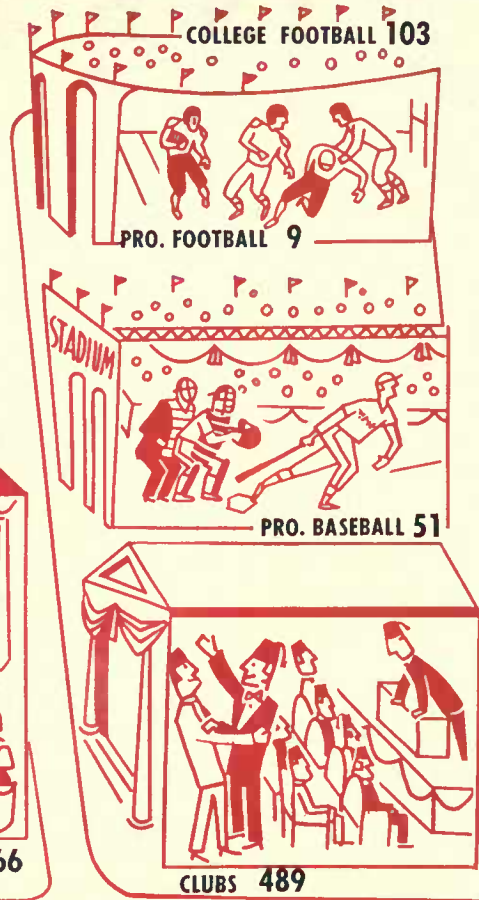
THE PRODUCT



Medium for news, entertainment, specialized information and advertising

what americans spent on recreation, 1951

(Figures in millions of dollars)



CHAPTER 58

Trends in Culture and Recreation

In colonial days, gambling and dancing were the main indoor amusements. Hunting and fishing were universal outdoor pursuits, though probably more for the serious business of supplementing the family diet than for sport. Community projects, such as building a home for a new settler or launching a ship, were made the occasion for feasting and dancing when the work was done.

By the beginning of the 19th century, the handful of cities which had arisen began to serve as centers of culture and recreation. Theatres were built in all these cities and larger towns. Though English plays and actors were usually featured, native American talent began to develop.

However, 9 out of 10 families still lived on farms in 1800, and their recreation was as limited as their grandfathers' had been in colonial days. The Industrial Revolution, getting under way by the middle of the century, and continuing to the present day, was to make the real change in our use of leisure. The eight hour day or less, with the five day week, gradually became standard in many factories and offices throughout the country. Labor saving machinery made possible this cut in work time, while other machines were created to entertain during this newly won leisure.

Thus, the two-fifths of our population who in 1950 lived in cities of 25,000 or more lived a life far different from *their* grandfathers'. The average city dweller occupied a small apartment with less furniture per room, did less physical work, and consequently ate and drank less than his forbears. Though he spent a good deal of time listening to the radio or watching television at home, the city dweller was frequently attracted to amusements outside the home: motion pictures, night clubs and taverns, attendance at sports events, participation in sports.

The farmer, too, had his life profoundly changed by technological advances. The development of the auto, motion pictures, and radio broke down his isolation from the city. He acquired desires and tastes similar to the city dweller's, and the mail order house or highway shopping center could supply them. The farmer also benefited by the invention of power driven machinery which made his work day easier and shorter.

RADIO AND TV

For both farmer and city dweller today, radio or television seem to be the most popular entertainment. Accord-



CAMP FEES 47



PLEASURE BOATS & AIRCRAFT 77



GARDENING 758



PURCHASE OF PETS & VET. SERVICE 58



GOLF FEES, INSTRUCTION, ETC. 116

and book fields felt the competition for the audience's attention. Several hundred more stations, color TV, and other innovations are still to come. So it is obvious that there will be more major changes in the entertainment and recreation fields before the TV revolution runs its course.

MOTION PICTURES, MAGAZINES AND BOOKS

Meanwhile, in mid-1952 an average of 55,000,000 people a week (down from the 90,000,000 postwar peak) were still visiting 19,000 motion picture theatres throughout the U. S. One of the country's major industries, the movies stem from inventions by Edison in the 1890's. By the beginning of World War I, movie theatres had been established in almost every population center, and motion picture making had begun to take on the familiar pattern of nationally famous stars, big salaries and high production costs. The introduction of talking pictures in 1927 served further to increase costs and concentrate production. Today the field is dominated by eight major production companies.

The magazine and book industries have shown similar tendencies of growth and concentration. Typical of the magazine field is the trend in women's magazines—where the 24 major magazines of 30 years ago have been reduced to six giant circulation publications today. Since it takes two to three million dollars to start a magazine aimed at the mass market, only an already successful publisher or a well financed group can establish a new general magazine.

Book publishing is less concentrated, yet more than a quarter of the annual titles are produced by the ten largest publishers. The growth of many book clubs has influenced publishers to plan books along popular lines for acceptance by these clubs. Another significant recent development has been the publication of old and new books in paper covers at a cheap price. 231 million copies of these pocket size books were sold in 1951.

ing to the 1950 Census, 96% of all families had radios. Over 50% of all households had TV sets by the spring of 1953, four times the number of 3 years before.

It has taken barely a quarter of a century for broadcasting to achieve this front rank. Stemming from an invention by Marconi in 1896, radio did not develop into commercial entertainment broadcasting in the United States until 1920. The two pioneering stations of that year have increased to over 2000 standard (AM) stations today. Over 1300 of them are affiliated with one or another of the four national radio networks. Nightly the leading stars of stage and screen (and many more whom radio itself has developed) are beamed into American homes free of charge. Paying the bill for this are the advertisers. Fewer than 150 of them provide over 95% of radio network revenue, and less than 50 of them provide over half of this income.

Television's commercial development has been very similar to radio's. Its technical development too is the product of many lands. As far back as 1884, a German scientist patented a television device. But TV as we know it today stems from an electronic system patented in 1928 by physicist V. K. Zworykin, a Russian-born American citizen. The end of World War II signaled a tremendous development in TV. 109 stations went into operation, providing fare for 23 million sets by early 1953.

But even with commercial TV stations limited to 109, the impact on other 20th century entertainment fields was serious. Radio listening, of course, slid off. So did attendance at motion pictures and sporting events. The magazine

**percent division
of the recreation dollar**
(1951 Total — \$11.3 Billion)



Science: The Limitless Frontier

A leader in so many fields of American thought, Benjamin Franklin was our first outstanding scientist. He invented the lightning rod and a type of cooking-heating stove still in use today. He experimented with electricity. He founded the first of our scientific societies. Few followed his path into theoretical science, but a number of Americans soon joined him in the ranks of successful practical inventors.

We have mentioned earlier (Chapter 42) the work of such men as Eli Whitney (cotton gin, interchangeable parts), Fulton (steamboat), McCormick and Hussey (farm implements), Howe (sewing machine). Other notable inventions were perfected before 1860, such as the telegraph—devised by Samuel Morse in 1832, vulcanized rubber by Goodyear in 1839, the turret lathe by Fitch in 1845, and the safety elevator by Otis in 1852. Another indication of the rising tide of inventive activity came from the United States Patent Office. The average of 77 patents a year it issued for the period 1800-1810 grew to 2,500 a year for the period 1851-1860.

The growth of basic research (research for general knowledge, without specific practical ends) was much slower. The colleges and universities, today centers of research activity, then concentrated on instruction in religion, philosophy and the literary classics. However, small contributions were made by the federal government, with the establishment of the Coast and Geodetic Survey (1807), and Naval Observatory (1830). By 1854, the Patent Office's Agricultural Division, later to evolve into the Department of Agriculture, had begun scientific research. But the most important early stimulus to pure science came with the establishment by Congress in 1846 of the Smithsonian Institute. Based upon half a million dollars left to the U. S. by an English chemist, James Smithson, the Institute aimed for "the increase and diffusion of knowledge among men."

SCIENTIFIC ADVANCE SINCE 1865

During the last half of the 19th century, the Industrial Revolution made clear the importance of science and learning. Government support for state universities grew, while industrial millionaires left large sums to private institutions. Both public and private universities began to devote an increasing amount of these funds to science courses and research.

In addition, men of wealth began to set up foundations for scientific research. Andrew Carnegie established the Carnegie Corporation and the Carnegie Institution of Washington, while John D. Rockefeller organized the Rockefeller Institute and the Rockefeller Foundation, organizations which have made important contributions to medicine and other branches of science.

Meanwhile, industrialists were also setting up commercial research laboratories whose aim was to develop and patent new machines and processes. The electrical, chemical, and petroleum industries have led this movement. But

because of the expense involved, only the largest firms have been able to afford an extensive program. To counteract this competitive advantage, some medium size firms have begun to finance limited research projects at private universities.

The federal government's scientific program has also expanded greatly. The Department of Agriculture was designated by Congress in 1887 to finance and supervise agricultural experiment stations at the state colleges. A number of other government scientific bureaus and laboratories were established early in the 20th century. These included the Bureau of Mines, Bureau of Standards, and National Institute of Health.

The United States Office of Scientific Research and Development analyzed prewar (1938) expenditures to see the proportion of the total going for basic or pure research. It found that industry spent about 5% of its research budget for this purpose, government about 15%, and universities and institutes about 70%. Of the total spent by all sources, 85% went for applied research and 15% for pure research.

PROBLEMS OF BASIC RESEARCH

Commenting on the necessity for strengthening our basic research program, Dr. Vannevar Bush, Director of OSRD, wrote:

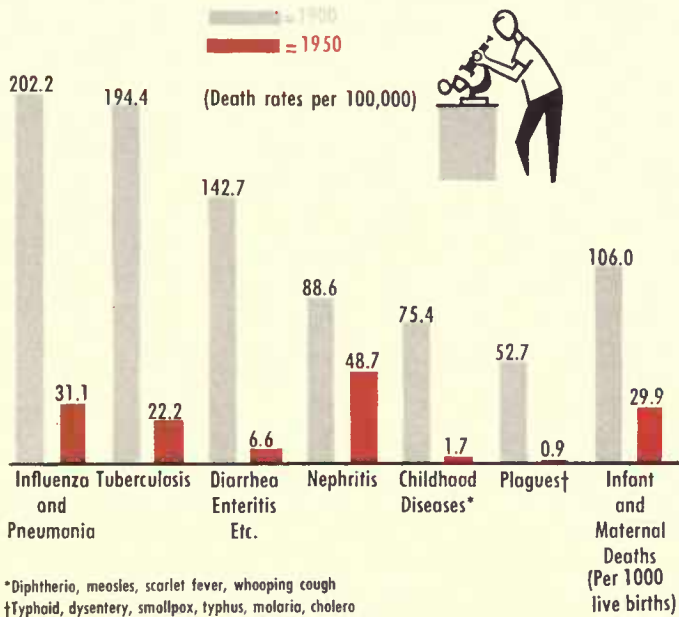
"The scientist doing basic research may not be at all interested in the practical application of his work, yet the further progress of industrial development would eventually stagnate if basic scientific research were long neglected . . . In the 19th century, Yankee mechanical ingenuity, building largely upon the basic discoveries of European scientists, could greatly advance the technical arts. Now the situation is different. A nation which depends upon others for its new basic scientific knowledge will be slow in its industrial progress and weak in its competitive position in world trade, regardless of its mechanical skill."

However, Yankee ingenuity did write an impressive record of inventions during the last half of the 19th century and first half of the 20th. The first transatlantic cable, the typewriter, improved typesetting and printing equipment, the railway air brake, refrigerator car and electric locomotive, the telephone, phonograph, electric light and automobile stood out among discoveries before the turn of the century. Since then the airplane, radio, television, electronics, and the development of synthetic substances like nylon, plastics and vitamins have owed much to America.

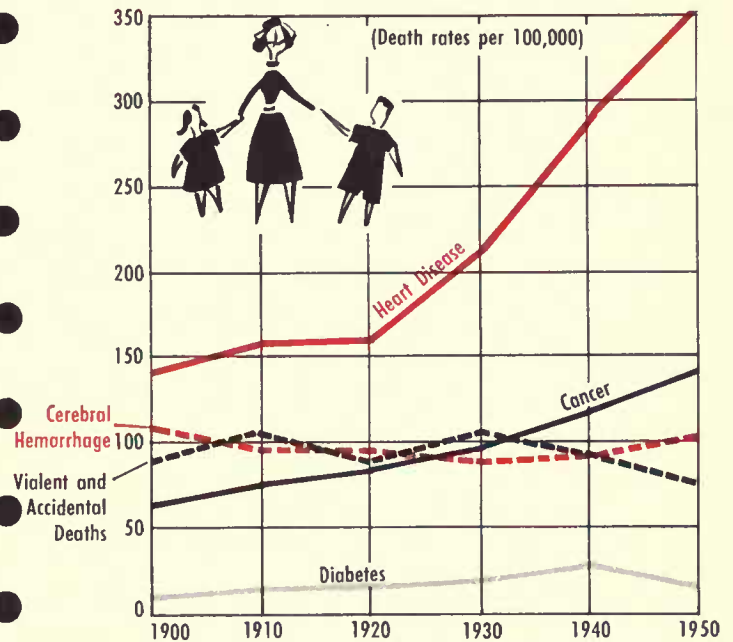
Some Americans have made notable contributions to basic science, too. Among these were Willard Gibbs, Arthur Compton and Robert Millikan in physics; T. H. Morgan, C. B. Davenport and Raymond Pearl in biology; Theodore Richards in chemistry; and William James and John Watson in psychology. In medicine, Americans were responsible for advances in discovering the cause, cure or treatment of such diseases as yellow fever, anemia, hookworm, typhoid and diphtheria.

SCIENCE VS. DEATH IN THE 20TH CENTURY

1. Great gains have been made

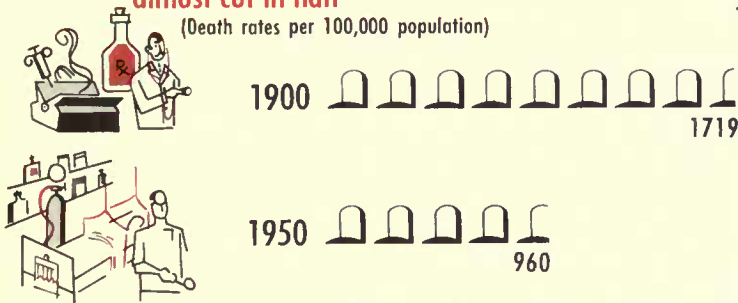


2. But not against the "hurry-worry" diseases



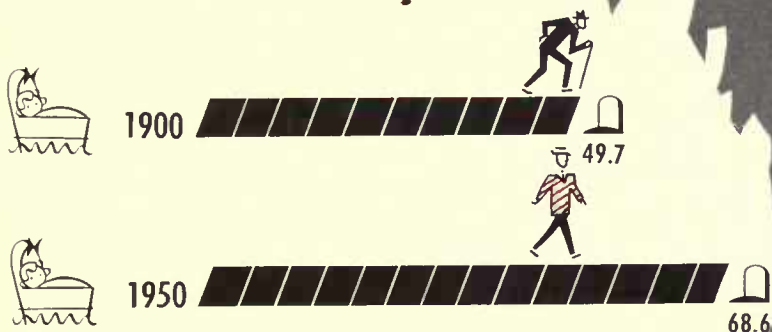
3. Still the U. S. death rate has been almost cut in half

(Death rates per 100,000 population)

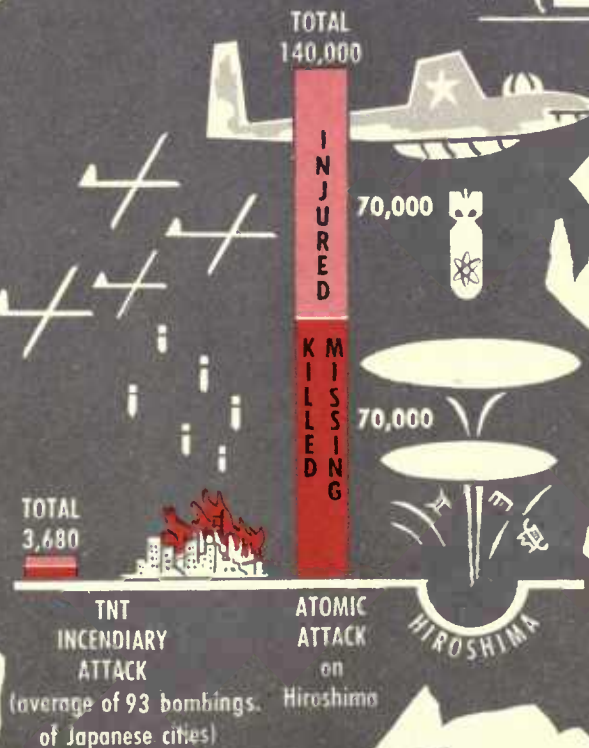


4. Almost 20 years have been added to man's life

(Average future life expectancy)



5. But science has also multiplied the potential of military weapons



Development of United States Foreign Policy

Starting as a weak young Republic, the United States faced great difficulties in maintaining her rights during the European wars from 1792 to 1815. Finally involved in a second war with Britain, she emerged with a stronger sense of nationalism and a spirit ready to proclaim, and later uphold, the Monroe Doctrine. Soon the national boundary lines were extended from the Atlantic to the Pacific. Louisiana was purchased, Florida acquired, Texas annexed, the Southwest won by war, and the northern boundary determined by treaties. At the end of the century came the war with Spain, the beginnings of a colonial empire, and control of the Caribbean. America's entry into World War I offered us a leadership in world affairs, which at that time we refused to take.

Diplomatic Trials of the Infant Republic

The Treaty of 1783, ending the Revolutionary War, contained favorable terms for America. But in the next ten years many problems arose to vex British-American relations. Such problems as whether the property of Tory colonists should be restored, and whether Americans would repay debts owed to Britons at the outbreak of the Revolution. Also in question were the rights of Americans to fish in Canadian coastal waters; the date for Britain to evacuate forts and trading posts on American soil; the establishment of easier trade relationships between the U. S. and the British West Indies; and the boundary between Maine and Canada.

The outbreak of war between Britain and France in 1793 intensified Anglo-American friction, since the British navy began to halt our trade with France and snatch seamen from American ships. Washington was anxious to avoid another war with Britain just as we were recovering from the Revolution. So he sent John Jay to London to try to negotiate a settlement of differences.

THE JAY AND PINCKNEY TREATIES

Though Jay represented a weak new government, he held several valuable cards. First, the United States was Britain's most valuable customer. Second, Britain did not want to push America into the enemy lineup in the spreading European war. Still Jay found it necessary to concede a number of vital points.

Britain agreed to evacuate all her fur trade posts on American territory, but British subjects were to be allowed to carry on the fur trade on American soil. Commissions were to determine the Maine boundary line, the amount of debts owed British subjects, and the claims businessmen in each country had against the other government for illegal capture of vessels and cargo. The treaty bypassed any ruling on Britain's impressment of American seamen. It also approved Britain's practice of confiscation of enemy goods on American ships, as well as other material which Britain labeled contraband. A limited trade treaty between the U. S. and Great Britain, India and the West Indies was included.

Few Americans were satisfied with the treaty. The Senate found the West Indian trade provisions so harsh that it struck out that clause. The friends of France protested that the treaty would cripple any effort on our part to aid her in her war with Britain. But President Washington threw all his prestige behind the agreement and secured for it enough votes from the pro-British Federalists to gain Senate approval.

The next item on Washington's diplomatic agenda was a treaty with Spain, which held territory on our western and southern borders. Four main problems had arisen: our claim to pass freely up and down the Mississippi; our claim to bring goods down to Spanish-held New Orleans and put them on seagoing vessels without payment of duty; Spain's policy of inciting the Indians to attack American settlers;

and the disputed Florida boundary line.

These questions were vital to the frontier settlers west of the Allegheny Mountains. They needed an unfettered Mississippi down which they could ship their furs and farm products. Moreover, westward expansion was menaced by the hostile alliance of Spaniards and Indians. England, France and Spain all sought to take advantage of this situation by urging leaders of frontier settlements to secede from the United States.

Spain feared that the Jay treaty with Great Britain would result in an Anglo-American alliance aimed at her. As a result she concluded in 1795 a very favorable treaty (shown in the graphic on the opposite page) with our representative, Thomas Pinckney.

OUR DIFFICULTIES WITH FRANCE

Our troubles with France were not so easily handled. Having gone to war with Britain and Spain in 1793, France called upon us to honor the treaty of alliance we had made with her in 1778. This treaty required us to help defend the French West Indies, and allow France to bring ships she had captured into our ports.

Washington observed his country surrounded on three sides by English and Spanish territory, and feared attack if he supported France. Therefore, on April 22, 1793, he issued a proclamation of neutrality. Our defensive alliance with France did not hold, he said, because France had been the aggressor.

Encouraged by widely expressed sympathy for France, Edmund Charles Genêt, France's minister to America, proceeded to ignore the neutrality proclamation. He planned with frontier leaders an expedition against Spain's Louisiana territory; outfitted privateers to prey upon British shipping; and set up French courts on American soil to dispose of the loot. Aroused by these actions, Washington forced the French authorities to recall Genêt.

When the French government learned of the treaty negotiated with Britain by Jay, they believed it was an alliance aimed at them. The French navy was turned loose against American shipping. By June 1797, over 300 American ships and their cargoes had been confiscated. John Adams, the newly elected president, sent a mission to France to seek a settlement. But the French government demanded a bribe for itself, a loan from this country, and an apology from Adams. This was known as the "XYZ affair."

Instead, Adams organized a Navy and instituted an unofficial sea war against France. American privateers and 14 men-of-war swept French commerce from the West Indies. Napoleon, successor to the Directory, decided to make peace. By a treaty ratified in 1800, France released the United States from the Alliance of 1778, and agreed to keep hands off American ships. This country in turn agreed to drop claims for the ships and cargo France had already seized.

The Young Republic Makes Diplomatic Progress

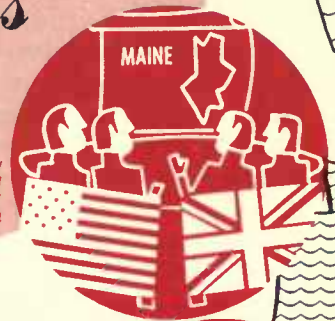
Although treaty with Britain leaves some major points unsettled



1. FRONTIER POSTS — Britain to quit those on American soil



2. MAINE BOUNDARY — To be arbitrated by Commission



1. TRAVEL ON MISSISSIPPI — Americans allowed free passage

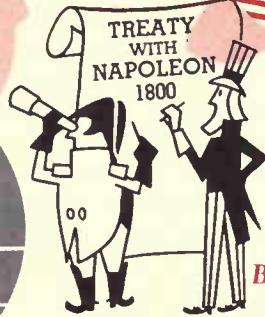


4. PREWAR DEBTS & WAR LOSSES — To be arbitrated by Commission



3. FISHING OFF CANADA — American rights remained in dispute

5. IMPRESSMENT OF SEAMEN — British practice remained in dispute



1. U. S.-FRENCH NAVAL WAR — Stopped by French agreement to respect U. S. rights as neutral



6. NEUTRAL COMMERCE — Britain allowed to seize contraband goods



2. INDIAN ATTACKS — Spain promised to restrain them



2. TREATY OF 1778 — Cancelled, releasing U. S. from alliance with France



3. U. S. CLAIMS AGAINST FRANCE — Cancelled in return for cancellation of alliance



3. TRADE VIA NEW ORLEANS — American imports and exports allowed, duty-free



4. FLORIDA BOUNDARY — Set according to U. S. claim

7. TRADE WITH BRITISH WEST INDIES — Restrictive treaty clause rejected by U. S. Senate



From Monroe Doctrine To Good Neighbor

In 1808 Napoleon invaded Spain, imprisoned King Ferdinand VII, and set up a puppet government. The Spanish-American colonies thereupon pledged their continued allegiance to King Ferdinand, and organized provisional governments. They also took this opportunity to set aside the severe restrictions Spain had put upon their trade.

When Ferdinand was restored after Napoleon's downfall in 1814, he ordered the reestablishment of the former trade laws—so profitable for the mother country, so unprofitable for the colonies. In response, the colonies revolted. By 1822 they had swept away Spanish authority from Mexico to the Argentine.

Spain, Russia and Prussia had recently formed a "Holy Alliance." Its main aim was to crush revolutions and liberal thought. Now Spain called upon her allies for aid. But the cooperation of Britain, whose navy ruled the sea, was necessary for success—and Britain refused support. Britain had built a thriving trade with the new Latin American republics, and she had no intention of losing it.

Fearful of being involved in a new European war, President Monroe at first avoided taking sides. But threatening gestures toward the New World by Russia and France as well as Spain led Monroe to recognize the new republics in 1822. Meanwhile, Britain pressured France into renouncing any intention of forceful intervention. This reduced the threat from the Holy Alliance. To further strengthen Britain's position, her foreign minister, Canning, proposed that the U. S. join Britain in a declaration to the Holy Alliance against "any forcible enterprise for reducing the colonies to subjugation."

ORIGIN OF THE MONROE DOCTRINE

Monroe's first inclination was to accept. But his Secretary of State, John Quincy Adams, argued that there was no longer any real danger of intervention. It would be better, he thought, to make an independent statement instead of trailing behind the British. Convinced by Adams' logic,

Monroe incorporated the suggestion into his annual message. Shown in the accompanying chart, it is known as the Monroe Doctrine.

Napoleon III of France took advantage of our involvement in the War Between the States to give the Monroe Doctrine its first real test. He persuaded Britain and Spain to join him in sending an armed expedition to Mexico to collect debts. An agreement was quickly forced from Mexico, and the British and Spaniards withdrew. But Napoleon kept his troops in Mexico, and in 1864 set up Archduke Maximilian of Austria as a puppet emperor.

While the war was raging, Secretary of State Seward could only protest. But at its conclusion, he warned Napoleon that we would not tolerate a foreign army in Mexico. Beset by difficulties in Europe, Napoleon withdrew his troops. In a short time the Mexicans, led by Juarez, overthrew Maximilian and restored Mexican independence.

The next major test of the Monroe Doctrine came thirty years later, and involved Great Britain. As the climax to a prolonged boundary dispute with the neighboring British colony of Guiana, Venezuela had severed diplomatic relations and appealed to us for aid. President Cleveland suggested arbitration in 1887, but Britain refused. In 1895 he *demand*ed that the British arbitrate, on the grounds that they threatened the Monroe Doctrine.

Britain again refused. She denied both that the Doctrine was part of international law and that it had been violated. Cleveland then asked authorization from Congress to appoint an investigating committee. The committee's findings, he intimated, would be enforced.

Soon cooler heads in both countries counseled moderation, advice which was aided by Britain's troubles with the Boers in South Africa. The British government suggested arbitration through an international commission, and the protracted dispute was soon settled.

The Monroe Doctrine again became involved in 1902. In a forceful protest against Venezuela's default on its for-



Western Hemisphere policymaker today:

the Organization of American States



Inter-American Conference

Decides general actions and policy. One vote for each delegation from the 21 member nations. Regular meetings every 5 years.

Specialized Conferences

Meetings of experts to discuss problems and recommend action in such fields as science, health, education, etc.

Council

Permanent executive body, with delegates from each member state. Meets regularly in Washington to deal with all important problems of inter-American relations. Supervises work of Pan-American Union and coordinates activities of specialized agencies.

Pan American Union

Permanent administrative organ and General Secretariat of OAS. Prepares program, keeps records of OAS conferences and Council meetings. Carries out decisions and reports progress. Supplies technical staff for use of other OAS agencies. Serves as information center. Keeps treaties and agreements on file.

Consultation of Foreign Affairs Ministers

Called to consider urgent problems such as threat of war or attack upon member state.

Specialized Organizations

Permanent intergovernmental agencies active in the fields indicated below.

Economic & Social Council

Stimulates intergovernmental studies and programs in such fields as housing, social security, conservation, foreign trade, etc.

Advisory Defense Committee

Called to advise Foreign Ministers or Council in case of aggression. Composed of highest military authorities of each state.

- Institute of Geography & History
- Commission Of Women
- Institute For The Protection Of Children
- Institute Of Agricultural Sciences
- Sanitary Organization
- Indian Institute

Council Of Jurists

Advises Council on matters of international law. Promotes its codification. Studies possibility of uniform legislation among members.

Inter-American Defense Board

Group of military experts representing each member. Meets regularly, prepares plans for common defense.

Cultural Council

Promotes mutual understanding by educational, scientific and cultural exchange.

OAS Charter

Drawn up at 1948 Inter-American Conference. Formalizes Pan American cooperation and organization going back to 1890. Aims to maintain peace among member states, provide defense against aggression, promote well being and prosperity of American peoples.

eign debt, Britain, Germany and Italy set up a blockade of Venezuela's ports. They seized Venezuelan gunboats and seemed ready to occupy the country. Insisting that such action would violate the Monroe Doctrine, President Theodore Roosevelt persuaded them to arbitrate.

This incident caused Argentina's Foreign Minister Louis Drago to put forth in 1902 the Drago Doctrine. No foreign nation, he insisted, had a right forcibly to intervene in Latin America to collect debts. If investors lent their money to unstable governments, they must take the risks.

Latin America was impressed by the forthright U. S. stand against European intervention. But our southern neighbors found new cause for worry in a corollary to the Monroe Doctrine enunciated by TR in 1904. He stated that if a Latin American country failed to meet its obligations, this country might act as a policeman to clean up the situation, thus keeping European nations out. But the "Roosevelt Corollary" was later repudiated in the administrations of

Hoover and FDR.

PAN AMERICANISM

A special agency through which the U. S. is strengthening its ties with Latin America is the Organization of American States (shown in the graphic below). Set up in its present form in 1948, the OAS actually has roots going back to 1889. In that year Secretary of State Blaine invited all the American republics to an international conference. Out of this meeting grew a decision to meet regularly, promote trade, try to settle disputes peacefully. A permanent office was set up, which became the Pan American Union.

Over 250 technical conferences have been held, resulting in more than 60 treaties and agreements. And Hemisphere Defense has been promoted by three meetings of the American Foreign Ministers during World War II, and a fourth after the outbreak of the Korean War.

Continental Expansion 1803-1853

In 1802, rumors reached America that Napoleon had secretly acquired the Louisiana Territory from Spain in a newly concluded treaty. Here was a new threat at our western frontier: aggressive, expanding Napoleonic France instead of the crumbling Spanish empire. Anxious to safeguard our newly recognized commercial rights along the Mississippi and at New Orleans (see Chapter 60), President Jefferson made Napoleon an offer for New Orleans and West Florida.

Napoleon at first was not interested. The French ruler was planning a new American empire. The rich West Indies island of Haiti was to be the keystone, and the Louisiana Territory its granary. But a revolt of Negro slaves on Haiti, which French forces were unable to crush, soon upset the dictator's timetable. Besides, war was impending with England. Napoleon needed all the men and money he could muster. With dramatic suddenness he reversed his stand and offered to sell not only the land Jefferson was seeking, but also the whole Louisiana Territory.

LOUISIANA, FLORIDA AND OREGON

How Jefferson made the purchase, despite his doubts about its constitutionality and the opposition of the Federalists, has been told in Chapter 17. His action was popular with land-hungry farmers and frontiersmen. And the vague boundaries of the Louisiana Territory soon gave expansionist groups grounds for further growth.

The first target was Spanish Florida. West Florida, claimed by the United States as part of the Louisiana purchase, was gobbled up in a series of bites between 1810 and 1819. While we had no title to the Florida peninsula, we did have grievances against Spain's government there. We claimed that it was a refuge for raiding Indians, runaway slaves, and pirates; and that Britain had used it as a base in the War of 1812.

Convinced that she had better sell before she was forced out of Florida, Spain came to terms in 1819. She ceded all Spanish land east of the Mississippi; in return, our government agreed to take care of \$5,000,000 worth of claims of American citizens against Spain. We also gave up our claims to Texas, then Spanish territory.

In contrast to this quick settlement was our thirty years of negotiations with Britain before our northern boundary could be settled. Arbitration commissions working on this question after the War of 1812 set the northeastern Maine boundary in Passamaquoddy Bay, but were unable to agree on the rest of the Maine boundary. However, further west a commission drew the border from the 45th parallel (northern edge of Vermont and New York) down the St. Lawrence River and through Lakes Ontario and Erie. In 1818, another gap was filled in when the two nations agreed that, starting from the northwest corner of the Lake of the Woods, the border should go due south to the 49th parallel and then west to the Rockies.

By 1842, the Maine boundary question had become

acute. The militias of Maine and New Brunswick appeared ready for war over disputed farm and timber land. Negotiations between Secretary of State Webster and Britain's representative, Lord Ashburton, finally gave us 7,000 of the 12,000 square miles in question. This included the fertile Aroostook Valley (today an important potato area). The remaining boundary link between Lake Huron and Lake of the Woods was also drawn at that time.

Still in dispute was the Oregon boundary. Since 1818 the Oregon territory had been governed by a joint occupation. Either country had the right to terminate it at a year's notice. By 1840, Americans were swarming into the region to set up farms and compete with the long established British fur trade.

"Fifty-four forty or fight" was the warlike Democratic 1844 campaign slogan for setting our Oregon line at 54° 40'. But they were really saving their ammunition for the impending war with Mexico. Britain, in need of American grain and cotton, was not eager for war either. Therefore, peaceful negotiations resulted in the extension of the 1818 boundary line along the 49th parallel to the Pacific, except that Vancouver Island was left to Britain.

THE MEXICAN CESSION

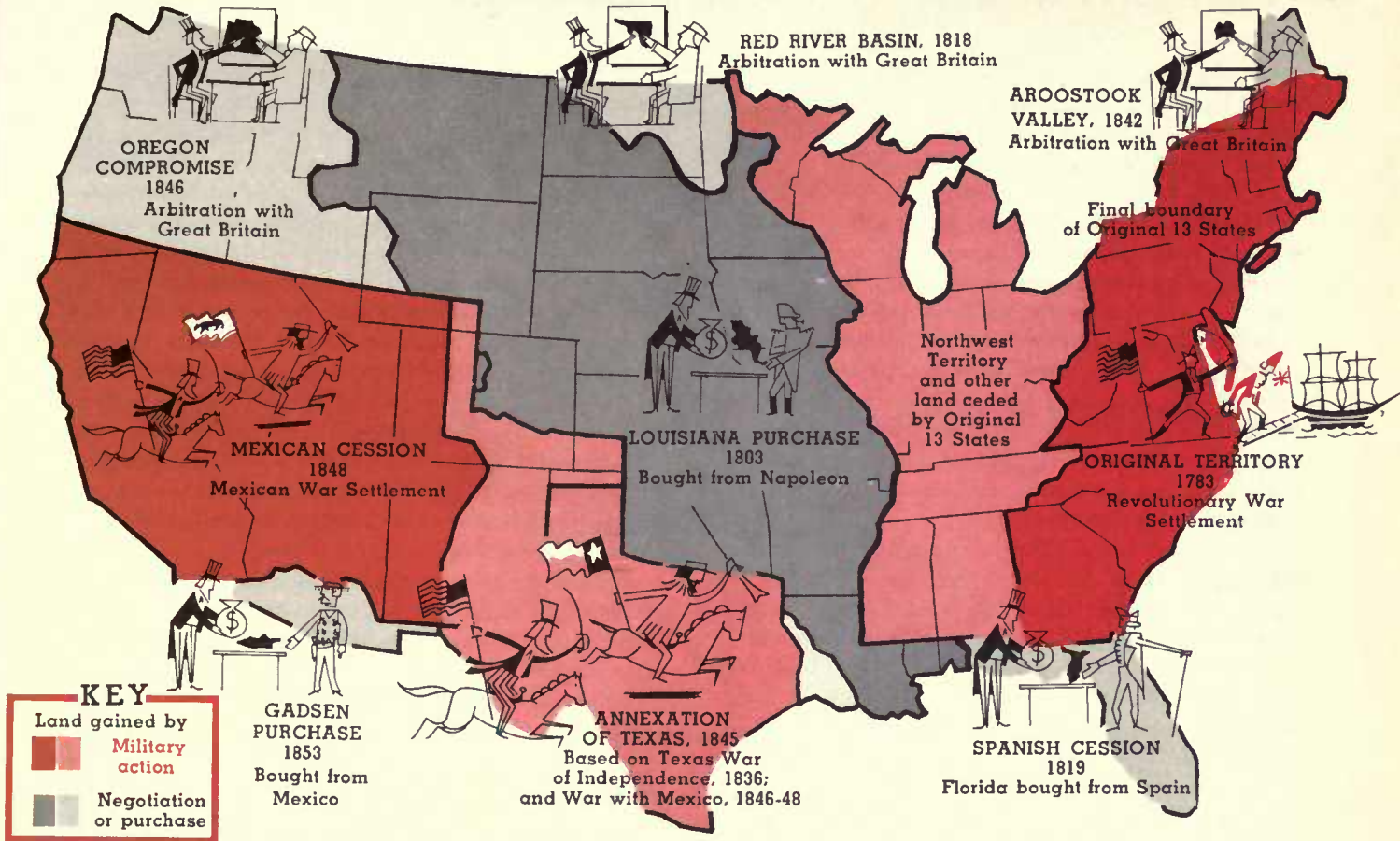
Against Mexico we were playing for even larger stakes. Our Treaty of 1819 with Spain appeared to settle our southwest boundary when we renounced any claims to Texas. But Texas began to fill up with American settlers, at the invitation first of Spain and then of the new Mexican republic. Soon friction developed over taxation, customs duties, political representation, and Mexican efforts to abolish slavery and halt further American immigration.

In 1836, when the Mexican government proclaimed a unified constitution and ended states' rights, revolt broke out among the 20,000 Americans in Texas. Led by tough, resourceful frontiersmen, they were able to beat off the Mexican Army and set up an independent republic. However, the Texans' real goal was union with the U. S. In Chapter 24 we have related how annexation came about, and how it brought war with Mexico in 1846.

After a year and a half of fighting, we were able to impose the treaty of Guadalupe Hidalgo on a badly beaten Mexico. Under its terms, the Rio Grande was established as Texas' southern border, and Mexico acknowledged our title to Texas, New Mexico and Upper California. In return, our government assumed about \$1,300,000 worth of claims by our citizens against the Mexican government, and paid Mexico an additional \$15,000,000.

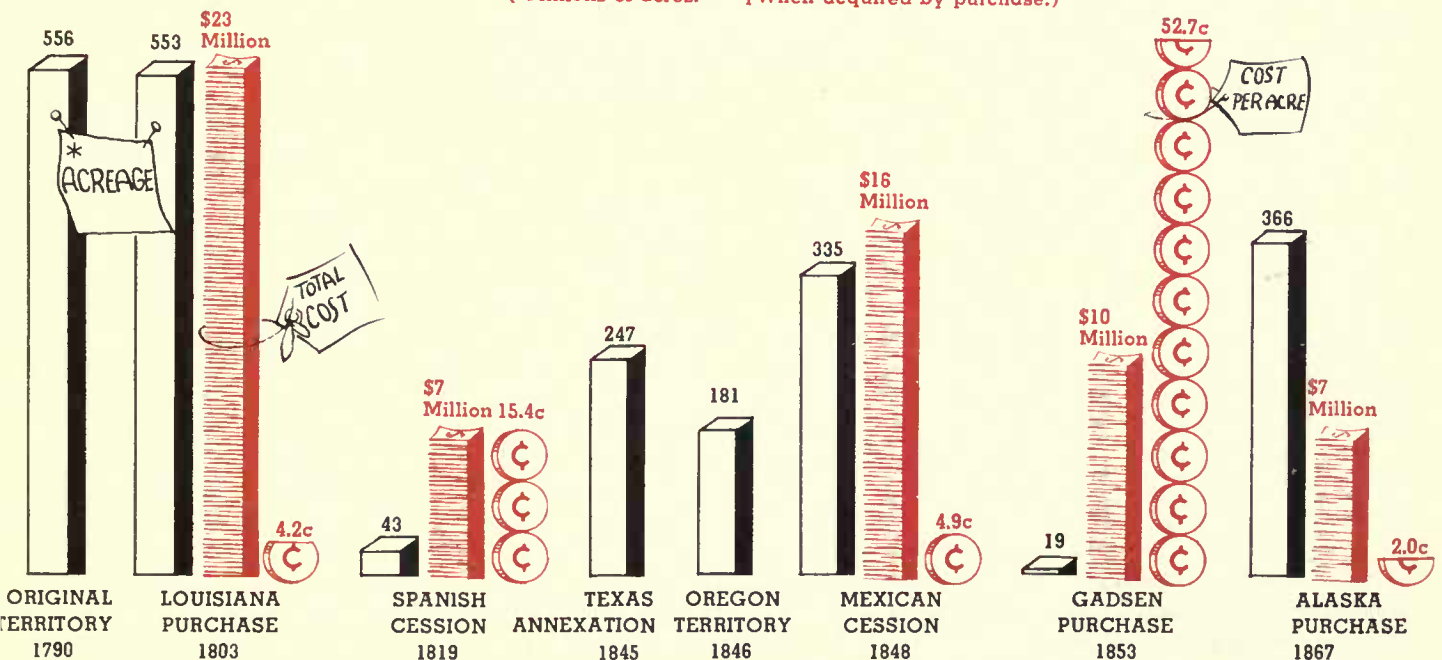
Within five years, however, we were back negotiating peacefully for more Mexican territory. Plans for a railroad to the Pacific were hampered because the lowest pass through the Rockies was a short distance across the border, in Mexican territory. James Gadsden, an emissary of President Pierce, arranged for purchase of the necessary land.

HOW WE EXPANDED TO THE PACIFIC



AREA*, COST & COST PER ACRE† OF MAJOR LAND ACQUISITIONS

(*Millions of acres. †When acquired by purchase.)



America Carves Out a Colonial Empire

Cuba had long been eyed by land-hungry southern planters. Adaptable to cotton-slave culture, the island could have easily been brought in as a new slave state, once detached from the fading Spanish empire.

In 1848, President Polk offered \$100,000,000 for the island, but Spain refused. Six years later American ambassadors to Spain, France and Great Britain met at Ostend, Belgium, and issued a tough statement on the Cuba question. ". . . the vital interests of Spain are as seriously involved in the sale as those of the United States in the purchase . . . After we shall offer Spain a price for Cuba . . . and this shall have been refused . . . we shall be justified in wresting it from Spain, if we possess the power." Though President Pierce repudiated the Ostend Manifesto, it was plain that it was the blunt language rather than the sentiment which disturbed him.

U. S. interest in Cuba declined for a time after the War Between the States. But strong trade ties developed. The U. S. took practically all of Cuba's most important crop, sugar. In return we sold her flour, meat and manufactured goods. By the 1890's, this Cuban-American trade had topped \$100,000,000 yearly. And U. S. investments in Cuban sugar, tobacco, iron properties, and other resources amounted to \$50,000,000. Our tariff act of 1894, restoring a 40% import duty on Cuban sugar, clearly proved how her economic life depended on the U. S. Unable to scale this tariff barrier or find a substitute market, the Cuban sugar industry plunged into a depression, carrying along the rest of the island's economy.

BACKGROUND OF THE SPANISH-AMERICAN WAR

These hard times stirred into active revolt Cuban resentment against the corrupt, inefficient and dictatorial Spanish colonial administration. Faced with a Spanish army of 200,000, the rebels adopted guerrilla tactics. They levied assessments on plantation owners and destroyed non-cooperative plantations. The rebels counted on these tactics to provoke United States intervention for the protection of our economic interests. As a reprisal against the guerrillas, Spanish Governor Weyler rounded up the rural population into concentration camps, where many of them died of hunger and disease.

American sympathy went out to the Cubans, especially since our yellow journals slanted their stories in favor of the rebels. And stories of the revolt were a welcome relief from the serious political-economic fight at home which had just culminated in the campaign of 1896.

Soon a war spirit began to be whipped up. The *New York Journal* published a letter ridiculing President McKinley, which the Spanish ambassador to this country had written privately to a friend, but which had been stolen. The ambassador immediately resigned, but the incident had not yet died down when the U. S. battleship *Maine* was blown up in the harbor of Havana. No evidence was ever uncovered to prove the exact cause—an internal accident, a ruse

by the Cubans to get us into the war, or an act of Spanish sabotage. However, the yellow press immediately adopted the last explanation, and raised the cry of "Remember the Maine!"

Responding to strong pressure, President McKinley, at the end of March, sent the Spanish government an ultimatum. He demanded an immediate end to the fighting in Cuba, and to the concentration camp policy. By April 10, our ambassador to Madrid was able to assure McKinley that Spain would acquiesce. But the President withheld this information from the public. Surrendering to the clamor for war, he called upon Congress for action. On April 19, Congress voted recognition of Cuban independence and authorized the use of our armed forces to enforce this. Congress pledged, by the Teller Resolution, "to leave the government and control of the Island to its people." War was declared on April 25.

A third rate power under despotic rulers, Spain was unprepared for war. The U. S., on the other hand, had recently climbed to first place among the world's industrial nations. Our population, thrice Spain's, enthusiastically supported the war; and our navy, well trained and equipped, was fighting close to its bases. Within 115 days our armed forces were able to strike three big blows that added up to a knockout.

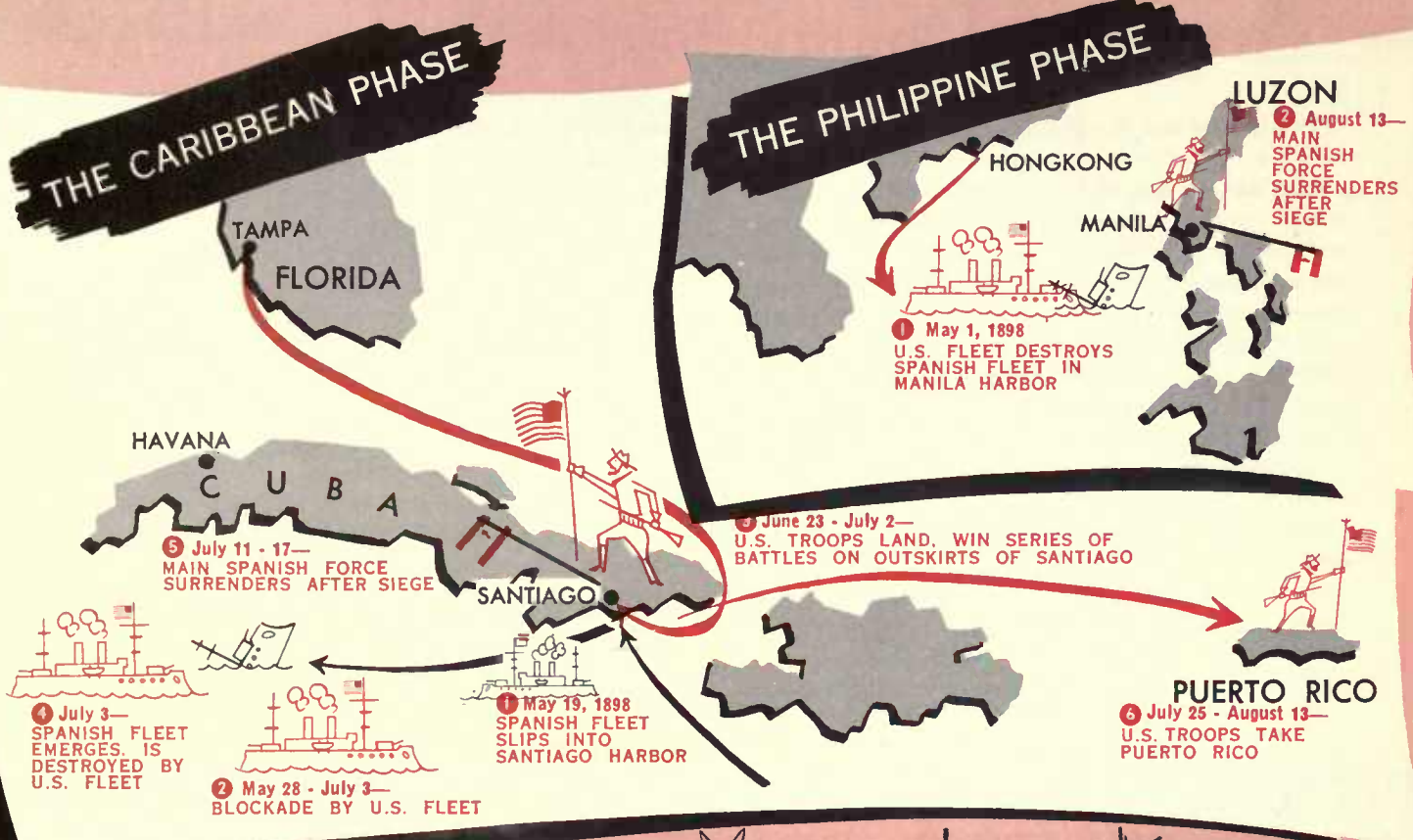
The first blow was the destruction of a Spanish fleet at Manila, capital of the Philippines, by the United States Asiatic Fleet under Commodore George Dewey, on May 1. Next, an American army under General Shafter invaded Cuba and defeated the Spanish forces there (June 24-July 17). Third, the American Atlantic Fleet, commanded by Admirals Sampson and Schley, demolished Spain's Atlantic Squadron outside Santiago, Cuba on July 3. Spain, thereupon, admitted defeat.

ANNEXATION OF PUERTO RICO, THE PHILIPPINES, AND HAWAII

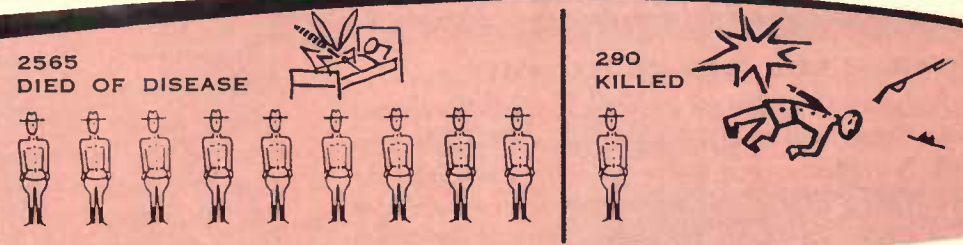
The peace treaty made the U. S. a colonial power. We acquired Puerto Rico and Guam. Cuba was granted nominal independence, and we paid Spain \$20,000,000 for the Philippines. But the independence-minded Filipinos, having fought alongside us to liberate their islands from Spain, refused to submit to U. S. rule. A three year war resulted, requiring a force of 60,000 troops and expenditures of \$175,000,000 before the revolt was crushed.

This was but the climax to half a century of U. S. activity in the Pacific. A treaty signed with China in 1844 granted us wide trading rights and legal concessions. In 1853, Commodore Matthew Perry and a strong fleet visited self-isolated Japan and wrung trading privileges from Nippon. Meanwhile, Americans had started to infiltrate the Hawaiian islands as they had Texas. The final result was similar—annexation by a joint resolution of Congress on July 7, 1898.

THE SPANISH - AMERICAN WAR



U.S. ARMY CASUALTIES



THE PEACE TREATY



American Domination of the Caribbean

Puerto Rico and the Philippines differed greatly from territory we had previously acquired. They were islands outside our continental limits, inhabited by non-English-speaking people. Influenced by these differences, Congress and the Executive worked out a different—and lower—status for the natives of these territories than for previously annexed areas. Only partial self-government was granted. A U. S.-appointed governor was given the veto power, while American appointees controlled the upper legislative house. Thus, the setup was similar to that established by Britain in the American colonies before the Revolution.

Economically, too, these new colonies were treated differently. Congress passed and the Supreme Court sanctioned tariff duties on imports from the new colonies, but these duties were gradually abolished. Meanwhile, the economies of both islands were adapted to the United States market. Large plantations developed which concentrated on such crops as sugar and tobacco. The small farmer, his land gobbled up by the plantation, became a hired hand.

However, the natives of both colonies did receive valuable benefits from our rule. Highways, railroads and telegraph lines were built. Public school systems were established and sanitation techniques introduced. In addition, American capital was invested.

RELATIONS WITH CUBA AND COLOMBIA

In Cuba we had pledged ourselves by the Teller Resolution (Chapter 63) to make the island an independent nation. Nevertheless, our troops remained there from the war's end until May, 1902. Before they finally left, Senator Platt insured future American control through legislation later incorporated in the Cuban constitution. The Platt Amendment provided that: (1) Cuba would make no foreign treaties that would impair her independence. (2) She would not incur any public debt which could not be paid from ordinary income. (3) The U. S. might intervene at any time "for the preservation of Cuban independence," and the maintenance of a stable government. (4) Cuba would sell or lease to this country land suitable for naval bases.

The United States has intervened four times in Cuba since the passage of the Amendment. More subtle has been the penetration of American investments, which have mounted to over \$1,000,000,000. We have also instituted the pattern of great sugar and tobacco plantations owned in this country, and tilled by hired workers without land of their own. Geared to serve our market, the Cuban economy is at the mercy of our tariff and our economic cycles. This dependence has made it easy for us to dominate Cuba's government. But our pressure has been less intense since FDR, as part of the Good Neighbor Policy, ended the Platt Amendment in 1934.

Proposals for a canal through some narrow spot in Central America received increasing support in the U. S. after the Spanish-American War. The canal had become a necessity, to enable both our navy and our merchant ship-

ping to swing quickly between Atlantic and Pacific oceans. The site finally chosen was in the Isthmus of Panama, a territory then part of Colombia.

A French company had already started to build there, but had abandoned the project. The U. S. in 1903 arranged to buy their rights for \$40,000,000. Meanwhile, we negotiated with Colombia, offering \$10,000,000 plus a rental of \$250,000 a year for a six mile strip across the Isthmus. But Colombia rejected the treaty in October, 1903. Reasons: they might lose control of Panama; the price was too low; by waiting till the French company's concession expired they might get a better price.

Within three weeks the people of Panama carried out a revolution and gained recognition from the U. S. They signed a treaty granting us a protectorate and rights to a canal similar to those Colombia had rejected. Key factors in the revolution were the approval of many natives, who felt the canal would do much for their future; the leadership of Bunau-Varilla, a French citizen who had been chief engineer for the French company; and the support of President Theodore Roosevelt. TR had our navy prevent Colombian troops from moving against the rebels.

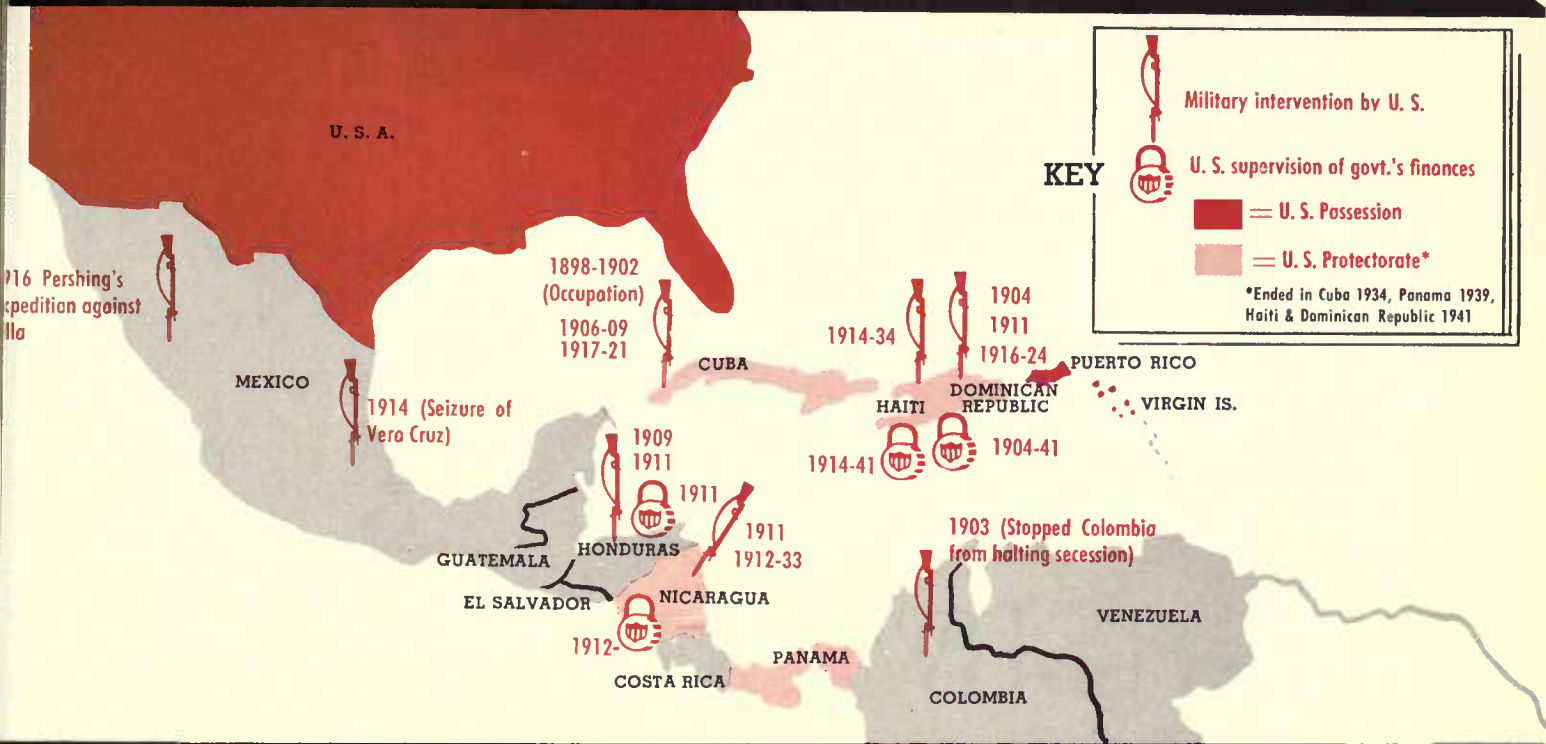
RELATIONS WITH CENTRAL AMERICA AND MEXICO

From Theodore Roosevelt to Franklin Roosevelt this country repeated in the Caribbean this program of intervention and "protection." The Dominican Republic, Haiti, Honduras and Nicaragua were all occupied by U. S. Marines for varying periods of time. The pattern of intervention was roughly the same in each instance. Government finance was reorganized to insure payment of foreign debts. Improvements were introduced in education, sanitation and transportation. Rebellions were crushed. American finance became a big factor in native economic life. In 1917 we purchased from Denmark the Virgin Islands, a strategic gateway to the Panama Canal. Here we also carried out a program of physical improvements.

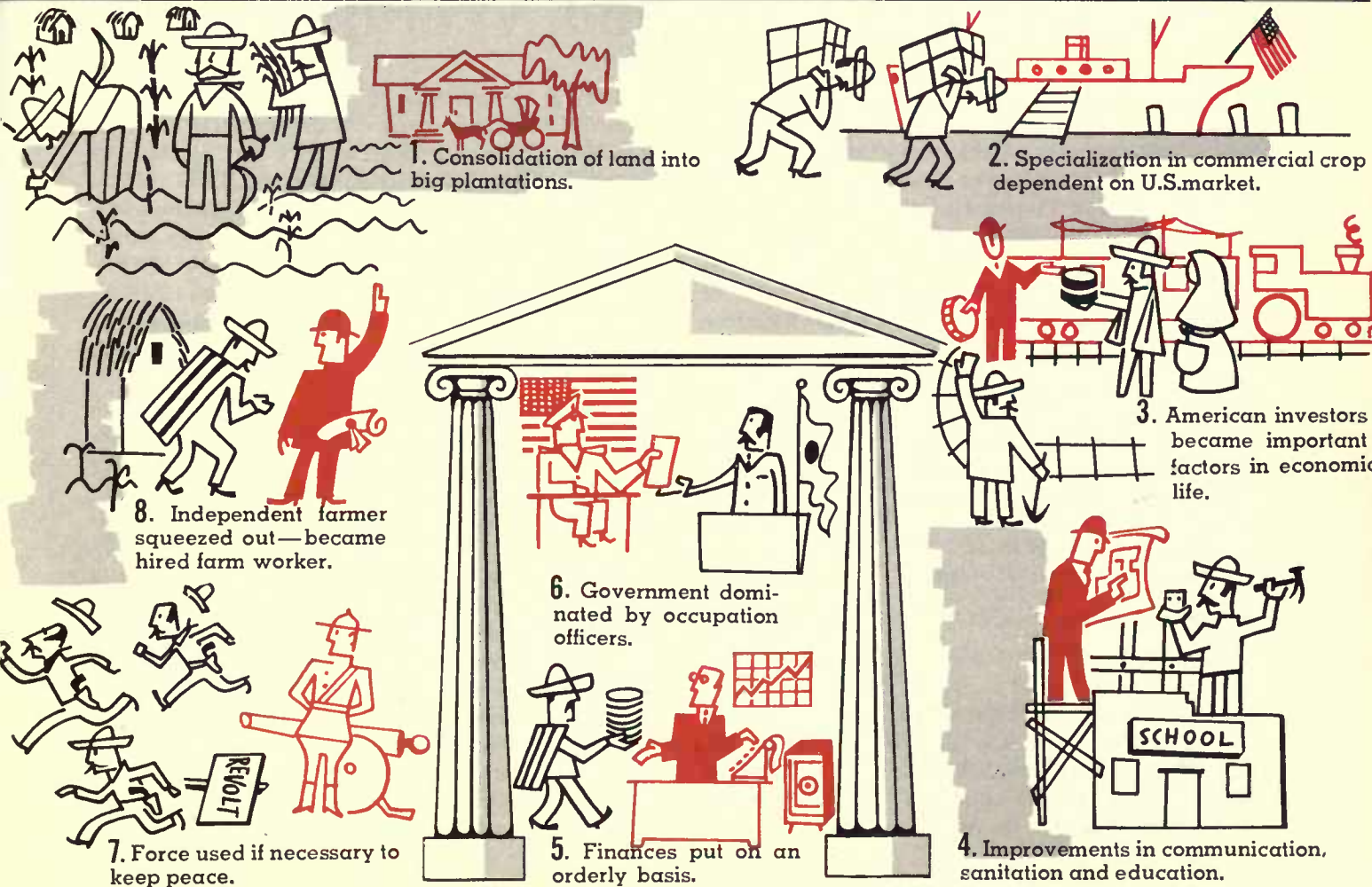
Mexico too felt the weight of intervention. The overthrow in 1911 of Dictator Diaz, in control of the country since 1877, unleashed a cycle of revolutions and counter-revolutions. Among those involved were American and British financiers and oil companies; the Mexican land-owning aristocracy; and the great mass of penniless, landless Mexican farm workers.

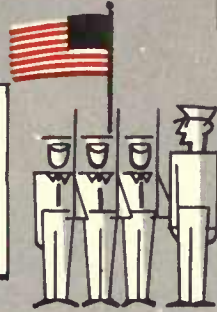
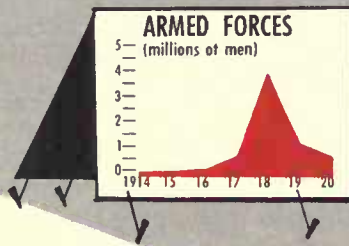
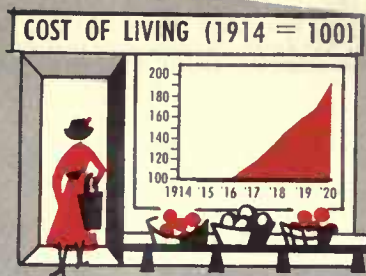
In 1914, U. S. Marines captured Vera Cruz and drove from office Dictator Huerta, a follower of Diaz who had seized power. In 1916 an army under Pershing unsuccessfully pursued the Mexican rebel-bandit Villa around Northern Mexico. In 1917 Mexico adopted a new constitution which prevented foreigners from getting special concessions as they had earlier under Diaz. However, the establishment of a stable government with regular elections and debt payments eliminated causes for American intervention—even when the government took over oil and farm land from U. S. citizens under nationalization legislation.

UNITED STATES INTERVENTION IN THE CARIBBEAN AREA



TYPICAL RESULTS OF U.S. OCCUPATION





Impact of WORLD WAR I

CHAPTER 65

The United States and World War I

While this country was busy expanding across North America and around the Caribbean, the European powers were vying for colonies and markets in Africa and Asia—and supremacy on their own continent. Germany had moved up to Europe's top spot industrially and militarily. Now the Reich hungrily eyed the colonial possessions which Great Britain and France had accumulated. On the other hand, France resented her defeat by Germany in the Franco-Prussian War of 1870, while Britain feared the German threat to her trade position. The Austro-Hungarian empire (Germany's ally) and Russia (France's ally) were rivals for Balkan leadership.

These conflicts of interest, expressed in half a century of nationalism, militarism and imperialism, finally led to war. But its outbreak in 1914 came as a shock to most Americans, few of whom had much knowledge of European history. President Wilson spoke for the country when he proclaimed our position of neutrality.

NEUTRALITY POLICY—AND ITS RESULTS

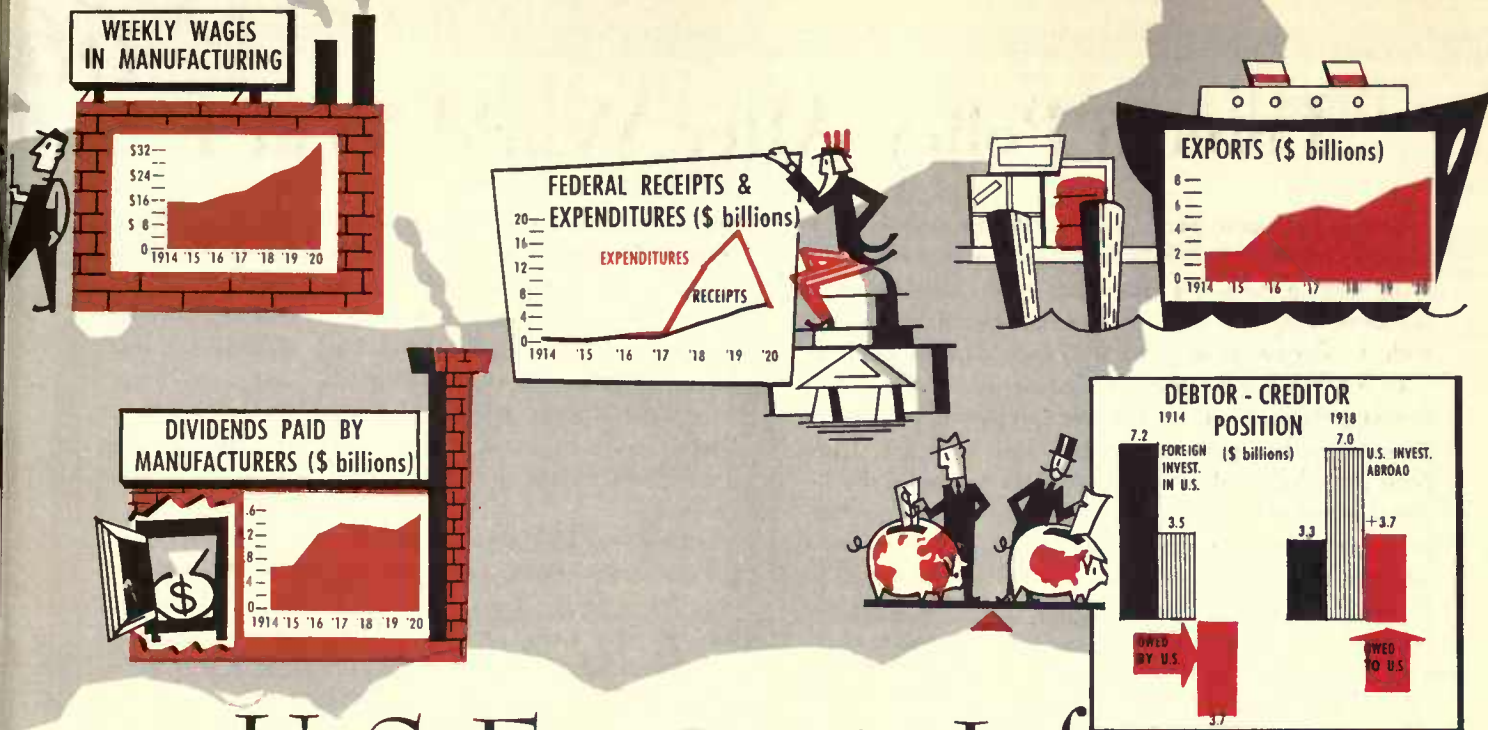
This neutrality speedily became profitable for the American economy—as it had during the Napoleonic Wars a century earlier. Europe at war had need of American food and arms. Our exports more than doubled, rising from \$2.4 billion in 1913 to \$5.4 billion in 1916. The most spectacular increases were in wheat, munitions, and iron and steel. Almost all went to the Allied powers.

The warring nations soon found it impossible to pay cash for their huge orders. Starting in 1915, the Allies floated \$2.5 billion in private loans in the U. S. After we entered the war, Uncle Sam extended another \$9.5 billion in credits to England, France and our other co-belligerents. Germany, on the other hand, was able to borrow only \$45 million in our market while we were still neutral.

Other influences as well as heavy investments in the Allied cause led us to declare war on Germany. One was the skillful propaganda issued by the Allies. Early in the war they cut the cable connections from Germany. As a result, most news of the war received in America came through Allied sources. Outstanding English, French and Belgians were sent here on lecture tours to plead their cause. By contrast, German efforts in America took such crude forms as attempts to bribe newspapers and sabotage munitions plants.

Both sides violated America's neutral rights. Britain, in control of the sea, blockaded German ports. Starting with munitions, Britain expanded her contraband list to include foodstuffs and raw materials. She even prevented our shipment of these goods to neutrals because they might be forwarded to Germany.

In reply, Germany developed the submarine as a weapon to break the British blockade, and to set up a counter blockade of Allied ports. At first Germany heeded our protests against the torpedoing of liners or merchant ships carrying



on U. S. Economic Life

U. S. citizens or property. However, by early 1917 the German military leaders decided that an all-out submarine attack could bring victory. On January 31, 1917, Germany announced the resumption of unrestricted submarine warfare. This program and our sympathy for the Allied cause finally took us into the war. During February and March, U-boats sank 8 U. S. vessels with the loss of 48 American lives. On April 2, Congress declared war.

At this moment the German military forces had surged close to their peak. Successes in Russia (where the Revolution of March 1917 practically ended Russian resistance), and in Italy, freed large bodies of troops to throw against the Western Front. In addition, increased U-boat attacks menaced Allied supply lines. This crisis soon made America's role clear. Instead of merely increasing our flow of money and commodities, we were forced to mobilize men.

AMERICA'S CONTRIBUTIONS TO THE WAR

Together our regular army, National Guard and reserves totalled only 300,000 men. A series of draft laws brought the registration of over 24 million men between the ages of 18 and 45. 2,800,000 of them were drafted, while another 2,000,000 enlisted voluntarily in our armed forces. Over 2,000,000 soldiers reached France and almost 1,400,000 saw service before the war ended.

To transport men and materials overseas, a huge ship-building program was set up. Some 1500 ships were

launched at an expense of around \$4 billion. New ships were added at a faster rate than the U-boats could sink them. Of great aid was the convoy work of the Navy. Under its protection, not a single American troopship was sunk crossing to Europe during 19 months of war.

Under the Food Administration, agricultural production in 1918 was boosted 10% above the 1914 level. Meanwhile, civilian consumption of wheat and meat was cut through rationing, and wheatless and meatless days. A Fuel Administration set prices, regulated distribution and promoted conservation of coal, kerosene and other fuels.

Despite efforts at stabilization, the cost of living increased steadily. By 1918, it was up 74% over the prewar level, and it advanced another 34% between the end of the war and mid-1920. Farmers' incomes kept up with the cost of living but industrial workers did not reach it until 1920. However, the A F of L and other union groups largely eliminated strikes during this period. Labor disputes were settled by decisions of the War Labor Board.

On the fighting front, the army's record was a credit to the country. The first contingents helped halt Germany's last great offensive in the spring of 1918 at Chateau-Thierry and Belleau Woods. Later, American troops under General Pershing swept the Germans out of the St. Mihiel salient and the Argonne Forest in the Allied counter-offensive that ended the war.

Foreign Policy After World War I

On the diplomatic front, President Wilson waged as vigorous an offensive as did General Pershing on the military front. Calling the war a crusade to "make the world safe for democracy," Wilson insisted that our fight was not with the German people but with their autocratic rulers.

In November 1917, the new Communist government of Russia published copies of secret agreements the Czarist government had previously made with its Allies. These pacts provided for the carving up of the territories the Allies expected to wrest from the Central powers. To counteract this disclosure of cynical statesmanship, Wilson sent a message to Congress in January 1918 outlining his 14 Points for a just and generous peace. The most important ones were: Peace treaties openly arrived at; freedom of the seas in peace and war; removal of economic barriers between nations; reduction of armaments; adjustment of European boundaries based on the wishes of the peoples living in disputed areas; and the establishment of a "general association of nations" to afford "mutual guarantees of political independence and territorial integrity."

THE VERSAILLES PEACE TREATY

Determined that these points should form the basis of the peace treaty, Wilson himself led our delegation to the Paris Peace Conference. Here his idealistic principles soon clashed with the aims of the other Allied leaders. They wished to destroy Germany's military and economic power, and carry out the deals in the secret treaties. Weakening Wilson's position was the fact that the Republicans had just won control of Congress in the 1918 elections.

The unbending attitude of England, France and the other Allies forced Wilson to compromise on many of his 14 Points. In final form the Versailles Peace Treaty provided that Germany acknowledge sole guilt for the war; return Alsace-Lorraine to France and cede other territories to Denmark, Belgium and Poland; turn her colonies over to the victors under League of Nations supervision; reduce her army to 100,000 men and dismantle her air force and navy; allow Allied occupation of strategic German points; and pay large sums to the Allies for war damage suffered.

Also incorporated in the treaty was the League of Nations Wilson had called for. He hoped the League would be able to remedy any injustices in the Versailles pact, and prevent future wars. The League was intended to promote arms reduction, provide for peaceful settlement of disputes, guarantee the territory and independence of members, and provide for economic and military measures against any aggressor nation. At the suggestion of American political leaders, Wilson obtained special concessions for America in the League Constitution: recognition of the Monroe Doctrine, exclusion of members' domestic affairs from the League's scope, and the right of any member nation to withdraw after two years' notice.

Despite these provisions, our entrance into the League faced strong opposition in the Senate. Wartime unity on

domestic and foreign policy had given way to postwar bickering and isolationism. Some senators expressed fear that the British Empire (with separate memberships held by the mother country and each of five dominions) would dominate the new organization. Other senators felt that membership would involve us in European wars. There were objections to the inclusion of the League and the Peace Treaty in one package, on the grounds that the Treaty was unjust and the League guaranteed its provisions.

After a long and bitter debate, Wilson's League failed to get approval of the 2/3 of the Senate needed for ratification. When the Republicans swept the 1920 elections, hope for American participation in the League was definitely ended. Nevertheless, the U. S. did participate in later years in a number of the League's activities, such as disarmament and economic conferences. We cooperated with League organizations to fight disease, African slavery, and opium growing. We also joined the League-affiliated International Labor Organization, which aimed to improve world working conditions by international agreements.

Another affiliate of the League was the World Court, a remodeled version of the Hague Court which had been founded at the opening of the 20th century. Set up to judge international legal rather than political disputes, the World Court was endorsed by three Republican presidents and by FDR. But each time the Senate rejected membership.

INTERNATIONAL COOPERATION

Though unwilling to enroll in permanent international organizations after World War I, the U. S. took a leading part in a number of special international conferences. In 1921 President Harding called a parley of leading nations to meet at Washington and consider two problems: limitation of armaments, and problems of the Pacific and Far East. The conferees agreed to stop building major warships for ten years, and set a naval ratio of 5 tons for the U. S. and Britain each, to every 3 tons for Japan and 1-2/3 each for France and Italy.

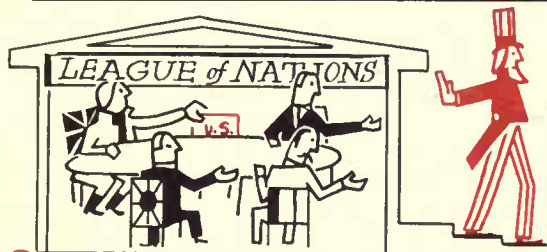
In addition, this country, Britain, Japan and France agreed to settle by arbitration any disputes arising in the Pacific area. Italy, Portugal, the Netherlands, Belgium and China joined the aforementioned quartet in signing a 9 Power Treaty guaranteeing China's independence and equal treatment of her commerce. We participated in several other disarmament conferences in the 1920's and '30's. One was the London Naval Conference of 1930, which extended the holiday on capital ships to 1936.

Perhaps the most widely hailed of all the agreements signed by the U. S. was the Kellogg-Briand pact of 1928. In it America and France renounced war as a national policy and agreed to settle all disputes by peaceful means. At the invitation of U. S. Secretary of State Kellogg, every other large nation in the world signed the pact.

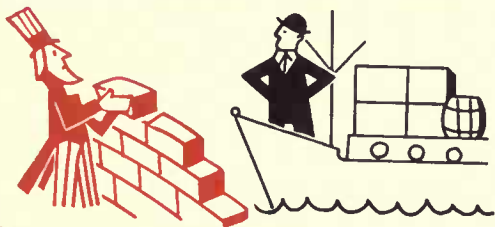
CROSS-CURRENTS IN OUR FOREIGN RELATIONS AFTER WORLD WAR I



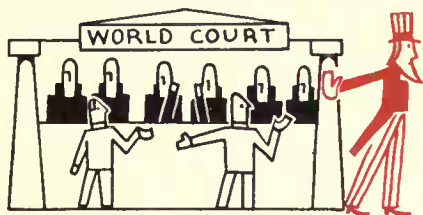
① We refused to sign Versailles Treaty . . .



② We refused to join the League of Nations . . .



③ We raised our tariff rates . . .



④ We refused to join the World Court . . .



⑤ We refused to completely cancel War Debts owed us by our Allies . . .



① . . . though President Wilson had taken a leading part in writing it.



② . . . but did participate in many League activities.



③ . . . but spent record totals on travel and investment abroad.



④ . . . but were co-sponsor of the Kellogg-Briand pact "outlawing war" in settlement of disputes.



⑤ . . . but sponsored and supported Disarmament Conferences.

Depression and the New Deal

The 1920's began with a depression and ended with one. Between was a questionable prosperity whose basis in many economic areas was so weak, and whose faults so great, that a crash was inevitable. The growing bitterness ended Republican rule and brought Roosevelt into office. The new administration met the crisis by efforts to relieve unemployment, and to aid industry, agriculture, and labor. It brought long-needed reforms in the banking system and the stock exchange. It ended abuses in public utilities and it established a model experiment with the Tennessee Valley Authority. More than that, it introduced a federal system of retirement payments, unemployment insurance, and federal wage and hours laws.

The 1929 Crash Brings the New Deal

When President Hoover took office in March, 1929, the United States was beginning its seventh year of general prosperity. Unemployment was low, profits high, wages good. The stock market was booming. Only two problems seemed to merit serious attention from the President and Congress: farm prices and the tariff.

Farm prices, after more than doubling between 1914-19, had nosedived sharply in the 1921 recession. They had never fully recovered, since the U. S. farmer was faced with increasing competition from other expanding agricultural areas. Thus the farmer did not fully share the prosperity of the 1920's. Congress twice passed plans to buy certain farm products at a good price and sell the surplus abroad at what it would bring—but Coolidge vetoed these acts. Under Hoover, \$500,000,000 was appropriated for the Federal Farm Board. This money was to help farmers sell their goods through cooperative marketing groups, and to keep prices up through purchases of surplus grain and cotton.

Hoover also recommended a revision of the tariff, in order, among other reasons, to try to help agriculture. In its final form, the Smoot-Hawley Tariff gave greater protection to farm products, but also increased the duties on manufactured goods. Other nations quickly retaliated by raising their tariffs.

THE STOCK MARKET BOOM—AND CRASH

But in 1929, America was at the height of its boom. Prices on the New York Stock Exchange daily registered sensational gains. Speculation spread to people in every occupation and region. The *New York Times* index of 50 leading stocks climbed from 107.6 on January 2, 1925 to 306.8 on September 19, 1929.

But the limit had been reached in the amount of easy money available from banks to brokers for loans to customers. In the last half of September, stock prices began to slip downward as the stream of loans was dammed. And as prices sagged, many customers had to stand by and watch their stocks be sold—since no more loans were available to cover the decline in price. On October 24 the downward slide became a crash! By November 13, the stock index had dived to 166.2, 140 points below its September high.

Prosperity depends upon an optimistic public mood as well as expanding business. The stock market crash swept away this optimism, revealing many disturbing economic trends. European business conditions were poor, and a cut in American loans to Europe was followed by a drop in European purchases from this country. Credit had been overextended at home—by retailers to their installment customers and by banks to their business customers. After the stock market crash, banks and retailers cautiously tightened up on their credit. Business activity slowed down. Both business borrowers and installment buyers began to have difficulty meeting their notes.

Unemployment increased as factories, the banks themselves, and other businesses began to close. More than 7 out of every 10 families had incomes of less than \$50 a week, and had little or no savings to fall back on. Unemployment in this low income group meant a drastic cutting of all purchases. And this halt in buying led to more business failures and more unemployment.

These and other factors combined to bring about the most severe depression in American history, as the accompanying chart indicates. President Hoover—a firm believer that government should aid business, but not regulate or lead it—at first expressed confidence that the economic system would quickly right itself. By 1932, however, the severity of the depression forced him to propose legislative action. Congress created the Reconstruction Finance Corporation in 1932, with a fund of \$1,500,000,000 available for loans to industry, banking, transportation and agriculture. Later, it was also authorized to lend to states, cities, and other government agencies for self-liquidating public works projects.

The RFC exemplified the Republican approach under Hoover: help business at the top in the hope that such aid would improve conditions and restore prosperity. The method failed to work. In 1930 the voters retaliated by giving the Democrats a majority in the House. They completed the overturn in 1932, giving the Democrats an overwhelming majority of senators, representatives and governors elected, and—of course—the presidency.

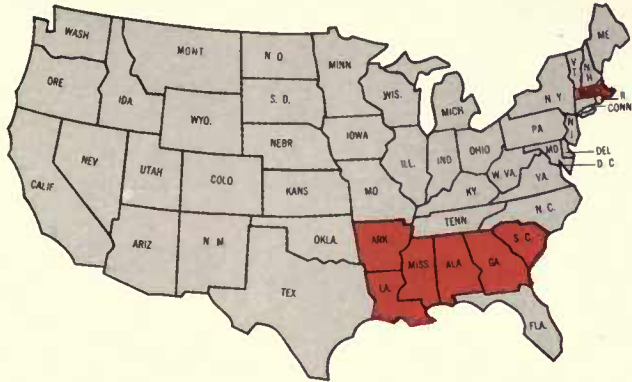
FDR TAKES OFFICE

When Franklin Delano Roosevelt took office on March 4, 1933, virtually all banks in the nation had closed or had their business restricted by governors' proclamations. Without adequate currency or credit facilities, business was at a standstill. According to a conservative estimate, there were almost 13 million unemployed. Stock and commodity exchanges were closed. Farmers were in revolt, refusing to allow legal authorities to take away the farms of men who could not meet their mortgage payments.

In this emergency, the new president moved quickly and confidently. On March 6, he issued a proclamation which declared a nationwide bank holiday, prohibited the export of gold, and promised speedy federal action to bolster the tottering banking system. A second proclamation called Congress into special session for March 9, to consider a program to meet the crisis. In the 100 day session that followed, 15 major acts were passed.

Christened the "New Deal" by FDR, these and other measures he sponsored aimed to: (1) Boost industrial production, and thus expand employment. (2) Increase the farmer's income and buying power. (3) Raise the price level so that the debtor would find it easier to get money to meet his debts. (4) Give the average citizen a higher income and greater security.

ECONOMICS & POLITICS



1928

**REPUBLICANS
HOOVER**
444



**DEMOCRATS
SMITH**
87

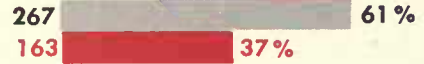


SENATE

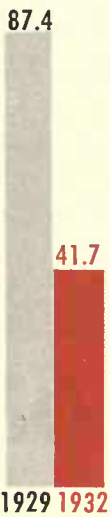
NO. OF SEATS



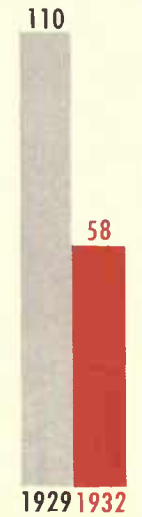
HOUSE



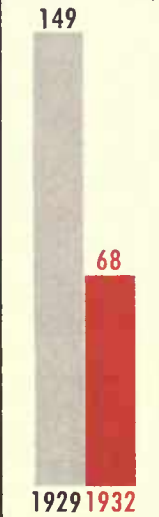
NATIONAL INCOME
(in \$ billions)



INDUSTRIAL PRODUCTION
(index: 1935-39 = 100)



FARM PRICES
(index: 1909-14 = 100)



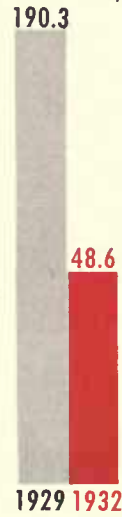
RETAIL SALES
(in \$ billions)



BANK LOANS
(in \$ billions)



STOCK PRICES
(index: 1926 = 100)



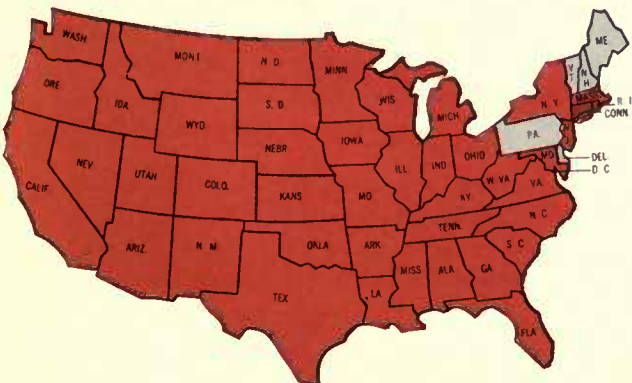
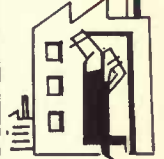
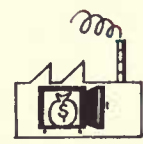
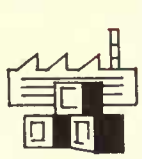
CORPORATE PROFITS
(in \$ billions)



BUSINESS FAILURES
(in thousands)



UNEMPLOYED
(in millions)



1932

**REPUBLICANS
HOOVER**
59



**DEMOCRATS
ROOSEVELT**
472

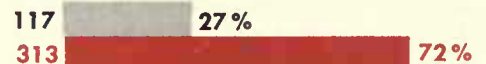


SENATE

NO. OF SEATS



HOUSE



MAJOR NEW DEAL REFORM MEASURES

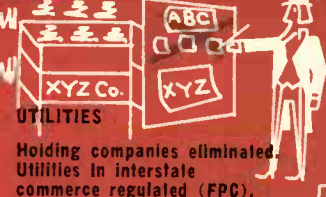


Federal insurance of bank deposits (FDIC). Commercial banks forbidden to underwrite, sell securities.

Supervision to protect investors, curb excessive speculation (SEC).



Loans to local governments and farmers' co-ops to provide cheap electric power (REA).

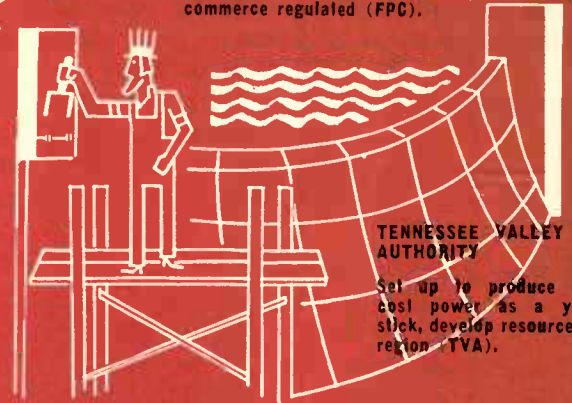


Holding companies eliminated. Utilities in interstate commerce regulated (FPC).



Payments to farmers to reduce their crop production, conserve their soil. Government guaranteed fair price for crops to participating farmers. (1st² & 2nd AAA's).

*Declared unconstitutional by the Supreme Court.



Set up to produce low-cost power as a yardstick, develop resources of region (TVA).

CHAPTER 68

The New Deal in Three Major Fields

The first major New Deal measure passed by Congress was farm relief legislation—the Agricultural Adjustment Act of May 1933. Under the AAA, payments were made to farmers who cut down their crop production. The purpose was to stop the farmer from raising more commodities than he could sell at a profit. To finance the payments, a tax was levied on such processors of farm products as flour mills, textile mills, and packing houses. Since the processor passed the tax on to the housewife in the form of higher prices, the AAA was not popular with consumers. It was also hard to justify cutting food production when millions were poorly fed. The Supreme Court disapproved too—holding the AAA unconstitutional in January, 1936.

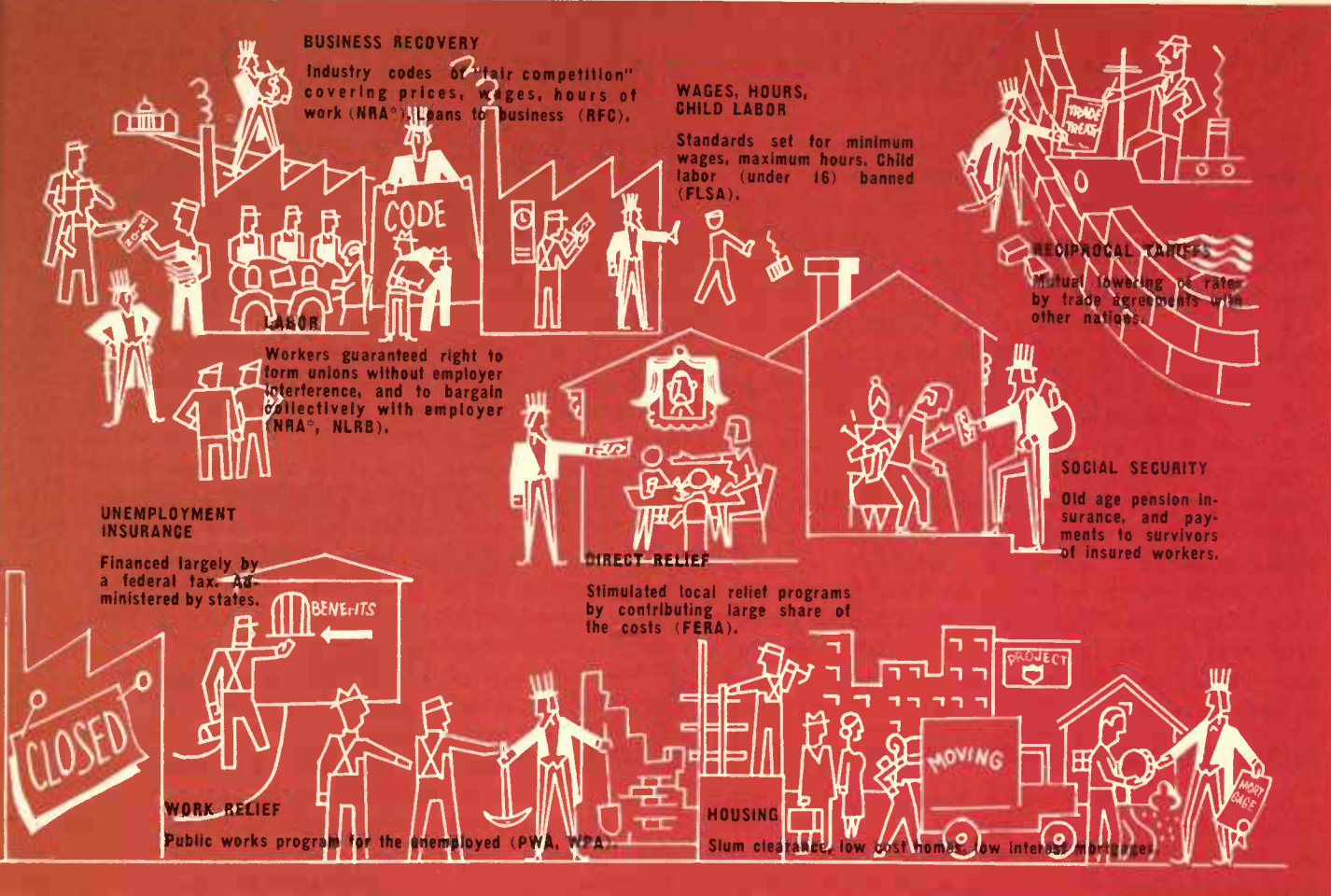
However, under the AAA the ratio of the prices the farmer received for his products to the prices he paid for goods had risen from 61.4 in May 1933 to 87.5 in December 1935. Farm interests demanded continued protection, and the New Deal responded. A second AAA was set up which made payments for “soil conservation” to farmers who would cut the amount of land they used for crop production. In addition, AAA officials met with farmers to draw up quotas for production of leading crops. The government then guaranteed a fair price to farmers who stayed

within their quotas.

Other New Deal measures aided farmers. Federal facilities for providing low cost farm mortgages were expanded so that Uncle Sam held 42.5% of all farm mortgages in 1938, compared with 13% in 1933. Resettlement projects were started to move farmers from worn out land to better homesteads. Money was appropriated for flood control, construction of interstate highways, and extension of electric power lines to rural areas. The gold content of the dollar was reduced and more currency issued. Thus, prices were inflated—giving the farmer a higher income while making it easier for him to pay his fixed mortgage debt.

INDUSTRY AND LABOR

Comprehensive New Deal legislation was passed to aid industry, too. The National Industrial Recovery Act (June 1933) aimed to stop overproduction, raise wages, shorten hours and boost prices. Under the direction of the President and NRA Director Hugh Johnson, codes of fair competition were to be worked out for each industry. While individual industry pacts were being drawn up, the President proposed an interim blanket code. This set a 36 hour work week for industrial workers, and a 40 hour week



for white collar workers. Minimum wages of 40¢ an hour were set for industrial workers. White collar workers were to get a minimum of \$12-15 a week, depending upon the size of the community. Child labor was banned. Voluntary in nature, the President's code depended on public support.

The specific industry codes were enforced by a system of licensing, and administered by industry committees. In addition to the features of the President's code, the industry pacts regulated prices and sales methods, while enforcement of the anti-trust laws was suspended. Within a year, some 400 industry codes had been adopted, and hearings had been completed on 300 more. Firms employing an estimated 20 million workers were covered.

A dispute soon arose about the results of the NRA. Supporters claimed it was achieving commendable goals. However, a report released by a review board stated that the NRA was fostering monopoly and oppressing small industrialists, distributors and the consumer. The Supreme Court put an end to the debate by declaring the act unconstitutional in May 1935.

Other New Deal measures aimed to help business by putting money in the hands of the consumer. Relief payments were provided for needy families. A large scale program of public works was set up to give jobs at fair wages to unemployed men and women. This program at one time or another employed over 8 million people and cost approximately \$15 billion. The RFC (see Chapter 67) was continued for the purpose of loaning large sums to businesses in cases where the banks were unwilling.

THE WAGNER ACT

Labor, too, benefited from New Deal laws. Section 7A of the NIRA proclaimed the right of unions to organize and bargain for their members. When the Supreme Court nullified the NIRA, Senator Robert Wagner (Dem., N. Y.) secured the passage of the National Labor Relations Act (1935). The "Wagner Act" declared that employers must not interfere with the formation of a union. Further, the employers were required to negotiate with unions representing their employees on the subject of wages, hours and other working conditions.

The Wagner Act also established a National Labor Relations Board to enforce the Act. The Board was empowered to hold elections at the request of unions, to see if the union was supported by a majority of the employees voting. If the union was, the Board certified the union as the collective bargaining agent for the employees, and required the employer to bargain with it.

Another major New Deal labor measure was the Wages and Hours Act (1938). Covering labor in interstate commerce or producing goods for interstate commerce, the Act provided for gradual attainment of a standard 40 hour work week at a minimum wage of 40¢ an hour. Time worked in excess of 40 hours must be paid for at 50% more than the worker's normal wage rate. With certain exceptions the minimum age for employment was set at 16 years. In 1949 the minimum wage was raised to 75¢.

New Deal Welfare and Regulatory Laws

Depression-stimulated demands for government aid against poverty in old age, and unemployment, had led to some state legislation before the New Deal. By the end of 1934, 29 states had provided some sort of old age pension. But only one state (Wisconsin) had passed an unemployment insurance act.

In 1935 came federal action, when Congress passed the Social Security Act pictured in the accompanying chart. It includes both old age and unemployment insurance, as well as other benefits. Its old age insurance provisions have been expanded to cover almost all workers, including self employed (except farmers and professional people). It is paid for by equal contributions from both employees and employers. The self employed pay a 50% larger tax than employees alone.

For unemployment insurance, the Social Security Act set up minimum standards—but left the details and administration to the individual states. As a result, depending upon the state in which the worker lives, weekly benefits and the number of weeks for which benefits are paid differ.

FEDERAL CONTROL OF PUBLIC UTILITIES

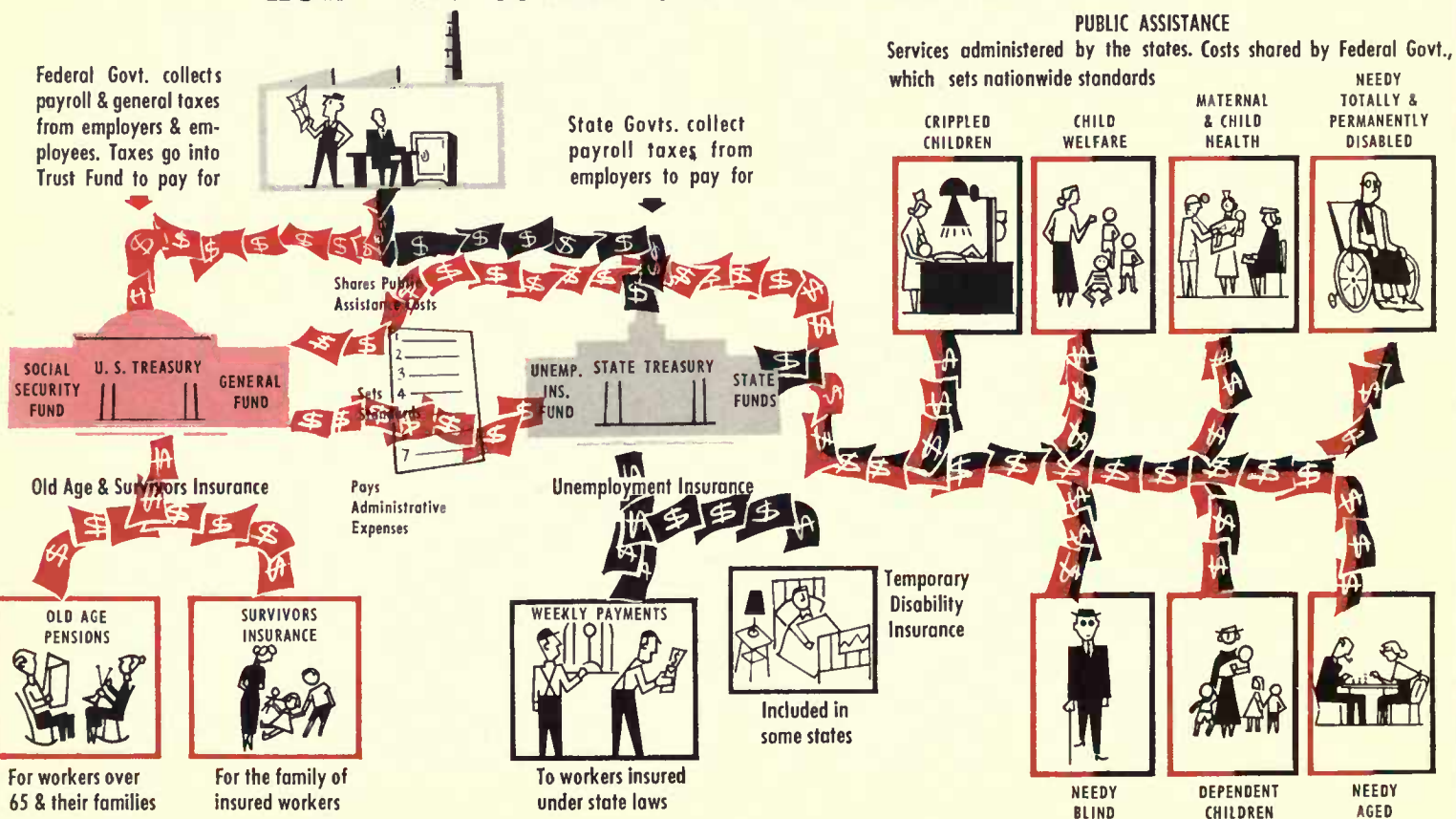
Another major step forward in social planning was the Tennessee Valley Authority. Created in 1933, the TVA was empowered to operate the two nitrate plants and power generating facilities which the government had built as

part of its World War I munitions program. However, as mentioned in Chapter 55, the TVA also received broad authority to buy land, build dams, power houses and transmission lines, and produce, distribute and sell power. The cost of power generated by the TVA was to serve as a yardstick by which the public could measure the charges made by privately-owned utility companies.

Tied in with its hydroelectric power operations has been TVA's activity in flood control, and the manufacture and distribution of fertilizer. A comprehensive educational campaign has brought home to the farmers of the valley the measures necessary to conserve and increase the fertility of their soil. Among TVA's achievements have been: (1) the improvement of living standards in the region. (2) the development of a huge, low cost electric output vital in both peacetime and war production (particularly the Oak Ridge atomic bomb plant). (3) the development of an effective system of flood control.

None too happy about the TVA, the privately owned utility companies faced additional New Deal legislation. The 1920's had seen the amalgamation of many local utility companies into giant empires. Their managements were often more interested in the profits from financial manipulation than in providing cheap, efficient service. A favorite device was the "holding company," which controlled many local power companies and siphoned off their profits with-

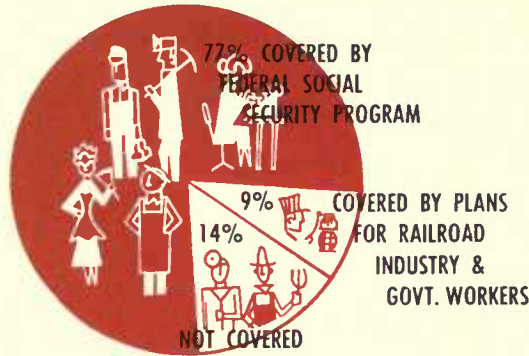
HOW THE SOCIAL SECURITY SYSTEM WORKS



WHO IS COVERED

(% of all civilian workers covered—fiscal year 1952)

By Old Age & Survivors Insurance



By Unemployment Insurance



OASI TRUST FUND SHOWS BIG YEARLY SURPLUS NOW — BUT INCREASE IN AGED & ELIGIBLES WILL CLOSE THE GAP



out being subject to local regulation.

To combat this, Congress passed the Public Utility Holding Company Act of 1935. This empowered the Federal Power Commission to regulate the rates and practices of public utilities engaged in interstate operation, and to set up standards for accounting and reports. Utility holding companies were given until 1938 to streamline themselves into single unified systems engaged in supplying electricity, gas or other service directly to consumers. Future financing and amalgamations had to be approved by the Securities and Exchange Commission.

The SEC in turn had been set up by Congress in 1934 to prevent a repetition of the wild speculation which had ended in the 1929 stock market crash. A bi-partisan commission, the SEC was empowered to license all stock exchanges engaged in interstate or foreign business. Firms with stocks listed on these exchanges were required to file statements with the SEC, giving complete information about the securities and the company. Before new issues could be listed, new registration statements had to be filed and accepted by the Commission.

Heavy penalties were provided for false registration statements and for artificial manipulation of stock prices. In conjunction with the Federal Reserve Board, the SEC was also authorized to set margin requirements. In 1936, Congress applied similar regulations to the commodity markets, with the Department of Agriculture selected to enforce the rules.

BANKING REFORM

The New Deal also brought major reforms to our banking system. Even in the prosperous 1920's an average of 600 banks a year suspended operation. In 1931 the number reached 2,294 and in 1933 it flared to 4,004. Lax banking laws had fostered speculation leading to this debacle—allowing banks to underwrite securities, trade in stocks and bonds for their customers, and develop a holding company structure.

New banking acts were passed in 1933 and 1935 to remedy these abuses. The holding company structure was forbidden. Banks accepting deposits from the public were no longer permitted to underwrite or sell securities. A Federal Deposit Insurance Corporation was set up, membership in which was compulsory for member banks of the Federal Reserve System and optional for non-members. The FDIC guaranteed bank accounts of depositors in its member banks up to a limit of \$5,000 per depositor. Legislation restricted the use of Federal Reserve Bank credit for speculative purposes. As a result of all these measures, the number of bank suspensions fell to 57 in 1934 and zero in 1945.

The New Deal also contributed legislation to protect the consumer. The Pure Food & Drug Act of 1900 was broadened by the Food, Drug & Cosmetic Act of 1938. This latter act extended to cosmetics earlier bans on misbranding and adulterating foods and drugs. In addition, the new law required that new drugs be tested adequately before they were put on public sale.

New Deal Politics

The first balancing of the New Deal's political books came in the congressional election of 1934. Since the Democrats gained 9 seats in both the House and Senate, they were jubilant over the results.

By 1936, however, FDR had lost the support of some of his important 1932 backers. Hearst and a number of other newspaper publishers had found the first four years of New Deal reforms too drastic for their tastes. During the election campaign they joined Alfred E. Smith, John J. Raskob (1928 Democratic National Committee Chairman) and other conservative Democrats in support of the Republican candidate. The latter was Governor Alf Landon of Kansas, who, after a strong buildup in the newspapers, had easily captured the Republican nomination.

Neither the Republican platform nor candidate directly attacked major New Deal measures. Instead, the Republicans criticized FDR's "regimentation" of American life, and claimed they could run the government welfare program more efficiently and economically. This Roosevelt denied. And on the positive side he pointed to the four million reduction in unemployment and the 60% increase in national income achieved during his first term. The election proved an overwhelming endorsement of FDR's record, as the accompanying graphics show.

ROOSEVELT AND THE SUPREME COURT

Yet opposition to the New Deal program proved more effective during FDR's second term than his first. One center of resistance was the Supreme Court. During 1935-37 it declared 11 New Deal laws unconstitutional, many by 5-4 decisions. To eliminate this obstacle to his program, the President in February 1937 presented Congress with a plan. Under it the President would be empowered to appoint up to six additional Supreme Court judges where incumbent judges failed to retire within six months after reaching the age of 70. At that time six of the Supreme Court justices were over 70, five of them over 74.

A strong coalition sprang up to oppose the President's proposal: the Republicans, many conservative southern Democrats, and some Democrats who were sincerely worried that the integrity of the Court might be damaged. Successful in blocking the President's measure, the coalition did pass a mild substitute. It provided full pay for any justice who retired at age 70, and expedited appeals to the Supreme Court of cases of constitutional law.

Although the Supreme Court took no official notice of the controversy, a new trend in decisions began to be noticeable. Justice Roberts had switched to the liberal side, providing a 5-4 majority for New Deal legislation. By this slim margin the Court approved the National Labor Relations Act, the New York State Minimum Wage Act, and the Social Security Act. The Court's new liberal outlook was seemingly made more secure during Roosevelt's long tenure, since he ultimately appointed 9 judges, including a Chief Justice.

As the election of 1940 approached, the big question was whether the President would seek to break the traditional limit of two terms in the White House. According to the *Memoirs* of Cordell Hull, his Secretary of State, FDR had actually intended to retire. But the series of Nazi victories in the spring of 1940, culminating in the fall of France, made him receptive to the pleas of the liberals and the big city Democratic bosses that he run again.

To oppose him the Republicans nominated Wendell Willkie, a corporation lawyer and utilities president with an earlier background as a liberal. The Republican candidate proved an adept campaigner, forceful, tireless, with much personal charm. But on campaign issues he soon was forced into the traditional Republican role—agreeing with Roosevelt's reforms but claiming that he could administer them more efficiently. To broaden the appeal of the ticket the Republicans nominated for vice president Senator Charles McNary, Oregon farm leader. The Democrats countered by naming Henry A. Wallace, Secretary of Agriculture, as their vice presidential candidate.

Once again the New Deal was triumphant, smashing the two term tradition. Rolling up 27,000,000 votes, FDR carried 38 states to 12 for Willkie. Willkie, however, polled over 22,000,000 votes. One factor in the Roosevelt victory was his daring and skillful diplomatic policy of extending to the Allies "all aid short of war."

THE ELECTION OF 1944

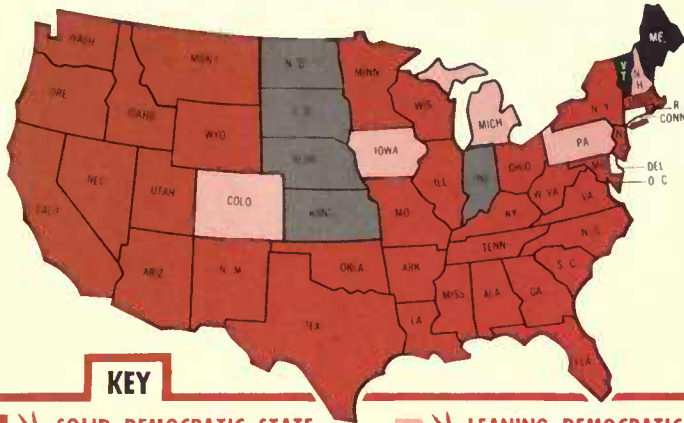
When war came, Roosevelt as Commander in Chief soon proved he could successfully map global strategy and pick able military and economic aides to carry out the plans. He also impressed the country with his ability in handling Stalin, Churchill and other Allied chiefs. Therefore, the Democrats were able to present him as the indispensable war leader, in the presidential election of 1944.

As opposition, the Republicans nominated Thomas E. Dewey, the aggressive young governor of New York. His running mate was Governor Bricker of Ohio, prominent in the isolationist wing of the party. Bowing to the Democratic big city bosses who claimed that Vice President Wallace was too extreme a liberal, FDR consented to the substitution of Senator Harry Truman on the new ticket.

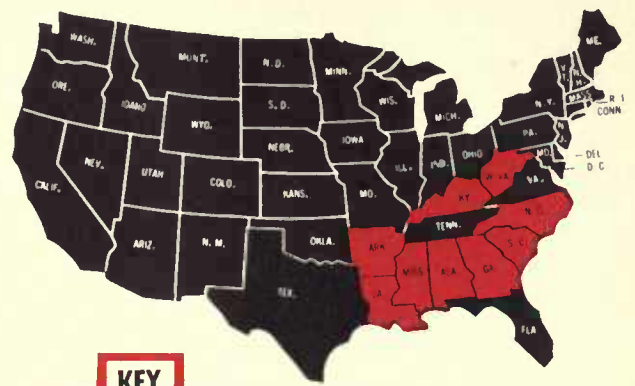
In the campaign that followed, the labor movement gave FDR more active and better organized support than ever before. Particularly was this true of the CIO, through its Political Action Committee headed by Sidney Hillman. With this labor support, and strong middle class backing because of his war leadership and social welfare record, Roosevelt won his fourth presidential election. Dewey's 22,000,000 votes won him only 12 states, while FDR, with 25,500,000, carried 36 states. "He had no contemporary rival in political skill," states Cordell Hull in his *Memoirs*. On the basis of FDR's election record, few would disagree with this judgment.

How the Country Voted, 1932 - 52

NEW DEAL AND FAIR DEAL, 1932-48



EISENHOWER VS. STEVENSON, 1952



KEY

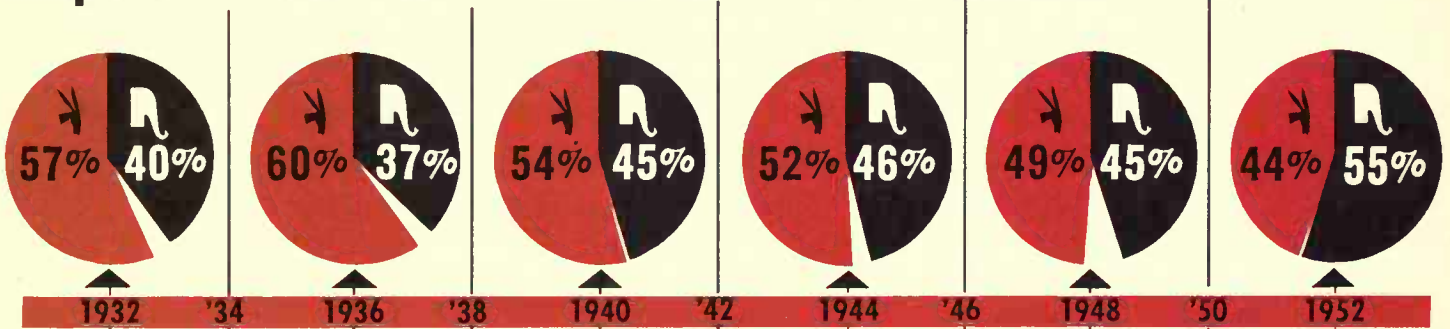
- SOLID DEMOCRATIC STATE**
(Democratic in at least 4 of the 5 elections)
- LEANING DEMOCRATIC**
(Democratic in 3 of the 5 elections)
- SOLID REPUBLICAN STATE**
(Republican in at least 4 of the 5 elections)
- LEANING REPUBLICAN**
(Republican in 3 of the 5 elections)

KEY

- STEVENSON**
electoral votes 89
- EISENHOWER**
electoral votes 442

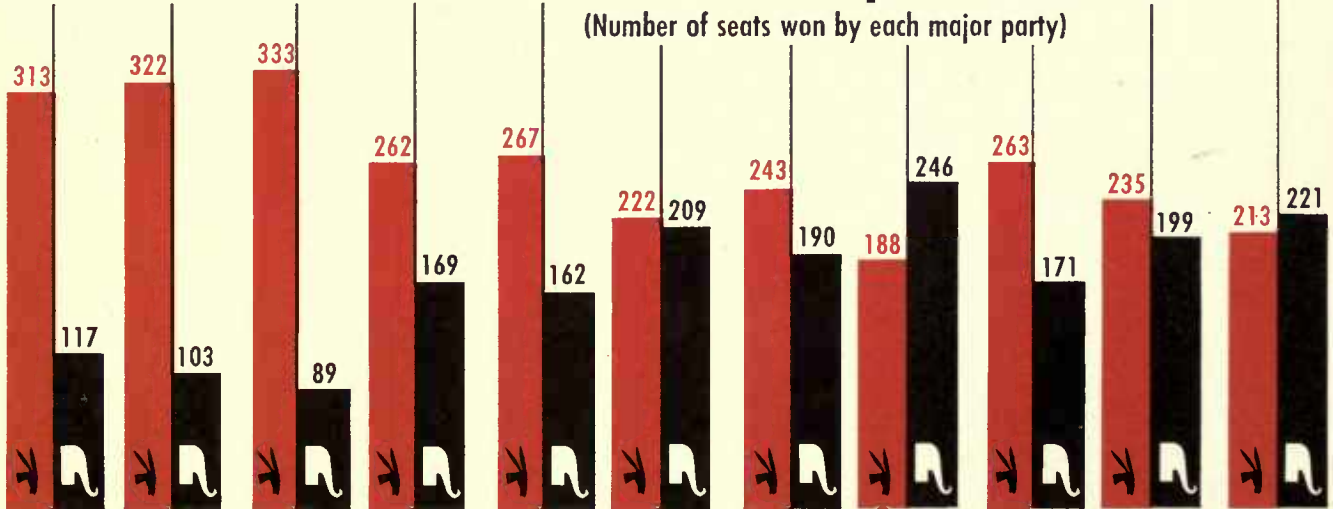
Popular Vote for President

(% won by each major party)



Ebb and Flow in the House of Representatives

(Number of seats won by each major party)



The United States a World Power

As the New Deal's second term ended, America was faced by a European crisis. There fascist governments had persecuted minorities, ended democracy, and crushed civil liberties. The German dictator, having annexed Austria and Czechoslovakia, started World War II by invading Poland. With lend-lease, America soon renounced neutrality to aid the anti-Axis powers, and Japanese aggression finally brought us into the war. With victory came the founding of the United Nations. But the postwar years were followed by a split between the East and the West which culminated in the Korean War. And rearmament accompanied by inflation has increased our domestic problems.

Fascism Seeks to Dominate the World

For more than twenty years after World War I, *isolationists* battled *internationalists* for direction of our foreign policy. The isolationists believed the U. S. should shun participation in international politics—alliances, conferences and the League of Nations. They pointed out that World War I had been fought in the name of Peace and Democracy, but that dictatorships and strife had quickly reappeared in Europe. The isolationists won the first big round when the Senate in 1919 and the people in 1920 voted down participation in the League.

The internationalists advocated not only participation but leadership by the United States in world affairs. They claimed that the failure of this country to join the League had weakened the organization's ability to prevent war and dictatorship. Pressure exerted by the internationalists did much to bring about our leadership in the limitation of naval armaments.

Geographically, the internationalists were strongest in the East, the South, and the Far West. Isolationist strength was strongest from the Appalachians to the Rockies. It centered among the midwest farmers, merchants, and manufacturers whose products were sold mainly within our borders. Internationalist support came from manufacturers and financiers catering to the world market; from cotton farmers, who sold half their crop abroad; from scientific and educational groups who believed in the international exchange of ideas and goods.

The economic tide favored the internationalists during the 1920's though the political trend was against them. Exports climbed to an average of \$4½ billion a year—double our prewar trade and 10% of our production of movable goods. In addition, investments abroad by individuals and organizations jumped from \$7 billion in 1919 to \$17 billion in 1930. A good part of this increase represented the establishment by American corporations of branch plants in foreign lands.

FASCISM AND NAZISM BRING WORLD WAR II

During the 1930's, the rise of fascism threatened both our material interests and our political ideals. Benito Mussolini had established the pattern of the fascist state when he seized power in Italy in 1922. His dictatorship wiped out civil liberties, concentrated on preparing for war, and sought to convince the Italian people that they were a superior group destined to rule over others. Adolf Hitler, who gained control of the German state in 1932, soon outshone Mussolini in cruelty to domestic minorities, threats to other countries, and mobilization for war. Meanwhile the Japanese militarists moved from threats to action, seizing Manchuria in 1931, and attacking the rest of China in 1937.

After a decade of speechmaking, Mussolini, too, launched an attack on a weak foe when he invaded Ethiopia in the

fall of 1935. While the League of Nations fumbled with the idea of punishment for Italy, the well equipped Italian army easily bombed the poorly armed Ethiopians into submission.

Hitler, however, was at first able to gain even greater prizes without resorting openly to war. His technique was (1) to proclaim himself the defender of Europe against Communism, thus securing the support of conservative groups and governments in other countries; (2) to sign "treaties of friendship" which he had no intention of honoring; (3) to state that each in his long series of demands was the last he was making. The loot Hitler secured by these tactics is shown in the accompanying graphic.

This triumphant march of fascist aggression was repeatedly attacked by Soviet Russia in her press, in her diplomacy, and in speeches at the League of Nations. But attempts made in 1939 to halt Hitler and Mussolini by forming an alliance of Britain, France and Russia were unsuccessful. The governments of Britain and France were afraid to endorse the Soviet defense plan by which the Red Army would move through the Eastern European countries toward the German border in case of war.

THE BEGINNING OF WORLD WAR II

Hitler took advantage of this split to effect an amazing diplomatic maneuver. On August 21, 1939 the German "protectors against communism" and the Russian "foes of fascism" announced the negotiation of a non-aggression pact. Having thus eliminated Soviet opposition, Hitler proceeded to invade Poland on September 1. Britain and France, convinced at last that further appeasement of the German dictator was futile, honored their alliance with Poland by declaring war on Germany.

Unfortunately for Poland, this declaration was all the support the Allies gave her. Mobilizing to prevent a German attack on their own countries, France and England watched in awe as the Nazis blitzed Poland in four weeks. After a quiet winter, the Germans used the same lightning tactics to conquer Norway and Denmark in April, 1940, Belgium and the Netherlands in May, and France in June.

The British Commonwealth now stood alone against the Nazis. Succeeding Neville Chamberlain as Great Britain's Prime Minister at this grave moment was Winston Churchill, who soon proved himself an able and inspiring war leader. Such leadership was indispensable, since Italy, Hungary and Rumania had declared war on Britain, while Spain unofficially cooperated with Hitler. The Nazis unleashed a tremendous air offensive against Britain in order to pave the way for invasion. But the Royal Air Force, inflicting crippling losses on the German Luftwaffe, forced the Nazis to postpone their attack across the Channel. And while Churchill rallied the British in defense of their homeland, America sent growing quantities of aid.

OCTOBER 1922



Mussolini's fascists take power in Italy

SEPTEMBER 1931



Japanese Army wrests Manchuria from China

FEBRUARY 1932



Japs add Jehol Province to Manchuria

JANUARY 1933



Hitler appointed Chancellor of Germany. Establishes dictatorship

THE MARCH

JULY 1937



Japan opens full scale Invasion of China

JULY 1936



Revolt in Spain backed by Hitler & Mussolini

MARCH 1936



German troops march into the Rhineland

OCTOBER 1935



Italy invades Ethiopia

OF FASCISM

MARCH 1938



Germany invades, annexes Austria

SEPTEMBER 1938



At Munich, Britain & France OK Nazi demand for Czech territory

MARCH 1939



Germany occupies rest of Czechoslovakia

MARCH 1939



Germany seizes Lithuanian port of Memel

1922 - 1939

SEPTEMBER 1939



Germany invades Poland, starting World War II

AUGUST 1939



Nazis & Soviets sign non-aggression pact

APRIL 1939



Italian troops invade, annex Albania

Interventionists versus Isolationists

When World War II broke out in 1939, President Roosevelt was legally bound to prevent the export of arms or money to either side. Earlier in the 1930's, Americans had come to believe that European propaganda combined with American commercial and financial interests had led us into World War I. Congress had passed a series of Neutrality Laws in 1935-37 to prevent misleading propaganda or selfish interests from getting us into any future war.

The isolationists continued to give vigorous support to this neutrality policy after the outbreak of World War II. In opposition, a good many of the old internationalist group favored aid to the Allies, even at the risk of war. They were convinced that Hitler was out to dominate the world, and that America would be next on the dictator's schedule, if he could conquer Europe. Hitler's violent 1939-40 blitzkrieg against both Allied soldiers and civilians, and Britain's gallant last ditch stand, won a growing majority of Americans to the interventionist side.

FDR recognized this trend in public opinion, and frequently steered it. He put through a program to strengthen our defenses and aid the anti-Axis forces. To safeguard the Western Hemisphere against Nazi penetration, he called a meeting in Panama in September, 1939. Here and at a Havana conference in 1940, the Pan American nations declared their solidarity. Provisions were made for the whole group to aid any threatened member. Thus the path was also cleared for the protection of the Panama Canal. Meanwhile, United States loans were made to build up the Latin American military forces. Cultural ties were also promoted. A separate defense arrangement was made with Canada.

Hemisphere defenses were further strengthened by our "destroyers for bases" deal with Britain in September, 1940. The Nazi navy and air force had been riddling the British destroyer fleet, and Britain was desperately in need of aid. Under authorization to sell non-essential naval equipment, Roosevelt agreed to exchange 50 "over-age" destroyers for bases in Newfoundland and Bermuda (gifts) and the power to lease 8 others in the Caribbean. This was bitterly attacked by the isolationists as a provocative act.

LEND-LEASE AND THE END OF NEUTRALITY

Even more vigorously opposed by the isolationists was Roosevelt's Lend-Lease proposal of January 1941. Britain was near the bottom of her pocketbook, because of expenditures for American munitions under the Neutrality Law's cash and carry provisions. To keep Britain supplied, the President asked Congress for power to exchange, lease or lend war equipment to any nation whose defense he considered vital to our own security. The isolationists attacked the proposal as a nullification of the Neutrality Acts and a sure step to war. But as the chart shows, 60-70% of all Americans felt it was necessary to aid Britain, *even at the risk of war*. After two months of debate, Congress came to the same decision. It passed the Lend-Lease Act, and appropriated \$7 billion to implement it.

However, an increasingly effective German submarine campaign, inflicting severe losses on the British merchant marine, endangered lend-lease deliveries. As a counter measure the President, on May 28, 1941, reasserted the old American doctrine of freedom of the seas. He ordered our destroyers to help convoy lend-lease goods, and American air and naval forces to patrol the Atlantic. In September he ordered them to sink on sight German or Italian submarines or raiders in waters "the protection of which is necessary for American defense."

FDR also requested Congress to authorize the arming of American merchant ships, and to permit them to sail into combat zones and belligerent ports. Since at least 11 United States merchant ships had been sunk during the previous 12 months, and 3 destroyers recently attacked, Congress finally agreed to let them fight back. Meanwhile, our troops had been landed in Greenland and Iceland, to safeguard the North Atlantic against Nazi attacks.

But the most far reaching of all defense measures was the Selective Service Act, passed by Congress in September 1940. The first peacetime draft in our history, it provided for the registration of all men between the ages of 21-36. Draftees were subject to 12 months' training and service in the Western Hemisphere and U. S. possessions.

THE COMING OF WAR

The spring and summer of 1941 saw a continuation of Hitler's military successes. Yugoslavia and Greece were invaded in April. Their regular armies were blitzed out of action within 6 weeks, though Greece had previously thrown back an attacking Italian army. In June, Hitler suddenly struck at Russia and pushed his armored columns across the Russian plains toward Moscow. In this somber atmosphere of Axis victories, the House of Representatives by a 1-vote margin approved an FDR proposal to lengthen the 1 year term of service for draftees. Thus our new draft army—many of whose members were approaching the end of their year's service—was kept intact.

Also influencing the decision to keep the draftees in service was the widening area of aggression by Japan, the Axis partner in the Far East. While continuing its war on China, begun in 1937, Japan in the summer of 1941 advanced into French Indo-China at the invitation of the Hitler-dominated French government. Japanese statements and troop movements made it clear that Japan's drive to control the Far East was only beginning. This campaign was opposed by our State Department, which sought to protect American trade and foster native independence in East Asia. Realizing that there was little chance to reconcile these viewpoints, the Japanese launched on December 7, 1941 a sneak attack on Pearl Harbor—the main American naval base in the Pacific. It was a smashing victory, crippling the United States fleet. But it started Japan down the road which four years later ended in her complete defeat.



from ISOLATIONISM to INTERNATIONALISM

(THE SHIFT IN U. S. SENTIMENT, AS MEASURED BY THE PUBLIC OPINION POLLS)

Jan. 1935

Oct. 1935

April 1937

Dec. 1938



If League of Nations prevents European war, should we join League?



Should we join other nations in using sanctions against aggressor?



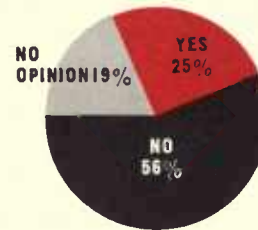
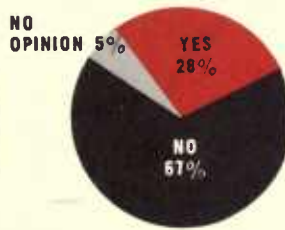
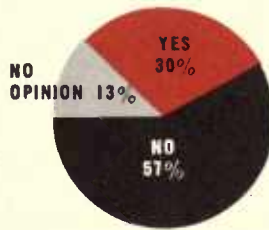
Should we call a world disarmament conference?



Which side do you sympathize with in the Spanish Civil War?

1935-1938

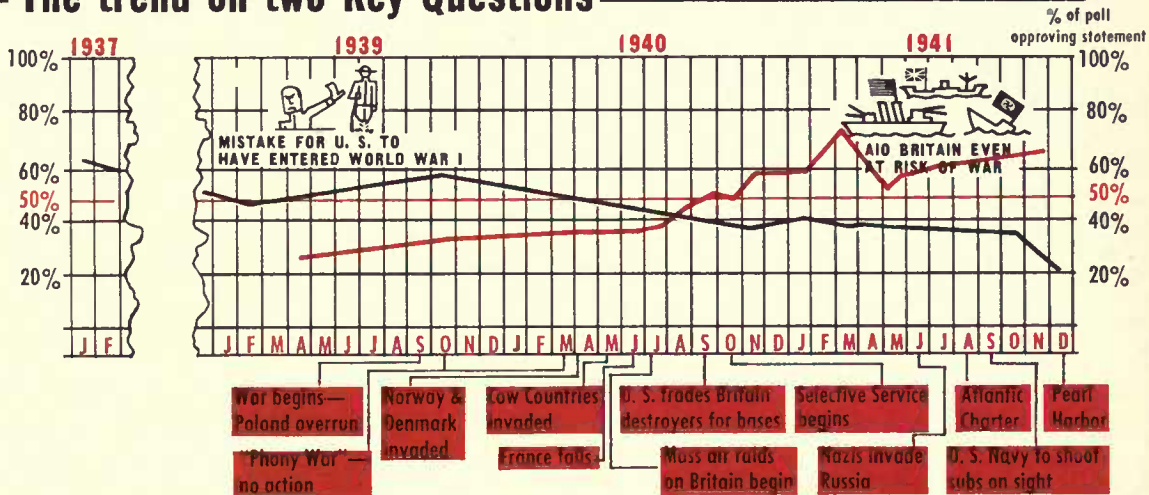
Still
Strongly
Isolationist



The trend on two Key Questions

1939-1941

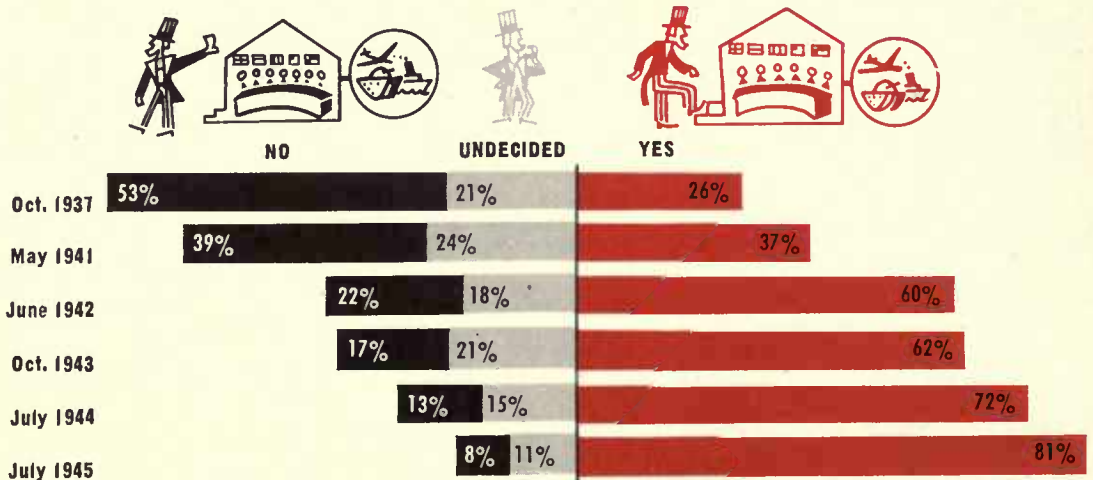
Outbreak of
World
War II
Has Its
Impact



Should we join a World Organization with Police Powers? —

1941-1945

World
Organization
Gains
Majority
Support



WAR AGAINST Germany

LEGEND

- ALLIES** (Red silhouette)
- AXIS** (Black silhouette)
- VICTORY** (Red circle with '1')
- ADVANCE** (Red arrow)
- WITHDRAWAL** (Red dashed arrow)
- TERRITORY HELD AT END OF PERIOD** (Red shaded area)
- NEUTRAL NATIONS** (White area with black border)



NAZIS CONQUER EUROPE

Sept. 1, 1939 — Aug. 31, 1940

1. Nazis invade Poland Sept. 1. France and Britain declare war on Germany Sept. 3.
2. Poland blitzed in 4 weeks.
3. Russia partitions Poland with Germany, Sept. 29.
4. After winter's pause, Germany erupts into Norway and Denmark, April 9.
5. British relief forces compelled to withdraw by Nazis. Fifth columnists sabotage Norwegian resistance.
6. Nazis invade Low Countries, May 10, KO them in 2½ weeks.
7. Trapped British army evacuated at Dunkirk as Nazis drive into France.
8. Italy declares war on France and Britain, June 10.
9. France surrenders June 22. Is partitioned into occupied and "neutral" zones.
10. R.A.F. beats off Nazis in Air Battle of Britain, Aug. 11 - Oct. 31.

HEIGHT OF HITLER'S CONQUESTS

Sept. 1, 1941 — Aug. 31, 1942

1. Red Army and winter weather slow Nazi advance as it sweeps to gates of Moscow (Sept. - Nov.).
2. Russian counter-offensive regains 1/5 of lost territory (Nov. - May).
3. Germans resume offensive in Russia. Make big gains, especially toward oil region of Caucasus (May - Aug.).
4. Nazi drive reaches outskirts of Stalingrad.
5. British sweep Rommel back into Libya (Nov. - Jan.). Then have to send troops to Pacific.
6. Rommel's counter attack against weakened British forces reaches far into Egypt (Jan. - July).

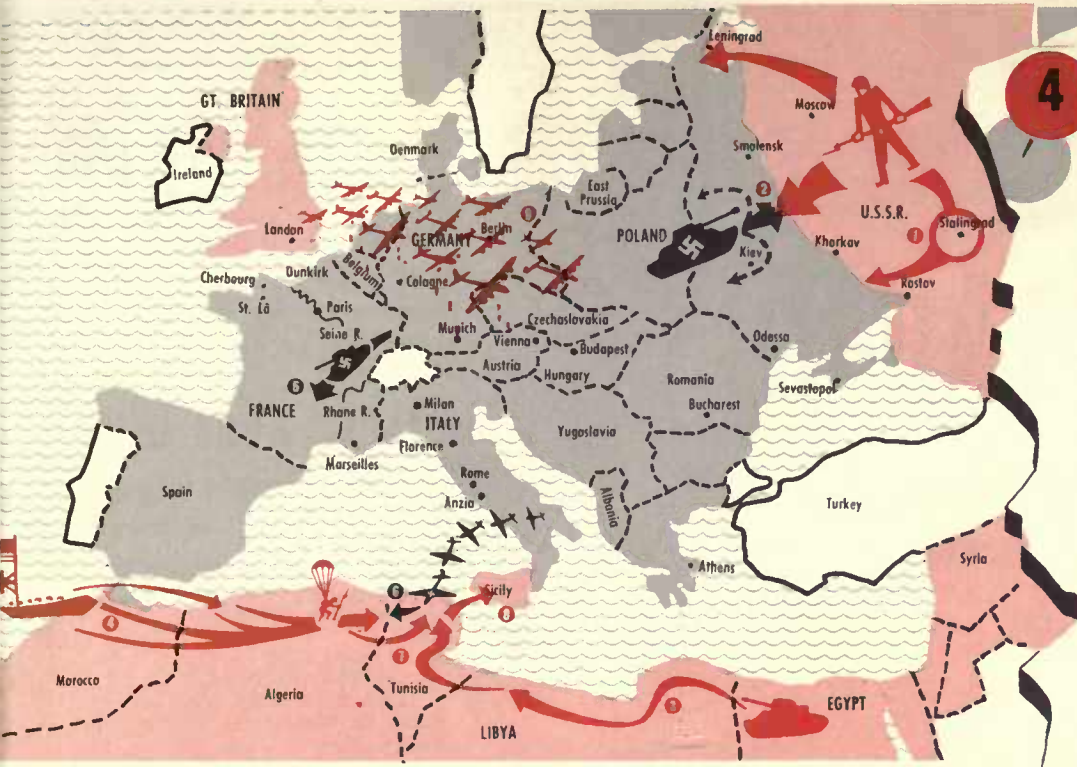
AXIS DRIVES EAST

Sept. 1, 1940 — Aug. 31, 1941



1. British retreat into Egypt before Italian Army, Sept. 1940. Then turn, wipe out invaders, and thrust into Libya (Dec. 9, 1940 - Feb. 10, 1941).
2. Overextended British forces attacked by Rommel's Afrika Korps—which drives back into Egypt (March 24 - April 15).
3. British and French check Axis Middle East infiltration by occupying Iraq (May), Syria (July), Iran (with Russians, Aug. - Sept.).
4. Italians invade Greece, are driven back into Albania (Oct. 1940 - April 1941).
5. Nazis blitz Balkans. Yugoslav army crushed in two weeks (April 6 - 18), Greek army in three (April 6 - 23).
6. British aid to Greece driven off mainland and Crete by superior German airpower (April-May).
7. With Balkan flank secure, Nazis open surprise attack on Russia, make big gains.





ALLIES START LONG ROAD BACK

Sept. 1, 1942 — Aug. 31, 1943

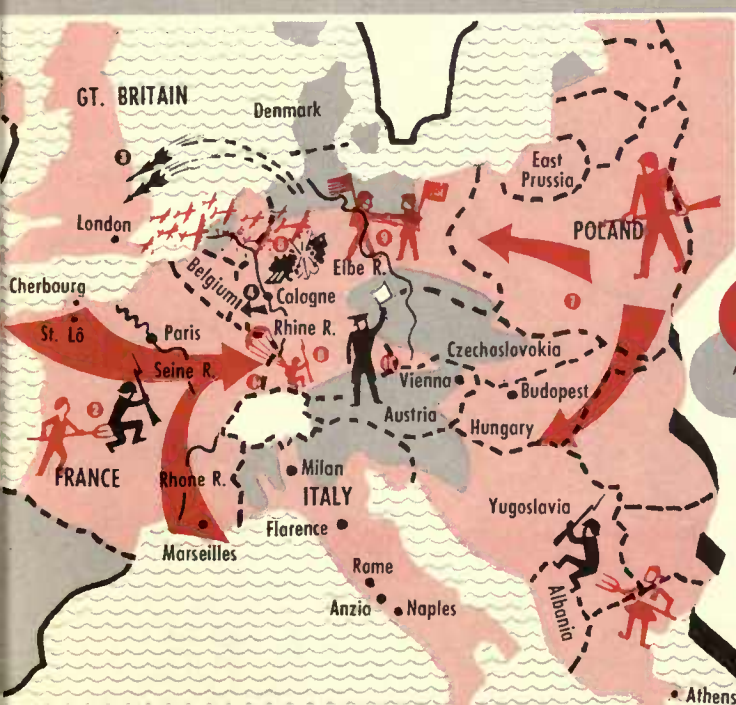
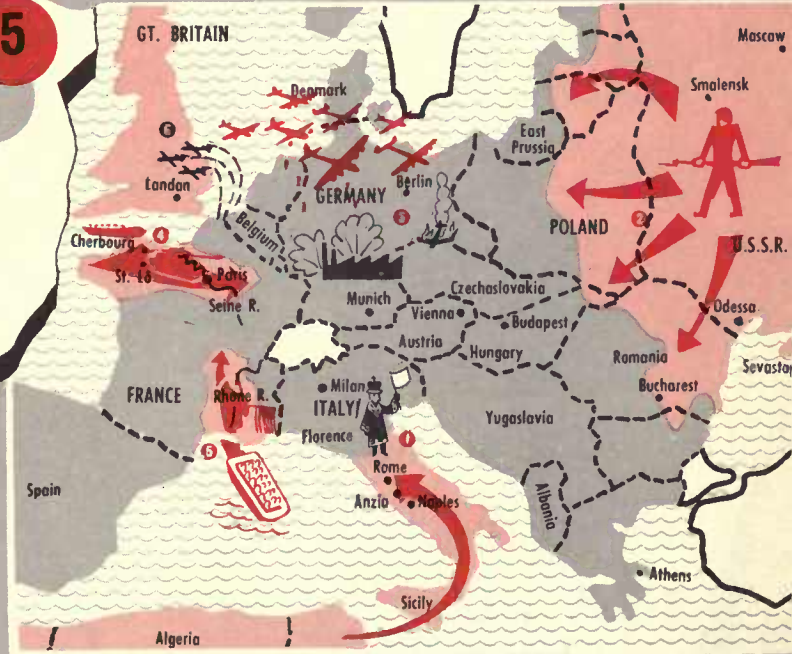
1. Russians launch second winter offensive. Encircle Nazis at Stalingrad, lift siege of Leningrad, advance on central front (Nov. - March).
2. German counter-offensive on Central Front stopped. Russians clear Caucasus and continue advance (July-August).
3. Montgomery drives Rommel back into Libya—1300 miles in 13 weeks (Oct. 23 - Jan. 23).
4. Allies' troops land in French Northwest Africa (Nov. 8). Capture Morocco, Algeria, invade Tunisia (Nov. 8 - 15).
5. Germany takes over Unoccupied France (Nov. 11). French fleet scuttled (Nov. 27).
6. Germans rapidly build up forces in Tunisia, counterattack Allies (Dec.-Feb.).
7. Renewed Allied drives from East and West crush Nazis in Tunisia (March - May).
8. Allies invade Sicily (July 10—captured Aug. 17).
9. RAF-AAF start heavy, round-the-clock bombing of Germany and Nazi-occupied lands.

ALLIES OPEN WESTERN FRONT

Sept. 1, 1943 — Aug. 31, 1944

1. Italy surrenders to Allies Sept. 8, declares war on Germany Oct. 13. Allies push on against stiff Nazi resistance.
2. Red Army rolls Nazis back all along front. Soviet forces enter Poland, Romania, Czechoslovakia.
3. Allied planes cripple Nazi plane factories, Feb. 20 - 25, gain control of air over Germany. Bombard, disrupt defenses of invasion coast.
4. Allies land on Normandy beaches (June 6). Break out of beachhead after 2 months of fighting, and sweep northeast to the Seine.
5. Allies land in south of France August 15, push rapidly up the Rhone Valley.
6. Germans launch V-1 flying bomb attacks on England (June 14). Allies capture launching sites by mid-September.

5



NAZIS FORCED TO SURRENDER

Sept. 1, 1944 — May 1, 1945

1. Allied western and southern invasion armies link up in France, start into Germany (Sept. 11).
2. Resistance forces free large areas of Western France.
3. German V-2 rocket assault on Britain is announced. (Nov. 10).
4. Nazis counterattack—Battle of Bulge—halted after 10 days (Dec. 26).
5. Air Force attacks, in up to 10,000 plane strength, disrupts German production, transportation, supply (Feb. - March).
6. Partisans liberate large areas in Yugoslavia and Greece.
7. Red Army overruns Poland and East Prussia, smashes into Germany and Austria.
8. Allies storm across the Rhine (March 23), aided by airborne troops.
9. Allied and Russian troops meet at the Elbe (April 25).
10. Germany surrenders unconditionally (May 7).

CAMPAIGNS OF WORLD WAR II

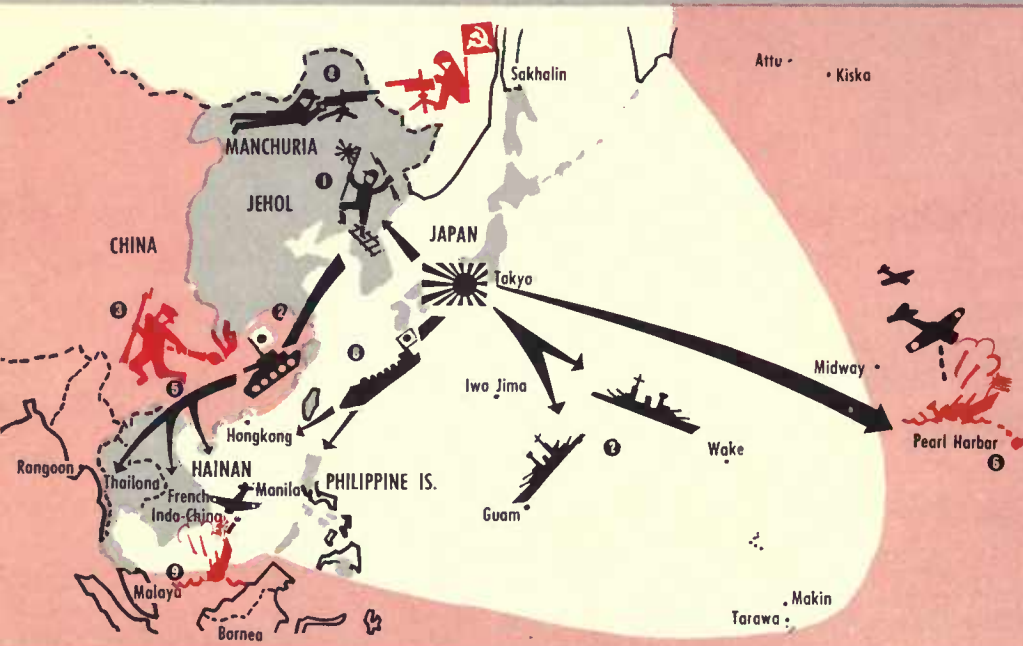
WAR AGAINST



LEGEND



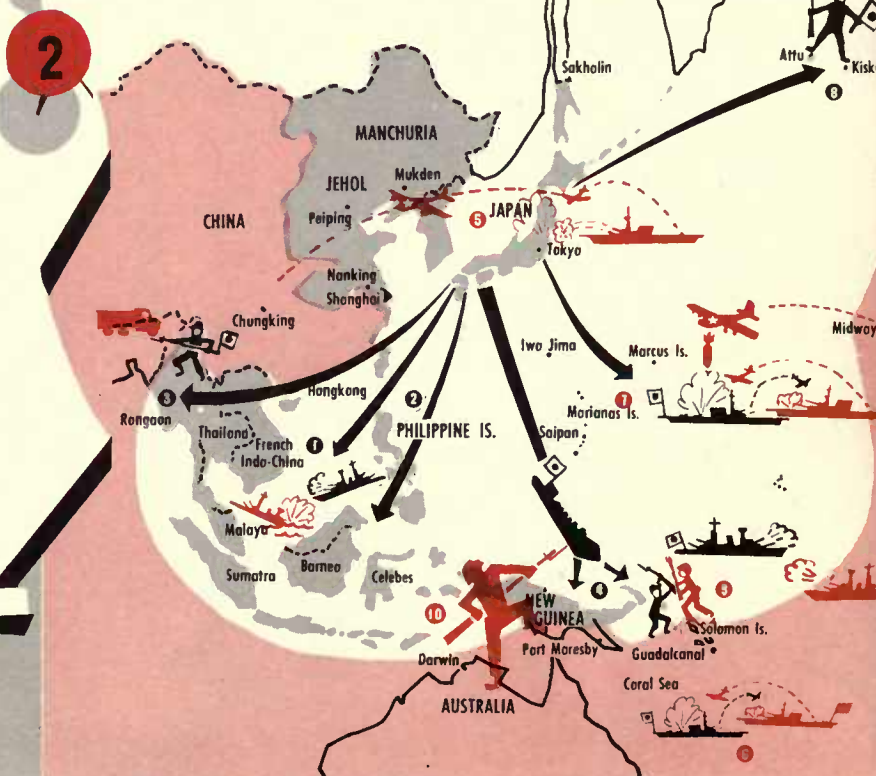
- ① VICTORY
- ▶ ADVANCE
- ◄ WITHDRAWAL
- TERRITORY HELD AT END OF PERIOD
- NEUTRAL NATIONS



1 JAPAN RUNS WILD IN ASIA 1931 — 1941

1. Wrests Manchuria and Jehol provinces from China (1931 - 2).
2. Opens full scale invasion of China (1937). By 1939, has occupied most important east coast cities and rail lines.
3. Chinese army "scorches earth", wages guerilla warfare.
4. Japan fights small scale war with Russia on Manchurian border (May-August, 1939).
5. Moves to cut southern supply lines to China. Occupies Hainan (1939), French Indo-China (1941). Protectorate over Thailand (1940).
6. Sneak attack cripples U. S. fleet at Pearl Harbor (Dec. 7, 1941).
7. Japan captures U. S. outposts at Guam, Wake I.
8. Invades Philippines and captures British port of Hong Kong.
9. Occupies Thailand. Invades Malaya. Sinks two British battleships.

ALLIED FORCES APPLY THE BRAKES 1942



1. Japs eliminate Allied naval forces in East Indies (Jan. - Feb.).
2. Japs overrun Philippines and Dutch East Indies (Jan. - May).
3. Japs invade Burma. Capture Rangoon, cut Burma Road (Jan. - May).
4. Japs invade Solomon Islands and New Guinea (Jan. - March).
5. U. S. Army planes bomb Tokyo in raid from carrier. (April 18).
6. Naval defeats in Coral Sea (May 7 - 8) and (7.) at Midway (June 3 - 6) block further Jap moves south and east.
8. Japan occupies Aleutian islands of Attu and Kiska (June).
9. Marines land on Guadalcanal (Aug. 7), seize Jap airfield. Series of bitter land and naval battles enable us to build up supplies and cut Jap support (Aug. - Dec.).
10. Allies start New Guinea counterattack (Sept. 29).

ALLIES DENT THE JAP PERIMETER 1943

1. Japs evacuate Guadalcanal (Feb. 7 - 8).
2. Airborne troops spark steady Allied advance in New Guinea.
3. Allied land-based aircraft grow stronger. Destroy big Jap convoy off New Guinea (March 2 - 3).
4. Allies drive Japs out of Central Solomons, invade northern islands.
5. Allies drive off Jap navy, hampering Jap supply lines (July-Aug.).
6. Allies invade Central Pacific, take Makin, Tarawa at heavy cost.
7. U. S. drives Japs out of Attu May 29. They evacuate Kiska Aug. 15.
8. Jap advance in Burma carries to borders of India and China.
9. Allies fly supplies over mountains from India to China.
10. 3 Jap drives toward Chinese "rice bowl" are turned back (Feb., May, Nov.).



ISLAND-HOPPING TOWARD JAPAN 1944

1. In Central Pacific, Allied forces island-hop 2200 miles across Pacific in 4 assaults.
2. Assault pattern is (a) softening up by land-based aircraft, (b) concentrated bombardment by carrier-based aircraft and warships, (c) invasion by troops.
3. Southwest Pacific forces hop along Solomons and New Guinea to land on Philippines (Oct. 19).
4. Navy wins 2 big air-sea battles, protecting landings in Marianas (June 18), Philippines (Oct. 21 - 23). Jap navy shattered.
5. Allied troops stop Japs at Indian border, recover areas in northwest Burma.
6. New long range B-29 bombers begin attacking Japanese homeland from Saipan and China.
7. China-based aircraft and U. S. submarines take heavy toll of Jap merchant shipping.
8. Jap offensive in China cuts corridor south, causes evacuation of some U. S. airbases.
9. Air Force raids from Aleutians divert Jap fighter strength.



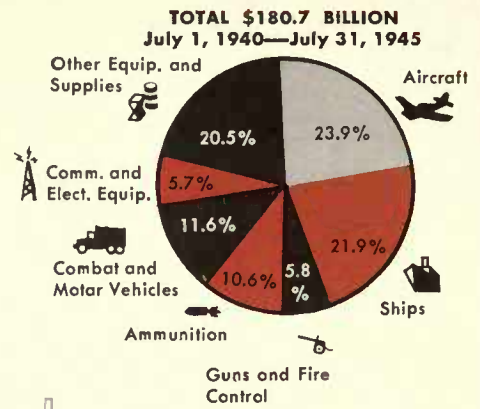
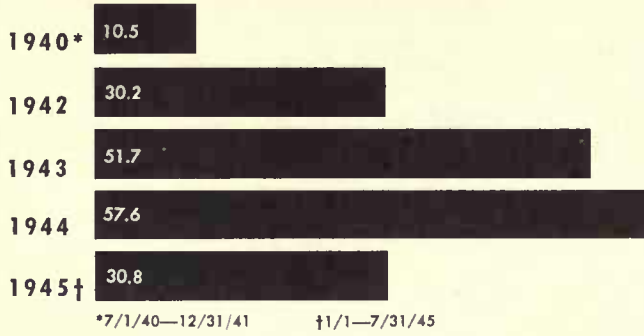
JAPAN SURRENDERS AS ALLIES CLOSE IN 1945

1. Allies fan out in Philippines. Cleared of enemy by July 5.
2. Land-based aircraft, carrier aircraft and warships soften up future targets (Jan. - Aug.).
3. Marines invade Iwo Jima, win bloody battle (Feb.).
4. Allies hop to Okinawa. Seize airfield. Heavy resistance from Jap suicide fliers and ground troops.
5. Land based aircraft and navy task forces paralyze by-passed Jap strong points.
6. Allies clear north Burma, drive south to capture Rangoon (May 3). Supplies flow into China by land.
7. After offensive in China is stopped short of new American air bases (March - April), Japs begin to pull out of central and south China as homeland is threatened (May).
8. Land based aircraft mount 1000 plane raids against Jap industrial targets. Carrier planes and warships bombard coast (July - August).
9. Russia declares war on Japan, August 8. Drives into Manchuria, Sakhalin.
10. U. S. drops atomic bombs on Hiroshima (Aug. 6), Nagasaki (Aug. 9). Japanese surrender unconditionally Aug. 14.

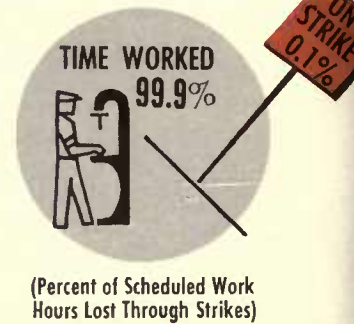
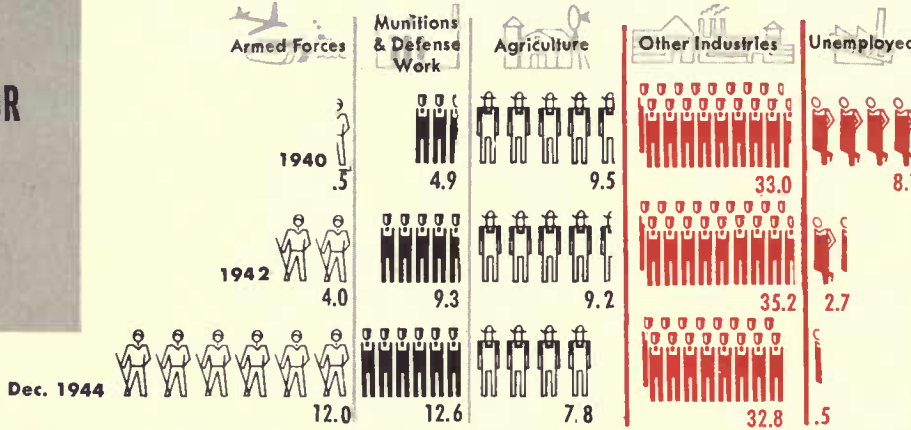


World War II – Home Front Highlights

Munitions Production for a Global War (\$ billions in constant prices)



Manpower Shifts to Meet War Demands



CHAPTER 74

Achievements on the Home Front

Though Japan's raid on our sleeping Pearl Harbor garrison dealt the U. S. a shattering military blow, the political effect was unifying. On Monday, December 8, 1941 the House responded to FDR's call by voting 388-1 for a declaration of war on Japan, while the Senate vote was 82-0. When Germany and Italy on December 11 joined their Axis partner in declaring war on the U. S., Congress returned the compliment without a dissenting vote.

To handle the problem of production and industrial mobilization, FDR set up the War Production Board with Donald Nelson at its head. Under the WPB's leadership, tremendous quantities of munitions were produced—\$180.7 billion worth (July 1, 1940—July 31, 1945), as the chart shows.

How was such an enormous output possible, especially since there was no cut in the total quantity of goods available to civilians? Explains a 1945 WPB report: ". . . It is a fair estimate that manufacturing capacity in the past five years was increased by close to one half."

EXPANSION OF PRODUCTION

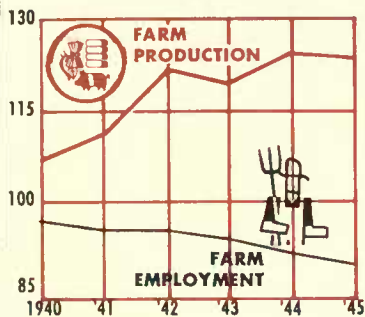
Some new industries were built up almost from scratch, to meet war demands. Magnesium production, for example, increased from 9000 tons in 1939 to 293,000 in 1944. Annual aluminum production grew from 163,500 tons to

920,179. Even the well established steel industry showed a 17% increase, from 81.8 million tons to 91.5 million tons. Much of this industrial expansion was financed by the Federal government, which thus became the dominant owner in a number of industries by 1945.

With this expanding war economy under government control, many hoped that New Deal experiments might be enlarged and continued in the war years. But the President felt that in a war for survival, he could not afford to experiment. Instead he called to Washington the "dollar a year" men—top business executives who served the government without pay, though many of their firms continued their salaries.

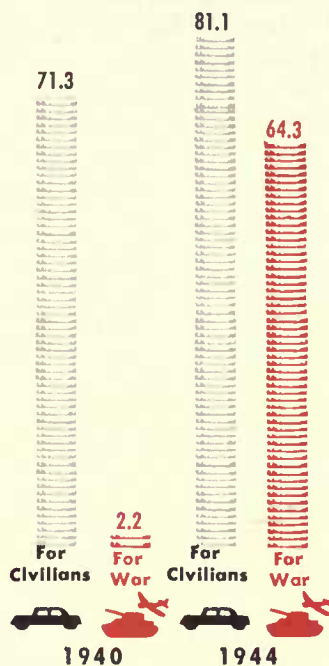
In the main the achievements of the dollar a year men were excellent, as the war production record shows. However, charges were frequently made that they were assigning war contracts to the big corporations with whose production setup they were most familiar. A Senate Small Business Committee study showed that two-thirds of all *prime war contracts* awarded between June 1940 and September 1944 went to no more than 100 corporations. Over half the contracts went to only 33 of these corporations. Small businesses employing less than 500 workers received about 30% of all government ordnance orders—22% through prime contracts plus another 8% through sub-

Farm Production Increased Even Though Employment Decreased (1935-39 = 100)

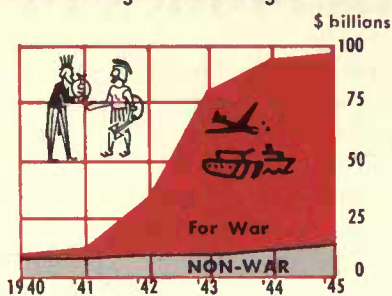


We Produced Both Guns and Butter

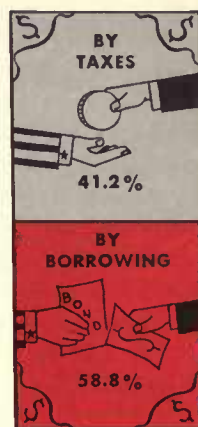
(Share of Gross National Product in billions of 1939 dollars)



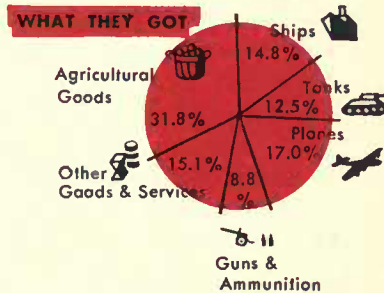
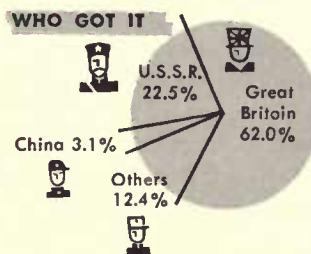
War Expenditures Pushed Federal Budget to New Heights



How Federal Expenditures Were Financed



\$49 Billion in Lend Lease Was Vital to Our Allies



contracts. But this was enough to keep most manufacturers busy during the war.

Though organized war production was highly concentrated, there was widespread voluntary participation in civilian defense activities. Millions of men and women gave time and energy as air-raid wardens, airplane spotters, nurses' aides, and blood donors. The successful functioning of draft and ration boards was based on volunteer labor. Thus, the Office of Price Administration was able to bring some 95% of all essential civilian commodities under price and rent control. As a result, prices rose only 17% during our 44 months in World War II, compared with 30% during our 19 months in World War I.

On the diplomatic front, FDR pursued three main objectives: to weld the anti-Axis powers into a closely cooperating team; to enunciate war aims that would inspire our Allies, gain support from the neutral nations, and attract backers even in the enemy's ranks; to cement firm foundations for postwar cooperation among the Allies.

ATLANTIC CHARTER AND THE BIG THREE CONFERENCES

The first concrete expression of this policy was the Atlantic Charter. Drawn up by Roosevelt and Prime Minister Churchill in August, 1941, it provided: (1) No seizure of territory or other possessions by the U. S. or Britain. (2) Freedom for all peoples to establish and choose their own governments and to decide on proposed territorial changes involving their homelands. (3) Worldwide equality in trade rights and access to raw materials. (4) In-

ternational cooperation for improved labor standards, economic advancement and social security. (5) A stable peace, guaranteeing freedom from fear and want, after the destruction of Nazi tyranny. (6) Freedom of the seas in peacetime. (7) Total disarmament of the aggressors, arms cuts by all peace loving peoples, and abandonment of the use of force. The Charter served as the basis of the United Nations Declaration of January, 1942. Here the U. S., Britain, Russia and 23 other Allied Nations endorsed the charter, pledged an all-out war effort, and agreed not to make a separate peace.

The success of their Atlantic meeting impelled Roosevelt and Churchill to hold further personal conferences, and to include other heads of states in them. In November 1943 they held a meeting with China's Chiang Kai-Shek in Cairo. An agreement was made to compel Japan's unconditional surrender, return to China all territories stolen by Japan, and establish Korea as an independent state.

A few days later, FDR and Churchill conferred with Stalin in the Iranian capital of Teheran. Here they agreed on a program for the defeat of Germany and the necessity of working together after the war. Meeting again at the Black Sea city of Yalta in February 1945, the Big Three outlined their program for Germany: to force her unconditional surrender, then to occupy her and destroy the Nazi Party. Agreement was also reached for Russia to enter the war against Japan. Plans were made to set up new governments in liberated Europe. And a convention was scheduled for the purpose of writing a permanent charter for the United Nations.

Responsibilities of World Leadership

During World War II a spirit of friendship and cooperation grew up between Russia and her western allies, stimulated by the common fight against the Nazis. But when difficulties and misunderstandings began to develop in the postwar period, the war-born fellowship quickly faded. Communist Parties in the eastern European lands bordering on Russia seized control of their countries' governments, and brought them under the control of the Soviet Union. Meanwhile the United States used military and economic aid to rally her allies against Communism.

The growing hostility between East and West found frequent expression on the floor of UN meetings. Any one of the five big powers (China, France, Great Britain, the Soviet Union, and the United States) can block effective action in the UN's Security Council by casting a negative vote. Russia had exercised this veto more than 50 times by the end of 1952. Despite this handicap the UN worked earnestly, and often successfully, in many fields, as the charts show. And though infrequent, cooperation between East and West could bring results. This was proved by Israel and Indonesia—new nations formed by UN vote and helped to survive military attack by UN action.

THE COLD WAR

Elsewhere throughout the world, East and West were in frequent conflict in the period after 1946. It was a "cold war" which, for the U. S. and Russia, stopped just short of armed conflict until the Korean War. But the antagonists fought with propaganda and economic measures, and backed opposite sides in wars in China, Greece, Indo-China, Malaya and Burma.

Before the start of the cold war the United States had developed a two-part foreign policy. It included (1) support of the UN and an end to isolation, and (2) the establishment of world peace, along with disarmament, and denazification of the conquered nations. The first policy has been maintained; the second achieved in part.

As the "cold war" developed, the U. S. formulated a further, dominant policy of containing Russia within her existing sphere of influence. Known as the "Truman Doctrine," the policy was stated this way during the President's request to Congress (1947) for money to aid Greece and Turkey in warding off Russian aggression:

"At the present moment in world history' nearly every nation must choose between alternative ways of life . . . One way of life is based upon the will of the majority, and is distinguished by free institutions, representative government, free elections, guarantees of individual liberty, freedom of speech and religion and freedom from political oppression. The second way of life is based upon the will of a minority forcibly imposed upon the majority. It relies upon terror and oppression, a controlled press and radio, fixed elections and suppression of personal freedom. I believe it must be the policy of the United States to support free peoples who are resisting attempted subjection to armed minorities or by outside pressures."

Two months later General George C. Marshall, then Secretary of State, added to the Truman Doctrine an offer of American aid to Europe to rebuild her economic life.

Sixteen nations (including Trieste) took advantage of the "Marshall Plan," but Russia and the countries she controlled did not. The Marshall Plan provided food to keep its 16 member nations alive during the hard winter of 1947-48. But its real aim was to help restore economic life. Its effectiveness may be measured by the fact that it boosted Western Europe's production index 50 points—to 137 in 1951 from 87 in 1947 (1948 = 100). By the end of 1951 (when the Mutual Security Administration took over), \$12.5 billion had been spent to help Europe under the Marshall Plan.

To counter the formidable military strength of Russia and her satellites, the United States joined Western Europe in setting up a defensive military alliance. In 1949, we signed the North Atlantic treaty with Canada, Britain, France and 8 other European nations—later joined by Greece and Turkey. It established a twenty-year alliance designed to prevent war. But if war should come, the allies pledged to fight side by side. Military aid to make the alliance effective has been provided by the United States. And 3 American generals, Eisenhower, Ridgway and Gruenther, have been the first Commanders of the NATO armies.

THE KOREAN WAR

However, it was the Far East, rather than Europe, that saw the most serious clash develop between the Soviets and the U. S. On June 26, 1950, a Communist North Korean army invaded the UN-sponsored Republic of South Korea. The UN Security Council, with Russia absent, approved the U. S. plan to give aid. The Council called upon the North Koreans to cease hostilities and withdraw. When they ignored this order, a large scale war developed.

Russian equipment and Chinese Communist manpower soon formed the backbone of the North Korean forces. U. S. troops and equipment were the keystone of the UN defense. After a year of bitter fighting that swept up and down Korea, a military deadlock developed. Negotiations were begun for an armistice; it took 2 years before the negotiators were able to conclude an uneasy truce.

The death of Stalin, coming shortly after President Eisenhower took office, seemed to offer an opportunity to review the status of the "cold war." President Eisenhower seized the opportunity in a speech on April 16, 1953, saying:

"Now a new leadership has assumed power in the Soviet Union. Its links to the past, however strong, cannot bind it completely. Its future is, in great part, its own to make.

"This new leadership confronts a free world aroused, as rarely in its history, by the will to stay free . . .

"So the new Soviet leadership now has a precious opportunity to awaken, with the rest of the world, to the point of peril reached, and to help turn the tide of history.

"Will it do this?

"We do not yet know. Recent statements and gestures of Soviet leaders give some evidence that they may recognize this critical moment.

"We welcome every honest act of peace.

"We care nothing for mere rhetoric."

the U. N. setup and how it works

ECONOMIC & SOCIAL COUNCIL



18 members elected by Assembly. Studies economic and social problems through commissions and specialized agencies (listed below) which are associated with Council.

TRUSTEESHIP COUNCIL



Includes Big Five and all notions that administer trust territories, plus an equal number of others—elected by Assembly—who do not administer such territories.

GENERAL ASSEMBLY



Up to 5 delegates from each of the Member nations, but only 1 vote for each nation. It may discuss any questions within the scope of the Charter, and submit recommendations to Members or to the Security Council.

SECURITY COUNCIL



11 members—the Big Five permanent, other 6 elected for two-year terms by Assembly. It investigates international disputes, takes action against aggressors if necessary.

SECRETARIAT



Includes research and administrative staffs. Is headed by Secretary-General who reports to Assembly and Security Council.

DISARMAMENT COMMISSION



Includes 11 members of Security Council plus Canada. Considers proposals for: (1) regulation, limitation, reduction of all armed forces, and (2) effective international control of atomic energy.

MILITARY STAFF COMMITTEE



Composed of Chiefs of Staff of the Big Five. Under Council, advises on armed forces to be placed at disposal of U. N.

INTERNATIONAL COURT



15 members elected by the Assembly and Security Council voting independently. Court meets in permanent session to decide legal disputes submitted to it which arise between nations.

INTERNATIONAL LABOUR ORGANISATION—Aims to raise world employment, welfare standards. Includes labor-management delegates.

FOOD AND AGRICULTURE ORGANIZATION—Seeks to raise world food and nutrition standards through research and missions of experts.

UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION—Organized to foster world intellectual cooperation through education, science and culture.

INTERNATIONAL CIVIL AVIATION ORGANIZATION—Deals with the complex economic and legal problems of commercial air transportation.

INTERNATIONAL BANK—Provides loans for reconstruction and development. Sends out missions to help member countries with banking problems.

INTERNATIONAL MONETARY FUND—Helps members stabilize value of their money and eliminate foreign exchange restrictions.

WORLD HEALTH ORGANIZATION—Serves as research organ and information center on world medical developments. Offers emergency aid in epidemics.

UNIVERSAL POSTAL UNION—Established in 1874 to reduce costs, increase efficiency of international mail service.

INTERNATIONAL TRADE ORGANIZATION—(To be established.) Will promote world trade, reduce tariffs, eliminate restrictions.

WORLD METEOROLOGICAL ORGANIZATION—Provides world-wide weather service to shipping, agriculture, aviation, industry and commerce.

INTER-GOVERNMENTAL MARITIME CONSULTATIVE ORGANIZATION—(To be established) Aims to harmonize all shipping interests, and to increase their safety and efficiency.

INTERNATIONAL TELECOMMUNICATION UNION—Established in 1932 to reduce costs, increase efficiency of international telephone, telegraph, radio services.

ADVISORY COMMISSIONS

Transport & Communications Commission; Fiscal Commission; Statistical Commission; Economic Commission for Europe; Economic Commission for Asia & Far East; Economic

Commission for Latin America; Commission on Human Rights; Social Commission; Commission on Status of Women; Population Commission; Commission on Narcotic Drugs.

life in 1853



why the world needs U. N.'s specialized agencies

life in 1953



Domestic Policies After World War II

The confusion and uncertainty which followed World War I was evident again after World War II. Unlike the period after 1918, the nation, as noted in the last chapter, did not return to isolationism. It did, however, follow the same pattern of rapid demobilization of the armed forces.

Inflationary price rises during and after World War I had reached a peak in 1920, and then had fallen sharply. Prices continued to rise after World War II also—but 8 years later showed no signs of coming down. V-J Day had brought an immediate demand from business leaders to end rationing and price controls. Within a half year the only rationed commodity was sugar. All price controls were lifted by the end of 1946, except those on sugar, rice, and rents.

With the end of price controls, inflation was rapid. By the end of 1952, the index of consumer prices was 90% above the 1935-39 average. Clothing and food had more than doubled in price. Although the income of certain professional groups lagged behind increased costs, this was not true of organized labor—which continued to be strong and was able to keep abreast of inflation.

INFLATION AND PROSPERITY

The cause of this inflation was clear enough. Good wages during the war and inability to buy had left many with savings that could now be used. Although factories quickly shifted to peacetime production, shortages continued. Before production caught up with the shortages, the nation was again spending billions for rearmament and the Korean War. It was also spending large amounts for the Marshall Plan and to aid Western Europe under the North Atlantic Treaty. Between July 1945-June 1952 the U. S. gave to other countries \$33.6 billion in economic aid and \$4.5 billion in military aid.

Shortages and rearmament brought full employment at high wages. This helped to solve the problem of the 15 million veterans who had returned from the war. Jobs were available. In addition the "G. I. Bill of Rights" (1944) helped many. This act provided for hospitalization, unemployment benefits, and help in obtaining jobs. It also guaranteed loans to G.I.'s for homes, farms, and businesses, and furnished funds for education. By 1951 over 7 million veterans had taken training under the act. The continuation of selective service, necessary for the nation's defense and for the Korean War, also aided veterans by lessening the competition for jobs.

The President urged universal military training and the closer uniting of the armed forces. Congress refused the first request, but granted the second. A National Military Establishment—containing the departments of Army, Navy and Air Force—was set up.

One problem which continued the tensions of war time was that of the atomic bomb. Developed in this country, the bomb's secrets were known fully to the U. S., partially

to Great Britain and Canada. After the war we brought the question of international control of atomic energy before the UN. We proposed a UN Atomic Energy Commission with complete control over the sources of atomic power. It would supervise production, research and distribution of atomic energy, and have the right to inspect production and use in all countries. There could be no veto of its activities. Russia offered instead the outlawing of the bomb by treaties, limited international inspection, punishment of violators by the home government, and the right of veto. Though a large majority of UN members supported the U. S. plan, Russia refused to go along.

Meanwhile, Congress set up a five-man U. S. Commission with exclusive power over our fissionable material for both bombs and scientific uses. The Commission is civilian, not military, and is supervised by a joint committee of nine Senators and nine Representatives. This Commission has continued research in all phases of atomic energy. By 1949, however, Russia had also discovered the secret of the atom bomb, according to a report released by President Truman.

POSTWAR POLITICS

In the mid-term elections of 1946, the Republicans gained control of Congress for the first time in over 15 years. Fortunately for the nation, the foreign policy remained for some time bipartisan. Not so the domestic policy. The new Congress in 1947 cracked down on labor (Chapter 46) in the Taft-Hartley Act. President Truman replied by adding the "Fair Deal" to the New Deal. Highlights of his program were greater federal outlays for education and health services, and a new federal emphasis on civil rights. A combination of Republicans and Southern Democrats prevented passage of this Fair Deal program.

In the presidential campaign of 1948 the Democrats were split three ways. Left wing Democrats, opposed to Truman's foreign policy, supported the Progressive party nominee, Henry Wallace. Some southern Democrats, opposed to an extension of civil rights, nominated J. Strom Thurmond under a States' Rights Democratic Party. The Republicans nominated Thomas E. Dewey a second time. Confounding predictions by the experts, Truman won easily and carried with him a Democratic Congress.

Truman declined to run again in 1952. Thereupon the Democrats picked Governor Adlai E. Stevenson of Illinois, while the Republicans nominated war hero General Dwight D. Eisenhower. The Republicans called for a change—attacking the Truman Administration for corruption and bungling the Korean War. The Democrats claimed that they had brought prosperity, and that an Eisenhower victory would result in a depression.

Eisenhower won by about 6½ million popular votes, and the crushing electoral margin of 442 to 89. But Republican party control of Congress (see Chart, Chapter 70) was won only by the slimmest margin.

THE AMERICAN SCENE TO-DAY: ACHIEVEMENTS AND PROBLEMS

THE MIRACLE OF THE AMERICAN WAY



With only 6% of the world population, we have rolled up this share of world output and ownership

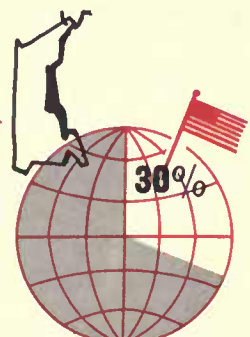
POPULATION



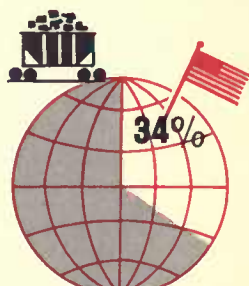
GRAIN PRODUCTION



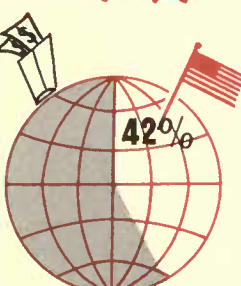
RAILROAD MILEAGE



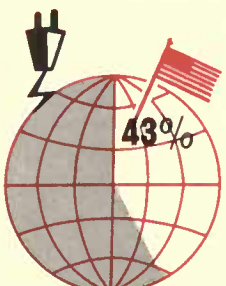
MEAT PRODUCTION



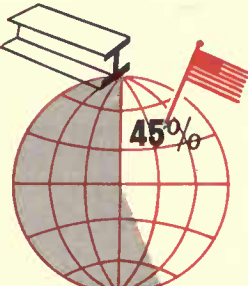
COAL PRODUCTION



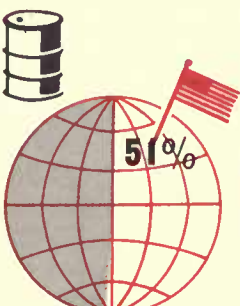
NATIONAL INCOMES (World total)



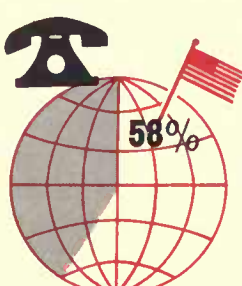
ELECTRIC POWER PRODUCTION



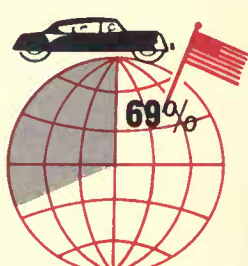
STEEL PRODUCTION



OIL PRODUCTION



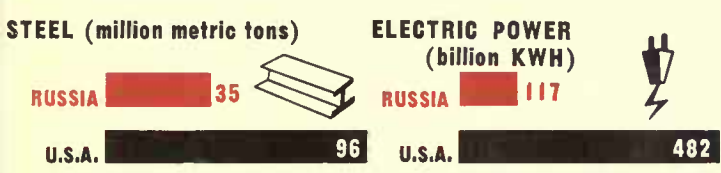
TELEPHONE INSTALLATIONS



AUTO REGISTRATIONS

U. S. PRODUCTION FAR OUTSTRIPS RUSSIA'S... BUT COMMUNISM HAS OVERRUN MANY COUNTRIES SINCE 1939

TOTAL INDUSTRIAL PRODUCTION (Russia as % of U.S.A.)



IN EUROPE



IN ASIA



KEY
 Country overrun by Communism since 1939
 Date native Communists take charge of Gov't

The Declaration of Independence* in Congress, July 4, 1776

THE UNANIMOUS DECLARATION OF THE THIRTEEN UNITED STATES OF AMERICA,

WHEN in the Course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.—We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.—That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed,—That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness. Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes; and accordingly all experience hath shewn, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same Object evinces a design to reduce them under absolute Despotism, it is their right, it is their duty, to throw off such Government, and to provide new Guards for their future security.—Such has been the patient sufferance of these Colonies; and such is now the necessity which constrains them to alter their former Systems of Government. The history of the present King of Great Britain is a history of repeated injuries and usurpations, all having in direct object the establishment of an absolute Tyranny over these States. To prove this, let Facts be submitted to a candid world.—He has refused his Assent to Laws, the most wholesome and necessary for the public good.—He has forbidden his Governors to pass Laws of immediate and pressing importance, unless suspended in their operation till his Assent should be obtained; and when so suspended, he has utterly neglected to attend to them.—He has refused to pass other Laws for the accommodation of large districts of people, unless those people would relinquish the right of Representation in the Legislature, a right inestimable to them and formidable to tyrants only.—He has called together legislative bodies at places unusual, uncomfortable, and distant from the depository of their public Records, for the sole purpose of fatiguing them into compliance with his measures.—He has dissolved Representative Houses repeatedly, for opposing with manly firmness his invasions on the rights of the people.—He has refused for a long time, after such dissolutions, to cause others to be elected; whereby the Legislative powers, incapable of Annihilation, have returned to the People at large for their exercise; the State remaining in the mean time exposed to all the dangers of invasion from without, and convulsions within.—He has endeavoured to prevent the population of these States; for that purpose obstructing the Laws for Naturalization of Foreigners; refusing to pass others to encourage their migration hither, and raising the conditions of new Appropriations of Lands.—He has obstructed the Administration of Justice, by refusing his Assent to Laws for establishing Judiciary powers.—He has made Judges dependent on his Will alone, for the tenure of their offices, and the amount and payment of their salaries.—He has erected a multitude of New Offices, and sent hither swarms of Officers to harass our people, and eat out their substance.—He has kept among us, in times of peace, Standing Armies without the Consent of our legislatures.—He has affected to render the Military independent of and superior to the Civil power.—He has combined with others to subject us to a jurisdiction foreign to our constitution, and unacknowledged by our laws; giving his Assent to their Acts of pretended Legislation:—For quartering large bodies of armed troops among us:—For protecting them, by a mock Trial, from punishment for any Murders which they should commit on the Inhabitants of these States:—For cutting off our Trade with all parts of the world:—For imposing Taxes on us without our Consent:—For depriving us in many cases, of the benefits of Trial by jury:—For transporting us beyond Seas to be tried for pretended offences:—For abolishing the free System of English Laws in a neighbouring Province, establishing therein an Arbitrary government, and enlarging its Boundaries so as to render it at once an example and fit instrument for introducing the same absolute rule into these Colonies:—For taking away our Charters, abolishing our most valuable Laws, and altering fundamentally the Forms of our Governments:—For suspending our own Legislatures, and declaring themselves invested with power to legislate for us in all cases whatsoever.—He has abdicated Government here, by declaring us out of his Protection and waging War against us.—He has plundered our seas, ravaged our Coasts, burnt our towns, and destroyed the lives of our people.—He is at this time transporting large Armies of foreign Mercenaries to compleat the works of death, desolation and tyranny, already begun with circumstances of

* The spelling, capitalization, punctuation, and paragraphing of the original document are here followed, as issued by the Department of State. This famous charter of liberty is now preserved in the Library of Congress. The formal signing was on August 2, 1776.

D E C L A R A T I O N O F I N D E P E N D E N C E

Cruelty & perfidy scarcely paralleled in the most barbarous ages, and totally unworthy the Head of a civilized nation.—He has constrained our fellow Citizens taken Captive on the high Seas to bear Arms against their Country, to become the executioners of their friends and Brethren, or to fall themselves by their Hands.—He has excited domestic insurrections amongst us, and has endeavoured to bring on the inhabitants of our frontiers, the merciless Indian Savages, whose known rule of warfare, is an undistinguished destruction of all ages, sexes and conditions. In every stage of these Oppressions We have Petitioned for Redress in the most humble terms: Our repeated Petitions have been answered only by repeated injury. A Prince, whose character is thus marked by every act which may define a Tyrant, is unfit to be the ruler of a free people. Nor have We been wanting in attentions to our British brethren. We have warned them from time to time of attempts by their legislature to extend an unwarrantable jurisdiction over us. We have reminded them of the circumstances of our emigration and settlement here. We have appealed to their native justice and magnanimity, and we have conjured them by the ties of our common kindred to disavow these usurpations, which, would inevitably interrupt our connections and correspondence. They too have been deaf to the voice of justice and of consanguinity. We must, therefore, acquiesce in the necessity, which denounces our Separation, and hold them, as we hold the rest of mankind, Enemies in War, in Peace Friends.—

WE, THEREFORE, THE REPRESENTATIVES OF THE UNITED STATES OF AMERICA, in General Congress, Assembled, appealing to the Supreme Judge of the world for the rectitude of our intentions, do, in the Name, and by authority of the good People of these Colonies, solemnly publish and declare, That these United Colonies are, and of Right ought to be FREE AND INDEPENDENT STATES; that they are Absolved from all Allegiance to the British Crown, and that all political connection between them and the State of Great Britain, is and ought to be totally dissolved; and that as Free and Independent States, they have full Power to levy War, conclude Peace, contract Alliances, establish Commerce, and to do all other Acts and Things which independent States may of right do.—And for the support of this Declaration, with a firm reliance on the protection of divine Providence, we mutually pledge to each other our Lives, our Fortunes and our sacred Honor.

John Hancock

Button Gwinnett
Lyman Hall
Geo Walton.
W^m Hooper
Joseph Hewes
John Penn
Edward Rutledge.
Tho^s Heyward Jun^r.
Thomas Lynch Jun^r.
Arthur Middleton
Samuel Chase
Carter Braxton
Rob^t Morris
Benjamin Rush
Benj^a. Franklin
John Morton
Geo Clymer
Ja^s. Smith.
Geo. Taylor

James Wilson
Geo. Ross
Casar Rodney
Geo Read
Tho M: Kean
W^m. Floyd
Phil. Livingston
Fran^s. Lewis
Lewis Morris
Rich^d. Stockton
W^m. Paca
Tho^s. Stone
Charles Carroll of
 Carrollton
George Wythe
Richard Henry Lee.
Th Jefferson
Benj^s Harrison
Tho^s Nelson Jr.

Francis Lightfoot
 Lee
Jn^o Witherspoon
Fra^s. Hopkinson
John Hart
Abra Clark
Josiah Bartlett
W^m. Whipple
Sam^l Adams
John Adams
Rob^t Treat Payne
Elbridge Gerry
Step Hopkins
William Ellery
Roger Sherman
Sam^{el} Huntington
Wm. Williams
Oliver Wolcott
Matthew Thornton

The Constitution of the United States

WE THE PEOPLE of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this CONSTITUTION for the United States of America.

ARTICLE I

Section 1. All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Section 2. ¹ The House of Representatives shall be composed of Members chosen every second Year by the People of the several States, and the Electors in each State shall have the Qualifications requisite for Electors of the most numerous Branch of the State Legislature.

² No Person shall be a Representative who shall not have attained to the Age of twenty-five Years, and been seven Years a Citizen of the United States, and who shall not, when elected, be an Inhabitant of that State in which he shall be chosen.

³ * [Representatives and direct Taxes shall be apportioned among the several States which may be included within this Union, according to their respective Numbers, which shall be determined by adding to the whole Number of free Persons, including those bound to Service for a Term of Years, and excluding Indians not taxed, three fifths of all other Persons.] The actual Enumeration shall be made within three Years after the first Meeting of the Congress of the United States, and within every subsequent Term of ten Years, in such Manner as they shall by Law direct. The Number of Representatives shall not exceed one for every thirty Thousand, but each State shall have at Least one Representative; and until such enumeration shall be made, the State of New Hampshire shall be entitled to chuse three, Massachusetts eight, Rhode-Island and Providence Plantations one, Connecticut five, New-York six, New Jersey four, Pennsylvania eight, Delaware one, Maryland six, Virginia ten, North Carolina five, South Carolina five, and Georgia three.

⁴ When vacancies happen in the Representation from any State, the Executive Authority thereof shall issue Writs of Election to fill such Vacancies.

⁵ The House of Representatives shall chuse their Speaker and other Officers; and shall have the sole Power of Impeachment.

¹ *Section 3.* † The Senate of the United States shall be composed of two Senators from each State, [chosen by the Legislature] thereof, for six Years; and each Senator shall have one Vote.

² Immediately after they shall be assembled in Consequence of the first Election, they shall be divided as equally as may be into three Classes. The Seats of the Senators of the first Class shall be vacated at the Expiration of the Second Year, of the second Class at the Expiration of the fourth Year, and of the third Class at the Expiration of the sixth Year, so that one-third may be chosen every second Year; [and if Vacancies happen by Resignation, or otherwise, during the Recess of the Legislature of any State, the Executive thereof may make temporary Appointments until the next Meeting of the Legislature, which shall then fill such Vacancies]. †

³ No Person shall be a Senator who shall not have attained to the Age of thirty Years, and been nine Years a Citizen of the United States, and who shall not, when elected, be an Inhabitant of that State for which he shall be chosen.

⁴ The Vice President of the United States shall be President of the Senate, but shall have no Vote, unless they be equally divided.

⁵ The Senate shall chuse their other Officers, and also a President pro tempore, in the absence of the Vice President, or when he shall exercise the Office of President of the United States.

⁶ The Senate shall have the sole Power to try all Impeachments. When sitting for that Purpose, they shall be on Oath or Affirmation. When the President of the United States is tried, the Chief Justice shall preside: And no Person shall be convicted without the Concurrence of two-thirds of the Members present.

⁷ Judgment in Cases of Impeachment shall not extend further than to removal from Office, and disqualification to hold and enjoy any Office of honor, Trust, or Profit under the United States: but the Party convicted shall nevertheless be liable and subject to Indictment, Trial, Judgment, and Punishment, according to Law.

* The part included in heavy brackets was repealed by section 2 of amendment XIV.

† The part included in heavy brackets was changed by clause I of amendment XVII.

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Section 4. ¹ The Times, Places and Manner of holding Elections for Senators and Representatives, shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by Law make or alter such Regulations, except as to the Places of chusing Senators.

² The Congress shall assemble at least once in every Year, and such Meeting shall [be on the first Monday in December,] unless they shall by Law appoint a different Day. *

Section 5. ¹ Each House shall be the Judge of the Elections, Returns, and Qualifications of its own Members, and a Majority of each shall constitute a Quorum to do Business; but a smaller Number may adjourn from day to day, and may be authorized to compel the Attendance of absent Members, in such Manner, and under such Penalties as each House may provide.

² Each House may determine the Rules of its Proceedings, punish its Members for disorderly Behavior, and, with the Concurrence of two thirds, expel a Member.

³ Each House shall keep a Journal of its Proceedings, and from time to time publish the same, excepting such Parts as may in their Judgment require Secrecy; and the Yeas and Nays of the Members of either House on any question shall, at the Desire of one fifth of those Present, be entered on the Journal.

⁴ Neither House, during the Session of Congress, shall, without the Consent of the other, adjourn for more than three days, nor to any other Place than that in which the two Houses shall be sitting.

Section 6. ¹ The Senators and Representatives shall receive a Compensation for their Services, to be ascertained by Law, and paid out of the Treasury of the United States. They shall in all Cases, except Treason, Felony and Breach of the Peace, be privileged from Arrest during their Attendance at the Session of their respective Houses, and in going to and returning from the same; and for any Speech or Debate in either House, they shall not be questioned in any other Place.

² No Senator or Representative shall, during the Time for which he was elected, be appointed to any civil Office under the Authority of the United States, which shall have been created, or the Emoluments whereof shall have been increased during such time; and no Person holding any Office under the United States, shall be a Member of either House during his Continuance in Office.

Section 7. ¹ All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills.

² Every Bill which shall have passed the House of Representatives and the Senate, shall, before it become a Law, be presented to the President of the United States; if he approve he shall sign it, but if not he shall return it, with his Objections to that House in which it shall have originated, who shall enter the Objections at large on their Journal, and proceed to reconsider it. If after such Reconsideration two thirds of that House shall agree to pass the Bill, it shall be sent, together with the Objections, to the other House, by which it shall likewise be reconsidered, and if approved by two thirds of that House, it shall become a Law. But in all such Cases the Votes of both Houses shall be determined by Yeas and Nays, and the Names of the Persons voting for and against the Bill shall be entered on the Journal of each House respectively. If any Bill shall not be returned by the President within ten Days (Sundays excepted) after it shall have been presented to him, the Same shall be a Law, in like Manner as if he had signed it, unless the Congress by their Adjournment prevent its Return, in which Case it shall not be a Law.

³ Every Order, Resolution, or Vote to which the Concurrence of the Senate and House of Representatives may be necessary (except on a question of Adjournment) shall be presented to the President of the United States; and before the Same shall take Effect, shall be approved by him, or being disapproved by him, shall be repassed by two thirds of the Senate and House of Representatives, according to the Rules and Limitations prescribed in the Case of a Bill.

Section 8. The Congress shall have Power ¹ To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;

² To borrow money on the credit of the United States;

³ To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;

⁴ To establish a uniform Rule of Naturalization,¹ and uniform Laws on the subject of Bankruptcies throughout the United States; ²

⁵ To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures;

⁶ To provide for the Punishment of counterfeiting the Securities and current Coin of the United States;

⁷ To Establish Post Offices and post Roads;

⁸ To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

⁹ To constitute Tribunals inferior to the supreme Court;

¹⁰ To define and punish Piracies and Felonies committed on the high Seas, and Offenses against the Law of Nations;

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¹¹ To declare War, grant Letters of Marque and Reprisal, and make Rules concerning Captures on Land and Water;

¹² To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years;

¹³ To provide and maintain a Navy;

¹⁴ To make Rules for the Government and Regulation of the land and naval Forces;

¹⁵ To provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections and repel Invasions;

¹⁶ To provide for organizing, arming, and disciplining the Militia, and for governing such Part of them as may be employed in the Service of the United States, reserving to the States respectively, the Appointment of the Officers, and the Authority of training the Militia according to the discipline prescribed by Congress;

¹⁷ To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square) as may, by Cession of particular States, and the acceptance of Congress, become the Seat of the Government of the United States, and to exercise like Authority over all Places purchased by the Consent of the Legislature of the State in which the Same shall be, for the Erection of Forts, Magazines, Arsenals, dock-Yards, and other needful Buildings;—And

¹⁸ To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

Section 9. ¹ The Migration or Importation of Such Persons as any of the States now existing shall think proper to admit, shall not be prohibited by the Congress prior to the Year one thousand eight hundred and eight, but a tax or duty may be imposed on such Importation, not exceeding ten dollars for each Person.

² The privilege of the Writ of Habeas Corpus shall not be suspended, unless when in Cases of Rebellion or Invasion the public Safety may require it.

³ No Bill of Attainder or ex post facto Law shall be passed.

⁴ No capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or Enumeration herein before directed to be taken.

⁵ No Tax or Duty shall be laid on Articles exported from any State.

⁶ No preference shall be given by any Regulation of Commerce or Revenue to the Ports of one State over those of another: nor shall Vessels bound to, or from, one State be obliged to enter, clear, or pay Duties in another.

⁷ No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.

⁸ No Title of Nobility shall be granted by the United States: And no Person holding any Office of Profit or Trust under them, shall, without the Consent of the Congress, accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State.

Section 10. ¹ No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; ¹ make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of Attainder, ex post facto Law,³ or Law impairing the Obligation of Contracts,⁴ or grant any Title of Nobility.

² No State shall, without the Consent of the Congress, lay any Imposts or Duties on Imports or Exports, except what may be absolutely necessary for executing its inspection Laws: and the net Produce of all Duties and Imposts, laid by any State on Imports or Exports, shall be for the Use of the Treasury of the United States; and all such Laws shall be subject to the Revision and Control of the Congress.

³ No State shall, without the Consent of Congress, lay any duty of Tonnage, keep Troops, or Ships of War in time of Peace, enter into any Agreement or Compact with another State, or with a foreign Power, or engage in War, unless actually invaded, or in such imminent Danger as will not admit of delay.

ARTICLE II

Section 1. ¹ The executive Power shall be vested in a President of the United States of America. He shall hold his Office during the Term of four Years, and, together with the Vice-President, chosen for the same Term, be elected, as follows:

² Each State shall appoint, in such Manner as the Legislature thereof may direct, a Number of Electors, equal to the whole Number of Senators and Representatives to which the State may be entitled in the Congress: but no Senator or Representative, or Person holding an Office of Trust or Profit under the United States, shall be appointed an Elector.

† [The Electors shall meet in their respective States, and vote by Ballot for two persons, of whom one at least shall not be an Inhabitant of the same State with themselves. And they shall make a List of all the Persons voted for, and of the

* See also the sixteenth amendment.

† This paragraph has been superseded by amendment XII.

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Number of Votes for each; which List they shall sign and certify, and transmit sealed to the Seat of the Government of the United States, directed to the President of the Senate. The President of the Senate shall, in the Presence of the Senate and House of Representatives, open all the Certificates, and the Votes shall then be counted. The Person having the greatest Number of Votes shall be the President, if such Number be a Majority of the whole Number of Electors appointed; and if there be more than one who have such Majority, and have an equal Number of Votes, then the House of Representatives shall immediately chuse by Ballot one of them for President; and if no Person have a Majority, then from the five highest on the List the said House shall in like Manner chuse the President. But in chusing the President, the Votes shall be taken by States, the Representation from each State having one Vote; A quorum for this Purpose shall consist of a Member or Members from two-thirds of the States, and a Majority of all the States shall be necessary to a Choice. In every Case, after the Choice of the President, the Person having the greatest Number of Votes of the Electors shall be the Vice President. But if there should remain two or more who have equal Votes, the Senate shall chuse from them by Ballot the Vice-President.]

³ The Congress may determine the Time of chusing the Electors, and the Day on which they shall give their Votes; which Day shall be the same throughout the United States.

⁴ No person except a natural born Citizen, or a Citizen of the United States, at the time of the Adoption of this Constitution, shall be eligible to the Office of President; neither shall any Person be eligible to that Office who shall not have attained the Age of thirty-five Years, and been fourteen Years a Resident within the United States.

⁵ In case of the removal of the President from Office, or of his Death, Resignation, or Inability to discharge the Powers and Duties of the said Office, the same shall devolve on the Vice President, and the Congress may by Law provide for the Case of Removal, Death, Resignation or Inability, both of the President and Vice President, declaring what Officer shall then act as President, and such Officer shall act accordingly, until the Disability be removed, or a President shall be elected.

⁶ The President shall, at stated Times, receive for his Services, a Compensation, which shall neither be increased nor diminished during the Period for which he shall have been elected, and he shall not receive within that Period any other Emolument from the United States, or any of them.

⁷ Before he enter on the Execution of his Office, he shall take the following Oath or Affirmation:—"I do solemnly swear (or affirm) that I will faithfully execute the Office of President of the United States, and will to the best of my Ability, preserve, protect and defend the Constitution of the United States."

Section 2 ¹ The President shall be Commander in Chief of the Army and Navy of the United States, and of the Militia of the several States, when called into the actual Service of the United States; he may require the Opinion, in writing, of the principal Officer in each of the executive Departments, upon any subject relating to the Duties of their respective Offices, and he shall have Power to grant Reprieves and Pardons for Offenses against the United States, except in Cases of Impeachment.

² He shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two-thirds of the Senators present concur; and he shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the supreme Court, and all other Officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law; but the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.

³ The President shall have Power to fill up all Vacancies that may happen during the Recess of the Senate, by granting Commissions which shall expire at the End of their next Session.

Section 3. He shall from time to time give to the Congress Information of the State of the Union, and recommend to their Consideration such Measures as he shall judge necessary and expedient; he may, on extraordinary Occasions, convene both Houses, or either of them, and in Case of Disagreement between them, with Respect to the Time of Adjournment, he may adjourn them to such Time as he shall think proper; he shall receive Ambassadors and other public Ministers; he shall take Care that the Laws be faithfully executed, and shall Commission all the Officers of the United States.

Section 4. The President, Vice President and all civil Officers of the United States, shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors.

ARTICLE III

Section 1. The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish. The Judges, both of the supreme and inferior Courts, shall hold their Offices during good Behaviour, and shall, at stated Times, receive for their Services a Compensation which shall not be diminished during their Continuance in Office.

Section 2. ¹ The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws

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of the United States, and Treaties made, or which shall be made, under their Authority;—to all Cases affecting Ambassadors, other public Ministers and Consuls;—to all Cases of admiralty and maritime Jurisdiction;—to Controversies to which the United States shall be a Party;—to Controversies between two or more States;—between a State and Citizens of another State;—between Citizens of different States;—between Citizens of the same State claiming Lands under Grants of different States, and between a State, or the Citizens thereof, and foreign States, Citizens or Subjects.

² In all Cases affecting Ambassadors, other public Ministers and Consuls, and those in which a State shall be Party, the supreme Court shall have original Jurisdiction. In all the other Cases before mentioned, the supreme Court shall have appellate Jurisdiction, both as to Law and Fact, with such Exceptions, and under such Regulations as the Congress shall make.

³ The trial of all Crimes, except in Cases of Impeachment, shall be by Jury; and such Trial shall be held in the State where the said Crimes shall have been committed; but when not committed within any State, the Trial shall be at such Place or Places as the Congress may by Law have directed.

Section 3. ¹ Treason against the United States, shall consist only in levying War against them, or, in adhering to their Enemies, giving them Aid and Comfort. No Person shall be convicted of Treason unless on the Testimony of two Witnesses to the same overt Act, or on Confession in open Court.

² The Congress shall have power to declare the Punishment of Treason, but no Attainder of Treason shall work Corruption of Blood, or Forfeiture except during the Life of the Person attainted.

ARTICLE IV

Section 1. Full Faith and Credit shall be given in each State to the public Acts, Records, and judicial Proceedings of every other State. And the Congress may by general Laws prescribe the Manner in which such Acts, Records and Proceedings shall be proved, and the Effect thereof.

Section 2. ¹ The Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several States.

² A Person charged in any State with Treason, Felony, or other Crime, who shall flee from Justice, and be found in another State, shall on demand of the executive Authority of the State from which he fled, be delivered up, to be removed to the State having Jurisdiction of the Crime. *Innes v. Tobin*, 240 U. S., 127.

³ No Person held to Service or Labour in one State, under the Laws thereof, escaping into another, shall, in Consequence of any Law or Regulation therein, be discharged from such Service or Labour, but shall be delivered up on Claim of the Party to whom such Service or Labour may be due.

Section 3. ¹ New States may be admitted by the Congress into this Union; but no new State shall be formed or erected within the Jurisdiction of any other State; nor any State be formed by the Junction of two or more States, or parts of States, without the Consent of the Legislatures of the States concerned as well as of the Congress.

² The Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States; and nothing in this Constitution shall be so construed as to Prejudice any Claims of the United States, or of any particular State.

Section 4. The United States shall guarantee to every State in this Union a Republican Form of Government, and shall protect each of them against Invasion; and on Application of the Legislature, or of the Executive (when the Legislature cannot be convened) against domestic Violence.

ARTICLE V

The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two-thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as part of this Constitution, when ratified by the Legislatures of three-fourths of the several States, or by Conventions in three-fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress; Provided that no Amendment which may be made prior to the Year One thousand eight hundred and eight shall in any Manner affect the first and fourth Clauses in the Ninth Section of the first Article; and that no State, without its Consent, shall be deprived of its equal Suffrage in the Senate.

ARTICLE VI

¹ All Debts contracted and Engagements entered into, before the Adoption of this Constitution shall be as valid against the United States under this Constitution, as under the Confederation.

² This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the

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Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

³ The Senators and Representatives before mentioned, and the Members of the several State Legislatures, and all executive and judicial Officers, both of the United States and of the several States, shall be bound by Oath or Affirmation, to support this Constitution; but no religious Test shall ever be required as a Qualification to any Office or public Trust under the United States.

ARTICLE VII

The Ratification of the Conventions of nine States shall be sufficient for the Establishment of this Constitution between the States so ratifying the Same.

ARTICLES IN ADDITION TO, AND AMENDMENT OF, THE CONSTITUTION OF THE UNITED STATES OF AMERICA, PROPOSED BY CONGRESS, AND RATIFIED BY THE LEGISLATURES OF THE SEVERAL STATES, PURSUANT TO THE FIFTH ARTICLE OF THE ORIGINAL CONSTITUTION

AMENDMENT I

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

AMENDMENT II

A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed.

AMENDMENT III

No Soldier shall, in time of peace be quartered in any house, without the consent of the Owner, nor in time of war, but in a manner to be prescribed by law.

AMENDMENT IV

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

AMENDMENT V

No person shall be held to answer for a capital or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

AMENDMENT VI

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the Assistance of Counsel for his defence.

AMENDMENT VII

In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by jury, shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law.

AMENDMENT VIII

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

THE UNITED STATES CONSTITUTION

AMENDMENT IX

The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

AMENDMENT X

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

AMENDMENT XI

The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.

AMENDMENT XII

The electors shall meet in their respective states and vote by ballot for President and Vice-President, one of whom, at least, shall not be an inhabitant of the same state with themselves; they shall name in their ballots the person voted for as President, and in distinct ballots the person voted for as Vice-President, and they shall make distinct lists of all persons voted for as President, and of all persons voted for as Vice-President, and of the number of votes for each, which lists they shall sign and certify, and transmit sealed to the seat of the government of the United States, directed to the President of the Senate;—The President of the Senate shall, in presence of the Senate and House of Representatives, open all the certificates and the votes shall then be counted;—The person having the greatest number of votes for President, shall be the President, if such number be a majority of the whole number of Electors appointed; and if no person have such majority, then from the persons having the highest numbers not exceeding three on the list of those voted for as President, the House of Representatives shall choose immediately, by ballot, the President. But in choosing the President, the votes shall be taken by states, the representation from each state having one vote; a quorum for this purpose shall consist of a member or members from two-thirds of the states, and a majority of all the states shall be necessary to a choice. * [And if the House of Representatives shall not choose a President when ever the right of choice shall devolve upon them, before the fourth day of March next following, then the Vice-President shall act as President, as in the case of the death or other constitutional disability of the President.]—The person having the greatest number of votes as Vice-President, shall be the Vice-President, if such number be a majority of the whole number of Electors appointed, and if no person have a majority, then from the two highest numbers on the list, the Senate shall choose the Vice-President; a quorum for the purpose shall consist of two-thirds of the whole number of Senators, and a majority of the whole number shall be necessary to a choice. But no person constitutionally ineligible to the office of President shall be eligible to that of Vice-President of the United States.

AMENDMENT XIII

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.

AMENDMENT XIV

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. 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; nor deny to any person within its jurisdiction the equal protection of the laws.

Section 2. Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice-President of the United States, Representatives in Congress, the Executive and Judicial officers of a State, or the members of the Legislature thereof, is denied to any of the male inhabitants of such State, being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State.

* The part included in heavy brackets has been superseded by section 3 of amendment XX.

THE UNITED STATES CONSTITUTION

Section 3. 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.

Section 4. The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.

Section 5. The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

AMENDMENT XV

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 power to enforce this article by appropriate legislation.

AMENDMENT XVI

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

AMENDMENT XVII

The Senate of the United States shall be composed of two Senators from each State, elected by the people thereof, for six years; and each Senator shall have one vote. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures.

When vacancies happen in the representation of any State in the Senate, the executive authority of such State shall issue writs of election to fill such vacancies: *Provided*, That the legislature of any State may empower the executive thereof to make temporary appointments until the people fill the vacancies by election as the legislature may direct.

This amendment shall not be so construed as to affect the election or term of any Senator chosen before it becomes valid as part of the Constitution.

AMENDMENT XVIII

Section 1. After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

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

Section 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.

AMENDMENT XIX

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 sex.

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

AMENDMENT XX

Section 1. The terms of the President and Vice-President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January, of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

Section 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

THE UNITED STATES CONSTITUTION

Section 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice-President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice-President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice-President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice-President shall have qualified.

Section 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice-President whenever the right of choice shall have devolved upon them.

Section 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

Section 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.

AMENDMENT XXI

Section 1. The eighteenth article of amendment to the Constitution of the United States is hereby repealed.

Section 2. The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

Section 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.

AMENDMENT XXII

Section 1. No person shall be elected to the office of the President more than twice, and no person who has held the office of President, or acted as President, for more than two years of a term to which some other person was elected President shall be elected to the office of the President more than once. But this Article shall not apply to any person holding the office of President when this Article was proposed by the Congress, and shall not prevent any person who may be holding the office of President, or acting as President, during the term within which this Article becomes operative from holding the office of President or acting as President during the remainder of such term.

Section 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress.

AMENDMENTS PENDING RATIFICATION

CHILD LABOR AMENDMENT

[68th Cong., 1st sess., H. J. Res. 184]

JOINT RESOLUTION Proposing an amendment to the Constitution of the United States

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which, when ratified by the legislatures of three-fourths of the several States, shall be valid to all intents and purposes as a part of the Constitution:

ARTICLE ———

SECTION 1. The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.

SECTION 2. The power of the several States is unimpaired by this article except that the operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by the Congress.

[NOTE.—This resolution was passed in the House April 26, 1924, and in the Senate June 2, 1924, and signed by the Speaker of the House on June 3, 1924, and by the President pro tempore of the Senate on June 3, 1924.]

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