

Economic History of the United States

Theme: Work, Exchange, and Technology

- In what ways and to what extent have changes in markets, transportation, and technology affected American society?
- In what ways and to what extent have different systems of labor developed over time?
- In what ways and to what extent have debates over economic values and the role of government in the U.S. economy affected politics, society, the economy, and the environment?

Economic Terms

- 1) mercantilism
- 2) laissez faire
- 3) tariff (revenue and protective)
- 4) recession (depression)
- 5) recovery (prosperity)
- 6) inflation (cheap money)
- 7) deflation (hard money)
- 8) specie
- 9) supply
- 10) demand

Period 1: 1491-1607

1. The spread of maize (corn) cultivation from present-day Mexico northward into the American Southwest and beyond supported economic development and social diversification among societies in these areas; a mix of foraging and hunting did the same for societies in the Northwest and areas of California.
2. In the Northeast and along the Atlantic Seaboard some societies developed a mixed agricultural and hunter–gatherer economy that favored the development of permanent villages.
3. The introduction of new crops and livestock (e.g. horses and cows) by the Spanish had far-reaching effects on native settlement patterns, as well as on economic, social, and political development in the Western Hemisphere.

4. In the economies of the Spanish colonies, Indian labor, used in the *encomienda* system to support plantation-based agriculture and extract precious metals (e.g., silver), and other resources (e.g., sugar), was gradually replaced by African slavery.
5. New crops (e.g., corn and potatoes) from the Americas stimulated European population growth, while new sources of mineral wealth facilitated the European shift from feudalism to capitalism.
6. Improvements in technology and more organized methods for conducting international trade helped drive changes to economies in Europe and the Americas.
7. Columbian Exchange
8. *encomienda* system
9. joint stock companies

Period 2: 1607-1754

10. The New England colonies, founded primarily by Puritans seeking to establish a community of like-minded religious believers, developed a close-knit, homogeneous society and — aided by favorable environmental conditions — a thriving mixed economy of agriculture and commerce.
11. The demographically, religiously, and ethnically diverse middle colonies supported a flourishing export economy based on cereal crops, while the Chesapeake colonies and North Carolina relied on the cultivation of tobacco, a labor-intensive product based on white indentured servants and African chattel.
12. The colonies along the southernmost Atlantic coast and the British islands in the West Indies took advantage of long growing seasons by using slave labor to develop economies based on staple crops; in some cases, enslaved Africans constituted the majority of the population.
13. The growth of an Atlantic economy throughout the 18th century created a shared labor market and a wide exchange of New World and European goods, as seen in the African slave trade and the shipment of products from the Americas.
14. Jamestown and the London Company, 1607
15. indentured servitude
16. headright system
17. mercantilism
18. triangular trade
19. Navigation Acts, 1651-1696
20. salutary neglect

Period 3: 1754-1800

21. The continued presence of European powers in North America challenged the United States to find ways to safeguard its borders, maintain neutral trading rights, and promote its economic interests.
22. As national political institutions developed in the new United States, varying regionally based positions on economic, political, social, and foreign policy issues promoted the development of political parties.
23. Sugar Act, 1764
24. Stamp Act, 1765
25. Declaratory Act, 1766
26. Townshend Acts, 1767
27. Adam Smith
28. Shays' Rebellion, 1786-1787
29. Hamilton's Financial Plan
 - raise revenue for assuming state debts and funding the national debt at par
 - sale of western land
 - excise tax
 - revenue tariff
 - First Bank of the United States, 1781-1811

Period 4: 1800-1848

30. With the acceleration of a national and international market economy, Americans debated the scope of government's role in the economy, while diverging economic systems meant that regional political and economic loyalties often continued to overshadow national concerns.
31. Innovations including textile machinery, steam engines, interchangeable parts, canals, railroads, and the telegraph, as well as agricultural inventions, both extended markets and brought efficiency to production for those markets.
32. Increasing numbers of Americans, especially women in factories and low-skilled male workers, no longer relied on semi-subsistence agriculture but made their livelihoods producing goods for distant markets, even as some urban entrepreneurs went into finance rather than manufacturing.
33. Southern cotton furnished the raw material for manufacturing in the Northeast, while the growth in cotton production and trade promoted the development of national economic ties, shaped the international economy, and fueled the internal slave trade.

34. Despite some governmental and private efforts to create a unified national economy, most notably the American System, the shift to market production linked the North and the Midwest more closely than either was linked to the South.
35. Efforts to exploit the nation's natural resources led to government efforts to promote free and forced migration of various American peoples across the continent, as well as to competing ideas about defining and managing labor systems, geographical boundaries, and natural resources.
36. The South remained politically, culturally, and ideologically distinct from the other sections, while continuing to rely on its exports to Europe for economic growth.
37. Regional interests continued to trump national concerns as the basis for many political leaders' positions on economic issues including slavery, the national bank, tariffs, and internal improvements.
38. Following the Louisiana Purchase, the drive to acquire, survey, and open up new lands and markets led Americans into numerous economic, diplomatic, and military initiatives in the Western Hemisphere and Asia.
39. market economy
40. Samuel Slater
41. Lowell system
42. interchangeable parts
43. Embargo of 1807
44. Henry Clay's American System, 1815
 - internal improvements at federal expense
 - protective tariff
 - Bank of the United States
45. Tariff of 1816
46. Second Bank of the United States, 1816
47. Erie Canal, 1817-1825
48. Baltimore and Ohio Railroad, 1828
49. Tariff of Abominations, 1828
50. Maysville Road veto, 1830
51. South Carolina Tariff Crisis, 1832-33

52. Destruction of the Second Bank of the United States, 1833

53. Panic of 1837

Period 5: 1844-1877

54. The desire for access to western resources led to the environmental transformation of the region, new economic activities, and increased settlement in areas forcibly taken from American Indians.

55. Asian, African American, and white peoples sought new economic opportunities or religious refuge in the West, efforts that were boosted during and after the Civil War with the passage of new legislation promoting national economic development.

56. The North's expanding economy and its increasing reliance on a free-labor manufacturing economy contrasted with the South's dependence on an economic system characterized by slave-based agriculture and slow population growth.

57. The 13th Amendment abolished slavery, bringing about the war's most dramatic social and economic change, but the exploitative and soil-intensive sharecropping system endured for several generations.

58. Development of a national economy

- turnpikes
- canals
- steamboats
- railroads

59. California gold rush, 1849

60. Homestead Act, 1862

61. Pacific Railway Act, 1862

62. Promontory Point, Utah, 1869

63. sharecropping (tenant farming)

Period 6: 1865-1898

64. Following the Civil War, government subsidies for transportation and communication systems opened new markets in North America, while technological innovations and redesigned financial and management structures such as monopolies sought to maximize the exploitation of natural resources and a growing labor force.

65. Businesses and foreign policymakers increasingly looked outside U.S. borders in an effort to gain greater influence and control over markets and natural resources in the Pacific, Asia, and Latin America.

66. Business leaders consolidated corporations into trusts and holding companies and defended their resulting status and privilege through theories such as Social Darwinism.

67. As cities grew substantially in both size and in number, some segments of American society enjoyed lives of extravagant “conspicuous consumption,” while many others lived in relative poverty.
68. The industrial workforce expanded through migration across national borders and internal migration, leading to a more diverse workforce, lower wages, and an increase in child labor. Labor and management battled for control over wages and working conditions, with workers organizing local and national unions and/or directly confronting corporate power.
69. Despite the industrialization of some segments of the southern economy, a change promoted by southern leaders who called for a “New South,” agrarian sharecropping, and tenant farming systems continued to dominate the region.
70. Government agencies and conservationist organizations contended with corporate interests about the extension of public control over natural resources, including land and water.
71. Business interests battled conservationists as the latter sought to protect sections of unspoiled wilderness through the establishment of national parks and other conservationist and preservationist measures.
72. Farmers adapted to the new realities of mechanized agriculture and dependence on the evolving railroad system by creating local and regional organizations that sought to resist corporate control of agricultural markets.
73. The growth of corporate power in agriculture and economic instability in the farming sector inspired activists to create the People’s (Populist) Party, which called for political reform and a stronger governmental role in the American economic system.
74. Cities dramatically reflected divided social conditions among classes, races, ethnicities, and cultures, but presented economic opportunities as factories and new businesses proliferated.
75. Cultural and intellectual arguments justified the success of those at the top of the socioeconomic structure as both appropriate and inevitable, even as some leaders argued that the wealthy had some obligation to help the less fortunate. A number of critics challenged the dominant corporate ethic in the United States and sometimes capitalism itself, offering alternate visions of the good society through utopianism and the Social Gospel.
76. Industrial Take-Off, 1865-1900
- improved standard of living
 - U.S. became a world power
 - problems: monopolies, uneven distribution of wealth, crime, corruption
77. Economic Theory
- laissez faire
 - William Graham Sumner (Social Darwinism)
 - Henry George

- Edward Bellamy
- Thorstein Veblen (conspicuous consumption)
- Andrew Carnegie (Gospel of Wealth)
- Social Gospel

78. The Gilded Age

- trusts and monopolies
- horizontal and vertical integration of business J.P. Morgan, Andrew Carnegie, John D. Rockefeller, J.J. Hill, Jay Gould, Cornelius Vanderbilt
- Sherman Anti-Trust Act, 1890

79. Growth of Labor Unions

- fought for collective bargaining to deal with the problems of long hours, low, pay, and unsafe working conditions
- Knights of Labor, 1869
- Railroad Strike of 1877
- Haymarket Square, 1886
- American Federation of Labor, 1886
- Homestead Strike, 1892
- Pullman Strike, 1894
- Terence Powderly
- Samuel Gompers
- Eugene Debs
- Mother Jones

80. Farmers in the Late 1800s

- problems for farmers: railroad monopolies, high tariffs, deflation
- Grange, 1867
- Populist Party, 1891
- Omaha Platform, 1892

81. Monetary Policy in the Late 1800s

- Greenback Party
- Crime of '73 (Panic of 1873)
- Bland-Allison Act of 1878 and the Sherman Silver Purchase Act of 1890
- Grover Cleveland and the gold standard
- Panic of 1893
- Free Silver movement
- Klondike gold rush, 1896

Period 7: 1890-1945

82. Large corporations came to dominate the U.S. economy during the late 1800s and early 1900s as businesses increasingly focused on the production of consumer goods, driven by new technologies and manufacturing techniques.

83. In its transition from a rural, agricultural society to an urban, industrial society, the U.S. offered new economic opportunities for women, internal migrants, and international migrants who continued to flock to the United States.

84. In the late 1890s and the early 1900s, journalists and Progressive reformers — largely urban and middle class, and often female — worked to reform existing social and political institutions at the local, state, and federal levels. Progressive reformers promoted federal legislation to regulate abuses of the economy and the environment, and many sought to expand democracy.
85. New technologies of the late 1800s and early 1900s contributed to improved standards of living, greater personal mobility, and better communications systems.
86. Even as economic growth continued during the early 1900s, episodes of credit and market instability, most critically the Great Depression, led to calls for the creation of a stronger financial regulatory system.
87. The liberalism of Franklin Roosevelt’s New Deal drew on earlier progressive ideas and represented a multifaceted approach to both the causes and effects of the Great Depression, using government power to provide relief to the poor, stimulate recovery, and reform the American economy.
88. Although the New Deal did not completely overcome the Depression, it left a legacy of reforms and agencies that endeavored to make society and individuals more secure, and it helped foster a long-term political realignment in which many ethnic groups, African Americans, and working-class communities identified with the Democratic Party.
89. The dominant American role in the Allied victory and postwar peace settlements, combined with the war-ravaged condition of Asia and Europe, allowed the United States to emerge from the war as the most powerful nation on earth.
90. Developments in Technology
- Wright Brothers, 1903
 - Model T Ford introduced, 1908
 - KDKA in Pittsburgh, 1920
 - Charles Lindbergh, 1927
 - *The Jazz Singer*, 1927
91. Progressive Era, 1901-1917
- Square Deal
 - Northern Securities Company, 1904
 - Pure Food and Drug Act, 1906
 - Meat Inspection Act, 1906
 - New Nationalism (Theodore Roosevelt), 1912
 - New Freedom (Woodrow Wilson), 1912
 - Underwood Tariff, 1913
 - Federal Reserve Act, 1913
 - Clayton Antitrust Act, 1914
 - Federal Trade Commission, 1914
 - 16th Amendment, 1913
92. Return to Normalcy, 1921-1929
- Warren Harding, Calvin Coolidge, and Herbert Hoover

- “The business of America is business.”
 - protective tariffs
 - deregulation of business
 - Soak-the-Poor taxes
- rugged individualism

93. The Great Depression, 1929-1941

- Cause: too much supply, too little demand
- Stock Market Crash, 1929
- tightening of the money supply, 1930
- Smoot-Hawley Tariff, 1930
- Reconstruction Finance Corporation, 1932
- Bonus March, 1932
- Roosevelt’s New Deal, 1933
- New Deal programs to stimulate economic activity (alphabet soup)
- Glass-Steagall Act, 1933
- Federal Deposit Insurance Corporation (FDIC), 1933
- Securities and Exchange Commission (SEC), 1934
- Wagner Act, 1935
- Social Security Act, 1935
- Roosevelt Recession, 1938
- Congress of Industrial Organizations, 1938
- Keynesian Economics

Period 8: 1945-1980

94. A burgeoning private sector, continued federal spending, the baby boom, and technological developments helped spur economic growth, middle-class suburbanization, social mobility, a rapid expansion of higher education, and the rise of the “Sun Belt” as a political and economic force.

95. Public confidence and trust in government declined in the 1970s in the wake of economic challenges, political scandals, foreign policy “failures,” and a sense of social and moral decay.

96. Dwight Eisenhower and Keynesian economics during the 1957 recession

97. National Defense Student Loans, 1958

98. Lyndon Johnson and the Great Society (War on Poverty)

99. Medicare and Medicaid

100. Richard Nixon and Keynesian economics (“We are all Keynesians now.”)

101. OPEC and the energy crisis of the 1970s

102. stagflation, 1970s

103. Sun Belt

Period 9: 1980 to the Present

- 104. Conservatives enjoyed significant victories related to taxation and deregulation of many industries, but many conservative efforts to advance moral ideals through politics met inertia and opposition.
- 105. Although Republicans continued to denounce “big government,” the size and scope of the federal government continued to grow after 1980, as many programs remained popular with voters and difficult to reform or eliminate.
- 106. Economic inequality increased after 1980 as U.S. manufacturing jobs were eliminated, union membership declined, and real wages stagnated for the middle class. Policy debates intensified over free trade agreements, the size and scope of the government social safety net, and calls to reform the U.S. financial system.
- 107. The spread of computer technology and the Internet into daily life increased access to information and led to new social behaviors and networks.
- 108. supply-side economics (Reaganomics)
- 109. Economic Recovery Tax Act, 1981
- 110. increase in the budget deficit and national debt, 1980s
- 111. Rust Belt
- 112. North American Free Trade Agreement, 1993
- 113. The Third Way, 1990s
- 114. information technology
- 115. Medicare Modernization Act, 2003
- 116. Affordable Care Act (Obamacare), 2010