

Evolution: an american story essay

[Business](#), [Industries](#)



The history of the United States has seemed dotted with many events that could reshape any other nation. But in the middle of these trying times, the American political and social scene has cast its shadow on world events, influencing the fate of the world in more ways than one. In one breath, even in current history, events in the United States have an impact great or small on world affairs. The paper will trace the growth of the United States in one of the most active times in its history, from its expansion to the Western frontier, the economic collapses it suffered, and finally reaching for a new hope before World War 2.

The first steps An economic collapse on the rail The fall of banker's Jay Cooke firm set the stage of the 1837 collapse (Multi-Educator, 2005). The resulting plunge in the stock market set the tone for an economic downturn lasting for five years (Multi-Educator, 2005). The fall was not the result of any one incident and then came the fall. It came also from across the shores over the Atlantic. The Austrian stock market came apart in earlier that year, resulting in a depression lasting for five years in Europe (Multi-Educator, 2005).

Before the fall and Jay CookeThe nation before the collapse was on a high note economically. By the end of the Civil War, the railroad industry was busy in constructing new railroads (Green Bay, n. d.). Ironically, this boom in railroad construction forebode of the crash about to come (Green Bay, n. d.). Financial institutions such as banks and some industries heavily invested in the railroad boom.

Cooke's firm, Jay Cooke and Company, was the primary financier of the planned Northern Pacific Railroad (Green Bay, n. d.). Entrepreneurs had

hoped that this rail line would be the next to follow the one completed in 1869 (Green Bay, n.

.). Then, on September 18, 1873, Cooke had realized that the company had obligated itself beyond its limits and declared bankruptcy (Green Bay, n. d.

). As many investors had virtually locked their corporate fates in the railroad, eventually the collapse led many to financial ruin (Green Bay, n. d.). Many people were faced with total ruin of their finances. The New York Stock Exchange did not transact any business for ten days (Green Bay, n.

d.). Common occurrences in that day were factories closing shop, creating a huge jobless sector (Green Bay, n.

d.). Those who owed dues were pressured to pay up, the savings of many were spent up, causing many banks to declare bankruptcy themselves (Green Bay, n. d.). In the rail sector, 89 railroad companies closed out of the 364 operating at the time (Green Bay, n. d.).

Unemployment reached 14 percent, as 18, 000 business concerns closed (Green Bay, n. d.).

This resulted in over 3 million unemployed Americans (Multi-Educator, 2005). Unbridled growth with token government restraints in effecting some semblance of control over abuses also played a key factor in the collapse (Green Bay, n. d.). The rampant and unrestrained overbuilding of America's rail system established the foundations for the collapse.

The years that followed the collapse were marked by wage cuts and dire working conditions (Green Bay, n. d.). The collapse had driven labor, management, banking and industry leaders on a collision course, forcing workers to go on strike (Green Bay, n.

d.). To end the stoppage, President Hayes deployed troops to force the workers to end their strike. It ended in a bloodbath; 100 people had been killed and countless injured (Green Bay, n.

d.). The Rise of the American Industrial MachineThe rise of the American Industrial sector has been attributed to many factors (Prentice, 2007).

According to David Prentice, in his paper, “ The origins of American industrial succes Evidence from the US portland cement industry” (2007), he believes that the sector was aided in its ascent by its technological advancements in the manufacturing sector (Prentice, 2007). But as he states also, the beginnings of the American Industrial rise are debatable (Prentice, 2007). But we have to take cognizance of the fact that the industrial impetus did not begin in the United States, having taken root first across the Atlantic (About, n. .

). The Industrial Revolution took root in Europe by the latter part of the 18th and 19th century (About, 2008). Also, the stronger reason that the United States needed to have its own manufacturing base was more of the need to stave off foreign dependence for its survival (Sage, 2006). A large part was due to American ingenuity (eEnotes, 2008). Americans were first copiers of some inventions and innovations, then as they got better, soon they were

the ones innovating or even inventing new gadgets (Sage, 2006). From 1860 to 1890, new patents for inventions totalled at least 500, 000 (eNotes, 2008).

A confluence of factors can be attributed to the rise of the American Industrial machine. In 1860, the population of the United States at the time was concentrated in the urban areas (About, 2008). This was the factor for the fact that about one-third of the nation's income was derived from manufacturing, concentrated in the country's Northeast region (About, 2008). With cotton cloth production leading the way, most other industries were also on an upswing, such as the manufacture of machinery, wool clothing materials and footwear (About, 2008). The American Industrial push did not lack manpower either. Immigration, too, also played a part in the expansion of the sector. From 1845 to 1855, the United States was swamped with 300, 000 immigrants pouring off the ships each year. Most stayed in the Eastern part of the country, often just settling at the ports where they disembarked (About, 2008).

In all, over 14 million new immigrants came to America, most of these new citizens settling in the industrial centers (eNotes, 2008). These immigrants provided a ready pool of workers for the country's clothing industry (eNotes, 2008). At the end of the Civil War, the Southern economic policy of slave labor was stopped, and the industrialized North progressed faster than the war-torn and economically wrecked South (About, 2008).

Big Business: Impacts Big business at the time had to change to be able to gain more capital for its expansion (eNotes, 2008). Business, especially big business, had to adapt to the breakthroughs in the technological arena to

maintain a competitive edge (eNotes, 2008). Among the men who led in the establishments of enormous business concerns were Andrew Carnegie and John D. Rockefeller (eNotes, 2008). They built their huge companies basically by comprising them with smaller companies (eNotes, 2008), in effect, establishing the first conglomerates.

These two business titans worked with two rather new methods in making up their business concerns. Not a few Americans shared a healthy distrust of these business giants, calling them “ robber barons” (eNotes, 2008). They shared a common perception that these titans of business that they accumulated their enormous fortunes by stealing from the common folk (eNotes, 2008). Many people believed that big business were threats to the practice of free enterprise and free competition (eNotes, 2008). Though the authorities tried to rein in big business with the passage of the Sherman Anti-Trust Act, it did not alleviate the sentiments of the people that the government did not want to isolate big business or its leaders (eNotes, 2008).

Go West At the end of the Civil War, many Americans considered to pull up stakes and move to the new frontier out west. Among these were immigrants, destitute farmers and newly-freed former slaves (eNotes, 2008). As the number of people continued to balloon in the East, the prices for the land available also continued to skyrocket (eNotes, 2008). Thus was born the reason for many of these groups to settle in the West.

As the prices soared for the land, many simply could not sustain their aspirations of owning a piece of land (eNotes, 2008). The Federal

Government aided them with the of the Morill Land Grant Act and the Homestead Act (eNnotes, 2008). The Homestead Act, authored mainly to respond to the growing need for land, allowed for the grant of about 160 hectares to persons who would make improvements on the land, farm the land and construct houses on it for a period of five years (eNotes, 2008). This ultimately gave birth to around 372, 000 farms, totally obliterating the Western Frontier by 1890 (eNotes, 2008).

To further aid the new homesteaders, the United States Department of Agriculture kept farmers abreast of new techniques and technologies they can use (eNotes, 2008). This helped family farm growth outpace mining and ranching, also activities in the area (eNotes, 2008). New technologies helped the farmers improve their efficiency and productivity of their farms. The development of new farm machineries such as the tractor in 1868 and the change from hand to horse drawn power provided new and better means of production for the farmers (About, 2008). Effects of urbanization At the onset, the United States was a predominantly rural society (Active, 2008).

In a census conducted in 1790, only a small fraction of the population lived in the urban areas (Active, 2008). Only a handful of places such as Boston, Philadelphia and New York had residents totalling more than 15, 000 inhabitants (Active, 2008). s technology improved, people could now live outside of the cities and live in the rural areas (Active, 2008). As the rich migrated out of the city, the old living blocks were re-settled by the immigrants and some poorer folk. This gave rise to abuses by landlords constructing low-rent tenements and renting them to these new comers

(Active, 2008). Government was corrupt and abuse was rampant. Coupled with high rent, low wages and poor sanitary conditions, these were the building blocks of the misery the people felt in the mist of high economic growth (Active, 2008).

The need and action for reform It is in this light that a movement was born to address the consequences of unbridled industrialization and urbanization (Active, 2008). The Progressive Movement targetted the alleviation of the consequences of the unrestrained capitalism sweeping across the country (Active, 2008). They had some measure of success in weeding out corruption in government, and working for the enactment of housing legislation, public health measures and civil service tests in city governments (Active, 2008). These Progressives, as they came to be called, are never to be considered as a single aggrupation of people (eNotes, 2008). Those that came to make up this movement came from many diverse backgrounds, from union organizers, settlement workers and other groups determined to see reform (eNotes, 2008).

Together they held a common creed among them, to see government be more accountable for its action to the citizens, reducing the influence of the rich, strive for the upliftment of the masses, and seeing more effieciency and reduced corruption in government (eNotes, 2008). Among them, none could be more of an influence than Theodore Roosevelt (Hanson, 1999). Roosevelt was fearful that a continous integration of the resources of the country would pose a threat to the Union's stability (Hanson, 1999). Other writers of the day were removing the cover of big business and local officials as their

inappropriate conduct, gaining them the name " muckrackers" (eNotes, 2008).

The Great Depression: From the mountain to the valley In 1929, Yale University's Irving Fisher predicted the United States' prosperity couldn't be shaken (Schultz, 1999). Barely five days after, the economy of the United States crashed (Schultz, 1999), one that affected the rest of the world (Gusmorino, 1996). It began when the industrialized world went through a period of unperceivable levels of unemployment and a drop in its combined output (Gold Ocean, n. d.

). The Crash can be attributed to the greatly unbalanced distribution of riches and large-scale speculation in the stock market that occurred towards the end of the year (Gusmorino, 1996). The disparity in the levels of wealthy and the poor sector of the society proved to be a destabilizing factor on the economy (Gusmorino, 1996). This meant that the economy was not functioning correctly, for to function properly, the supply had to equal the demand (Gusmorino, 1996). As the economy had an oversupply of goods, the unequal distribution of wealth would connote that the demand would not equal the turn out of the supply. The agriculture sector came in with the first signs of the forthcoming crash (Social Studies, 2006).

As the sector produced more due to the new aids in farming, such as new machinery, they overproduced and the prices for their products dropped. They then went on another binge of overproduction to try to recoup their lost income (Social Studies, 2008). As they did, prices hit rock bottom (Social Studies, 2008). Soon they were defaulting on their loans and the banks

began to foreclose on their farms, ushering in the era of the “ Dust Bowl” (Social Studies, 2008). The New Deal: A new hope Franklin Delano Roosevelt’s assumption to the United States presidency was not a time for great celebration. Inaugurated March 4, 1933, he immediately set about the task of reforming and reinvigorating the U. S. economy (Encarta, 2008).

The New Deal was part of his speech accepting the Democratic nomination for the United States Presidency (Infoplease, 2008). Roosevelt was well-liked by the people, hence his programs were easier to implement (Encarta, 2008). As a result, Americans were more comfortable with him at the helm of the country (Encarta, 2008). In his “ Hundred Days”, The United States experienced a time of unprecedented exercise of political will by the Executive and legislative branches of government (Encarta, 2008).

Congress proposed, debated and enacted a number of bills that were of great importance to the nation, both in scope and amount of bills passed (Encarta, 2008). His New Deal could be divided into two parts, or phases. The first part, lasting from 1933-1934, basically dealt on alleviating the effects of the Great Depression through programs on effecting stability on prices and public works, among others (Encarta, 2008).

The second part, from 1935-1942, dealt with enacting laws to benefit the masses of working people, while continuing the programs for relief and recovery (Infoplease, 2008). The swift action of Congress to the passage of the bills that Roosevelt proposed can be accredited to his sense of desperation and to his strong sense of leadership (Encarta, 2008).