

THE CONSTITUTION OF THE UNITED STATES OF AMERICA

ECONOMIC DEVELOPMENT OF AMERICA

GREAT AMERICANS AND THEIR ACHIEVEMENTS

LESSON 05 SESSION 02

5.6 Free land and opportunity

Other important factors in our economic development were free land and diversified natural resources. In these America has been particularly blessed. Lack of capital prevented none from making progress in America. For the first 250 years the immigrant to our shores knew that the door of opportunity was wide open. Landing with barely enough money to pay transportation to this chosen destination, and with no hindrance other than that of being a stranger in a new country, both land and employment were to be had for the asking.

5.6.1 Westward Ho!

Through the liberality of our Government and the vast and areas open for settlement there was established and developed the largest and richest agricultural territory now under cultivation in the world. For nearly 100 years following the War of Independence the cry was "Westward Ho!" By families and by groups the creaking ox-drawn schooners wended their way slowly toward the setting sun. Driving the Indians and wild game before them, they cut the forest, broke the sod, planted, harvested, built home, school, church, and town, preparing the way for the next step in our progress — the railroad.

5.7 Influence of the Civil War

Before any great railroad development had taken place the peaceful life of our country was interrupted by the Civil War. It is questionable if that struggle, with its frightful loss of life and treasure, would ever have taken place had railroads been constructed linking the North and the South. In 1860 there were only some 30,000 miles of railroad in America, nearly all of which ran east and west, by reason of the fact that our great rivers flow from the north to the south, and our railroads could not then compete with river transportation. In 1860, no railroad was built farther west than the Mississippi River. West of that stream the country was almost entirely given over to the great herds of buffalo and roving Indians.

With the close of the Civil War the impetus given industry by the necessity of making war materials, the development of steel, and a growing appreciation of the value of rail

transportation caused a marked advance in our economic life. The acquaintance of masses of men from every section of the country and the close ties formed by their association through the war added its force to the awakening of a new era.

5.8 Capital control

Capital saw great opportunity for profit through development of our vast natural resources. Foreign capital was attracted. Combinations were formed. These groups were able to obtain concessions and rights, quickly developing a power of control over industry which placed in the hands of a comparative few the economic life of America.

5.8.1 Need for cheap labor.

With capital consolidated, only labor was required for this exploitation of our natural resources. America was too vast in area and too small in population to furnish the labor. By then-existing immigration laws the doors were open — the world might enter. Capital needed labor, and it must be cheap labor.

5.8.2 The new immigration.

"The man with the hoe" was invited and urged to find in free America his great opportunity. He came by thousands, then tens and hundreds of thousands.

The former class of immigrant had come to America to take up land and become farmers and builders of homes and communities. They were followed by the thousands who worked in the noise and sweat of our great steel mills, in our coal mines, and in the factories which quickly built up within our cities large congested areas, with great sections almost entirely composed of single nationalities. Labor was exploited, voted, worked, or left unemployed.

5.9 Citizen control

Following the war with Spain in 1898 a change was inaugurated. Led by far-seeing men who recognized the danger to our free Government in the increasing power of capital, the people developed a system of control through Congress which broke or checked its combinations. Industry had greatly developed during this period. Wealth had been amassed as never before. Yet (the economic life of America had suffered — equality of opportunity was largely restricted and classes with intense class hatred were created.

5.10 Adaptation to abnormal conditions

In 1917 there came a national emergency. One class alone — the "American citizen" — took precedence. America astounded the world with her ability to adapt herself to abnormal conditions, converting her peacetime factories and equipment to war-time requirements.

5.11 Labor advancement

During World War I, the wage earner learned to put his excess money into Liberty bonds. He caught the idea of investment, acquired the habit of systematic saving and discovered the strength that lies in consolidating the small savings of the many. He began to understand the meaning of capital, lost his fear of it, and found a way to have a part in its benefits.

5.12 Mass production and high wages

The conclusion of the war found America committed to mass production, mass cooperation, and mass saving. These were some of the blessings that accrued out of the hell of war. Industry awakened to the astonishing fact that high wages to labor increased rather than diminished profits, by the simple process of increasing the buying power of millions of employed.

5.13 Steady employment

Industry learned the value of steady employment. It sought ways of regulating production to give work the year around. Seasonal employment ate up savings, weakened buying power, destroyed credit; increased cost of production caused by idle equipment and accumulated stocks.

5.14 Intensive efforts of industry

Industry set up research bureaus, stimulated inventors, chemists, and scientists to greater efforts in a search for better machines and methods, the elimination of waste in materials, and in developing by-products therefrom. Through these intensive efforts production per man power has been largely increased, new products created, markets enlarged, and industry stimulated.