

## POLITICS

- 13 colonies which were ruled by the British Crown.
- Taxation without representation was a cause of revolution.
- Declared independence in July 4, 1776 followed by War of Independence, which was won with the support of France.
- Experimentation with liberal democracy (Republic) – Constitution, Presidential system, bicameralism, political parties, election, etc.
- Westward expansion and integration of new states (with differing ideologies) – Southern states particularly which practiced slavery.
- Civil War broke out (1861 to 1865) – Abolitionists vs Anti-Abolitionists.
- A tentative but nervy peace after and reconciliation began.

## ECONOMY

- Land & Agriculture – The country had enormous reserves of fertile land, timber and minerals as well as a network of navigable rivers.
- Most Americans were farmers, with small family farms typical of all regions.
- Between 1840 and 1860 food production increased sevenfold, due to improved **farming techniques** as well the opening of new areas following expansion to the West.
- In addition, the USA had developed **a sound transport infrastructure**.
- Steamboat and canal development transformed travel on the great rivers.
- By 1860, the USA had over 30,000 miles of railroad track, more than the rest of the world combined.
- America was also on the verge of an industrial revolution with **important advances in textiles, coal, iron and steel and the use of steam power**.
- However, at this time, fewer than one in five Americans lived in towns although there was rapid growth in cities such as New York and Chicago.
- Moreover, there were **great inequalities in wealth** even among white males.
- By 1860, the top five per cent of free adult males owned 53 per cent of the wealth.
- The bottom 50 per cent owned only one per cent.
- Growth of industry in the North, increasing internal and foreign trade and improvements in transport by canal, river and road, led to the growth of a range of industries such as engineering and textiles.
- The South did not welcome industrialisation and largely retained its agrarian, farming-based economy.

## WHAT CHALLENGES DID THE USA FACE IN (circa) 1870?

## EXTERNAL RELATIONS / EVENTS

- The continent, with its vast territory was untapped resources, invited the attention of European maritime powers.
- There were plenty of French, Spanish, Dutch and even Russian colonial outposts on the American continent other than the British.
- War of 1812 (1812-1815) with Britain again.
- Mexican - American War (1846-1848).
- By 1870, Britain was emerging as the most powerful nation in the world.
- Portuguese, Spain and Holland were declining powers with some colonies.
- The German Empire was formed a year later.
- Japan had begun its Meiji Restoration (industrialisation).
- China had lost two Opium Wars.
- Russia remained a staunch defender of absolute monarchy.
- France was into its Third Republic.

## SOCIETY

- 13 colonies New Hampshire, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, North Carolina, South Carolina and Georgia)
- Occupation of immigrants – traders, merchants, dock workers, plantation owners, farmers or growers, small business owners, enslaved workers, miners, etc.
- Immigrants from Britain and Europe who brought with them their own religion.
- Southern states became identifiable with farming or agriculture (for slavery).
- Northern states were transforming into port cities (free states).
- Western expansionism also led to expulsion of native Indians.



## WHAT ARE THE FOUNDING PRINCIPLES OF THE USA?

### POLITICAL

#### Major Ideas of the Enlightenment

Idea	Thinker	Impact
Natural rights—life, liberty, property	Locke	Fundamental to U.S. Declaration of Independence
Separation of powers	Montesquieu	France, United States, Latin American nations use separation of powers in new constitutions
Freedom of thought and expression	Voltaire	Guaranteed in U.S. Bill of Rights and French Declaration of the Rights of Man and Citizen; European monarchs reduce or eliminate censorship
Abolishment of torture	Beccaria	Guaranteed in U.S. Bill of Rights; torture outlawed or reduced in nations of Europe and the Americas
Religious freedom	Voltaire	Guaranteed in U.S. Bill of Rights and French Declaration of the Rights of Man and Citizen; European monarchs reduce persecution
Women's equality	Wollstonecraft	Women's rights groups form in Europe and North America

### SOCIAL

Americans encouraged relatively free and open immigration during the 18th and early 19th centuries, and rarely questioned that policy until the late 1800s. After certain states passed immigration laws following the Civil War, the Supreme Court in 1875 declared regulation of immigration a federal responsibility. Thus, as the number of immigrants rose in the 1880s and economic conditions in some areas worsened, Congress began to pass immigration legislation.

[The Chinese Exclusion Act of 1882](#) and Alien Contract Labor laws of 1885 and 1887 prohibited certain laborers from immigrating to the United States. The general Immigration Act of 1882 levied a head tax of fifty cents on each immigrant and blocked (or excluded) the entry of idiots, lunatics, convicts, and persons likely to become a public charge.

### ECONOMIC

#### Capitalism

- Individuals and businesses own property and the means of production.
- Progress results when individuals follow their own self-interest.
- Businesses follow their own self-interest by competing for the consumer's money.
- Each business tries to produce goods or services that are better and less expensive than those of competitors.
- Consumers compete to buy the best goods at the lowest prices. This competition shapes the market by affecting what businesses are able to sell.

#### Laissez-Faire

- Government should not interfere in the economy because competition creates efficiency in business.
- Government regulations only interfered with the production of wealth. These philosophers believed that if government allowed free trade—the flow of commerce in the world market without government regulation—the economy would prosper.
- Government should observe natural laws of economics:
  - The law of self-interest—People work for their own good.
  - The law of competition—Competition forces people to make a better product.
  - The law of supply and demand—Enough goods would be produced at the lowest possible price to meet demand in a market economy.

## Question:

Explain why the US economy was able to grow so phenomenally during the Gilded Age.

Economic Factor:

The Robber Barons (and Laissez-faire economy):

- Enterprising, ultra-competitive, fierce rivalry, brutal, domination...
- Out to eliminate competition
- Thrive on the formation of trust
- Practice of monopoly – horizontal and vertical integration
- Amassed capital
- Absorbed smaller companies and/or control (self-supply) process of production
- Set prices and minimise the cost of production
- Low wages for workers
- Made possible because of laissez-faire principle
- Minimal intervention from the government

## Question:

**Explain why the US economy was able to grow so phenomenally during the Gilded Age.**

Social Factor:

Open Immigration:

- The country thrived on open immigration policy (largely except later in the late 19<sup>th</sup> century)
- Arrival of immigrants meant increased the supply of labour
- They came to the US because it was touted as the [land of opportunities](#)
- No matter how bad in US; it would be worse being impoverished and persecuted at home
- Labourers became wage-takers
- They were the bolts and nuts of the industries and economy
- Worked long hours and constantly exploited
- No matter, they were as much as a driving force of the American economy

## Question:

**Explain why the US economy was able to grow so phenomenally during the Gilded Age.**

Political Factor:

“Weak” Presidents (related to democratic principles of governance):

- Arguably, the Presidents during the Gilded Age has limited success
- The principles of check and balanced, regular elections and party politics hindered their effectiveness in checking on the robber barons
- Robber barons became so powerful and penetrated the Congress
- Corruption was rampant
- Legislations were made in favour of big business
- Anti-trust or anti-monopoly reforms were defeated if they were considered
- Also, the political parties thrived on fundings, donations and [spoils system](#)
- Presidential candidates were chosen based on their pro-business disposition or attitude
- There was the [Sherman Anti-Trust Act 1890](#) but not invoked until the administration of T. Roosevelt, Taft and Wilson