



CHAPTER

8

GROWTH AND TRANSFORMATION

Building the
transcontinental railroad,
1868.

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“Upon the
sacredness of property,
civilization
itself depends.”

Industrialist and philanthropist Andrew Carnegie, 1889

Between two great wars — the Civil War and the First World War — the United States of America came of age. In a period of less than 50 years it was transformed from a rural republic to an urban nation. The frontier vanished. Great factories and steel mills, transcontinental railroad lines, flourishing cities, and vast agricultural holdings marked the land. With this economic growth and affluence came corresponding problems. Nationwide, a few businesses came to dominate whole industries, either independently or in combination with others. Working conditions were often poor. Cities grew so quickly they could not properly house or govern their growing populations.

TECHNOLOGY AND CHANGE

“The Civil War,” says one writer, “cut a wide gash through the his-

tory of the country; it dramatized in a stroke the changes that had begun to take place during the preceding 20 or 30 years. ...” War needs had enormously stimulated manufacturing, speeding an economic process based on the exploitation of iron, steam, and electric power, as well as the forward march of science and invention. In the years before 1860, 36,000 patents were granted; in the next 30 years, 440,000 patents were issued, and in the first quarter of the 20th century, the number reached nearly a million.

As early as 1844, Samuel F. B. Morse had perfected electrical telegraphy; soon afterward distant parts of the continent were linked by a network of poles and wires. In 1876 Alexander Graham Bell exhibited a telephone instrument; within half a century, 16 million telephones would quicken the social and economic life of the nation. The growth of busi-

ness was speeded by the invention of the typewriter in 1867, the adding machine in 1888, and the cash register in 1897. The linotype composing machine, invented in 1886, and rotary press and paper-folding machinery made it possible to print 240,000 eight-page newspapers in an hour. Thomas Edison’s incandescent lamp eventually lit millions of homes. The talking machine, or phonograph, was perfected by Edison, who, in conjunction with George Eastman, also helped develop the motion picture. These and many other applications of science and ingenuity resulted in a new level of productivity in almost every field.

Concurrently, the nation’s basic industry — iron and steel — forged ahead, protected by a high tariff. The iron industry moved westward as geologists discovered new ore deposits, notably the great Mesabi range at the head of Lake Superior, which became one of the largest producers in the world. Easy and cheap to mine, remarkably free of chemical impurities, Mesabi ore could be processed into steel of superior quality at about one-tenth the previously prevailing cost.

CARNEGIE AND THE ERA OF STEEL

Andrew Carnegie was largely responsible for the great advances in steel production. Carnegie, who came to America from Scotland as a child of 12, progressed from bobbin boy in a cotton factory to a job

in a telegraph office, then to one on the Pennsylvania Railroad. Before he was 30 years old he had made shrewd and farsighted investments, which by 1865 were concentrated in iron. Within a few years, he had organized or had stock in companies making iron bridges, rails, and locomotives. Ten years later, he built the nation’s largest steel mill on the Monongahela River in Pennsylvania. He acquired control not only of new mills, but also of coke and coal properties, iron ore from Lake Superior, a fleet of steamers on the Great Lakes, a port town on Lake Erie, and a connecting railroad. His business, allied with a dozen others, commanded favorable terms from railroads and shipping lines. Nothing comparable in industrial growth had ever been seen in America before.

Though Carnegie long dominated the industry, he never achieved a complete monopoly over the natural resources, transportation, and industrial plants involved in the making of steel. In the 1890s, new companies challenged his preeminence. He would be persuaded to merge his holdings into a new corporation that would embrace most of the important iron and steel properties in the nation.

CORPORATIONS AND CITIES

The United States Steel Corporation, which resulted from this merger in 1901, illustrated a process under way for 30 years: the combination of independent industrial enterprises

into federated or centralized companies. Started during the Civil War, the trend gathered momentum after the 1870s, as businessmen began to fear that overproduction would lead to declining prices and falling profits. They realized that if they could control both production and markets, they could bring competing firms into a single organization. The “corporation” and the “trust” were developed to achieve these ends.

Corporations, making available a deep reservoir of capital and giving business enterprises permanent life and continuity of control, attracted investors both by their anticipated profits and by their limited liability in case of business failure. The trusts were in effect combinations of corporations whereby the stockholders of each placed stocks in the hands of trustees. (The “trust” as a method of corporate consolidation soon gave way to the holding company, but the term stuck.) Trusts made possible large-scale combinations, centralized control and administration, and the pooling of patents. Their larger capital resources provided power to expand, to compete with foreign business organizations, and to drive hard bargains with labor, which was beginning to organize effectively. They could also exact favorable terms from railroads and exercise influence in politics.

The Standard Oil Company, founded by John D. Rockefeller, was one of the earliest and strongest corporations, and was followed rapidly by other combinations — in

cottonseed oil, lead, sugar, tobacco, and rubber. Soon aggressive individual businessmen began to mark out industrial domains for themselves. Four great meat packers, chief among them Philip Armour and Gustavus Swift, established a beef trust. Cyrus McCormick achieved preeminence in the reaper business. A 1904 survey showed that more than 5,000 previously independent concerns had been consolidated into some 300 industrial trusts.

The trend toward amalgamation extended to other fields, particularly transportation and communications. Western Union, dominant in telegraphy, was followed by the Bell Telephone System and eventually by the American Telephone and Telegraph Company. In the 1860s, Cornelius Vanderbilt had consolidated 13 separate railroads into a single 800-kilometer line connecting New York City and Buffalo. During the next decade he acquired lines to Chicago, Illinois, and Detroit, Michigan, establishing the New York Central Railroad. Soon the major railroads of the nation were organized into trunk lines and systems directed by a handful of men.

In this new industrial order, the city was the nerve center, bringing to a focus all the nation’s dynamic economic forces: vast accumulations of capital, business, and financial institutions, spreading railroad yards, smoky factories, armies of manual and clerical workers. Villages, attracting people from the countryside and from lands across the sea, grew

into towns and towns into cities almost overnight. In 1830 only one of every 15 Americans lived in communities of 8,000 or more; in 1860 the ratio was nearly one in every six; and in 1890 three in every 10. No single city had as many as a million inhabitants in 1860; but 30 years later New York had a million and a half; Chicago, Illinois, and Philadelphia, Pennsylvania, each had over a million. In these three decades, Philadelphia and Baltimore, Maryland, doubled in population; Kansas City, Missouri, and Detroit, Michigan, grew fourfold; Cleveland, Ohio, sixfold; Chicago, tenfold. Minneapolis, Minnesota, and Omaha, Nebraska, and many communities like them — hamlets when the Civil War began — increased 50 times or more in population.

RAILROADS, REGULATIONS, AND THE TARIFF

Railroads were especially important to the expanding nation, and their practices were often criticized. Rail lines extended cheaper freight rates to large shippers by rebating a portion of the charge, thus disadvantaging small shippers. Freight rates also frequently were not proportionate to distance traveled; competition usually held down charges between cities with several rail connections. Rates tended to be high between points served by only one line. Thus it cost less to ship goods 1,280 kilometers from Chicago to New York than to places a few hundred kilo-

meters from Chicago. Moreover, to avoid competition rival companies sometimes divided (“pooled”) the freight business according to a prearranged scheme that placed the total earnings in a common fund for distribution.

Popular resentment at these practices stimulated state efforts at regulation, but the problem was national in character. Shippers demanded congressional action. In 1887 President Grover Cleveland signed the Interstate Commerce Act, which forbade excessive charges, pools, rebates, and rate discrimination. It created an Interstate Commerce Commission (ICC) to oversee the act, but gave it little enforcement power. In the first decades of its existence, virtually all the ICC’s efforts at regulation and rate reductions failed to pass judicial review.

President Cleveland also opposed the protective tariff on foreign goods, which had come to be accepted as permanent national policy under the Republican presidents who dominated the politics of the era. Cleveland, a conservative Democrat, regarded tariff protection as an unwarranted subsidy to big business, giving the trusts pricing power to the disadvantage of ordinary Americans. Reflecting the interests of their Southern base, the Democrats had reverted to their pre-Civil War opposition to protection and advocacy of a “tariff for revenue only.”

Cleveland, narrowly elected in 1884, was unsuccessful in achieving tariff reform during his first term.

He made the issue the keynote of his campaign for reelection, but Republican candidate Benjamin Harrison, a defender of protectionism, won in a close race. In 1890, the Harrison administration, fulfilling its campaign promises, achieved passage of the McKinley tariff, which increased the already high rates. Blamed for high retail prices, the McKinley duties triggered widespread dissatisfaction, led to Republican losses in the 1890 elections, and paved the way for Cleveland's return to the presidency in the 1892 election.

During this period, public antipathy toward the trusts increased. The nation's gigantic corporations were subjected to bitter attack through the 1880s by reformers such as Henry George and Edward Bellamy. The Sherman Antitrust Act, passed in 1890, forbade all combinations in restraint of interstate trade and provided several methods of enforcement with severe penalties. Couched in vague generalities, the law accomplished little immediately after its passage. But a decade later, President Theodore Roosevelt would use it vigorously.

REVOLUTION IN AGRICULTURE

Despite the great gains in industry, agriculture remained the nation's basic occupation. The revolution in agriculture — paralleling that in manufacturing after the Civil War — involved a shift from hand labor to machine farming, and from sub-

sistence to commercial agriculture. Between 1860 and 1910, the number of farms in the United States tripled, increasing from two million to six million, while the area farmed more than doubled from 160 million to 352 million hectares.

Between 1860 and 1890, the production of such basic commodities as wheat, corn, and cotton outstripped all previous figures in the United States. In the same period, the nation's population more than doubled, with the largest growth in the cities. But the American farmer grew enough grain and cotton, raised enough beef and pork, and clipped enough wool not only to supply American workers and their families but also to create ever-increasing surpluses.

Several factors accounted for this extraordinary achievement. One was the expansion into the West. Another was a technological revolution. The farmer of 1800, using a hand sickle, could hope to cut a fifth of a hectare of wheat a day. With the cradle, 30 years later, he might cut four-fifths. In 1840 Cyrus McCormick performed a miracle by cutting from two to two-and-a-half hectares a day with the reaper, a machine he had been developing for nearly 10 years. He headed west to the young prairie town of Chicago, where he set up a factory — and by 1860 sold a quarter of a million reapers.

Other farm machines were developed in rapid succession: the automatic wire binder, the threshing

(Continued on page 177.)

The silhouette of one of the United States' most revered Founding Fathers, Thomas Jefferson, stands in the shrine dedicated to his memory.
"I have sworn upon the altar of God, eternal hostility against every form of tyranny over the mind of man."



MONUMENTS AND MEMORIALS

A PICTURE PROFILE

The monuments of American history span a continent in distance and centuries in time. They range from a massive serpent-shaped mound created by a long-gone Native-American culture to memorials in contemporary Washington, D.C., and New York City.



The snow-covered Old Granary cemetery in Boston, Massachusetts, is burial ground for, among other leading American patriots, victims of the Boston Massacre, three signers of the Declaration of Independence, and six governors of Massachusetts. Originally founded by religious dissidents from England known as Puritans, Massachusetts was a leader in the struggle for independence against England. It was the setting for the Boston Tea Party and the first battles of the American Revolution – in Lexington and Concord.

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The historic room in Independence Hall, Philadelphia, where delegates drafted the Constitution of the United States in the summer of 1787. The Constitution is the supreme law of the land. It prescribes the form and authority of the federal government, and ensures the fundamental freedoms and rights of the citizens of the country through the Bill of Rights.



Statues guard the majestic façade of the U.S. Supreme Court, the highest court in the land. The words engraved on the lintel over the Greek pillars embody one of America's founding principles: "Equal Justice Under Law."

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The Statue of Liberty, one of the United States' most beloved monuments, stands 151 feet high at the entrance to New York harbor. A gift of friendship from the people of France to the United States, it was intended to be an impressive symbol of human liberty. It was certainly that for the millions of immigrants who came to the United States in the 19th and early 20th century, seeking freedom and a better life.

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Aerial view of the Great Serpent Mound in Adams County, Ohio. Carbon tests of the effigy revealed that the creators of this 1,330-foot monument were members of the Native-American Fort Ancient Culture (A.D. 1000-1550).



Two monuments to the central role Spain played in the exploration of what is now the United States. Top, the Castillo de San Marcos, built 1672-1695 to guard St. Augustine, Florida, the first permanent European settlement in the continental United States. Above, fountain and mission remains of the San Juan Capistrano Mission, California, one of nine missions founded by Spanish Franciscan missionaries led by Fray Junípero Serra in the 1770s. Serra led the Spanish colonization of what is today the state of California.



The Liberty Bell, in Philadelphia, Pennsylvania, an enduring symbol of American freedom. First rung on July 8, 1776, to celebrate the adoption of the Declaration of Independence, it cracked in 1836, during the funeral of John Marshall, Chief Justice of the U.S. Supreme Court.



The faces of four of the most admired American presidents were carved by Gutzon Borglum into the southeast face of Mount Rushmore in South Dakota, beginning in 1927. From left to right, they are: George Washington, commander of the Revolutionary Army and first president of the young nation; Thomas Jefferson, author of the Declaration of Independence; Theodore Roosevelt, who led the country toward progressive reforms and a strong foreign policy; and Abraham Lincoln, who led the country through the Civil War and freed the slaves.



George Washington's beloved home, Mount Vernon, by the Potomac River in Virginia, where he died on December 14, 1799, and is buried along with his wife Martha. Among other treasured items owned by the first president on display there, visitors can see one of the keys to the Bastille, a gift to Washington from the Marquis de Lafayette.



Six-year-old Mary Zheng straightens a flower placed at the Vietnam Veterans Memorial in Washington, D.C., April 30, 2000. The names of more than 58,000 servicemen who died in the war or remain missing are etched on the "wall" part of the memorial, pictured here. This portion of the monument was designed by Maya Lin, then a student at Yale University.



An autumnal view of Arlington Cemetery, Virginia, America's largest and best-known national burial grounds. More than 260,000 people are buried at Arlington Cemetery, including veterans from all the nation's wars.



A mother and daughter viewing documents in the Exhibition Hall of the National Archives. The U.S. Constitution, the Declaration of Independence, and the Bill of Rights are on display in this Washington, D.C., building.



Fireworks celebrating the arrival of the Millennium illuminate two major monuments in Washington, D.C., the Lincoln Memorial on the left and the obelisk-shaped Washington Monument, center. The Lincoln Memorial's north and south side chambers contain carved inscriptions of his Second Inaugural Address and his Gettysburg Address. The tallest structure in the nation's capital, the Washington Monument was dedicated on February 21, 1885.



Top, the World War II Memorial, opened in 2004, is the most recent addition to the many national monuments in Washington, D.C. It honors the 16 million who served in the armed forces of the United States, the more than 400,000 who died, and all who supported the war effort from home. Above, the planned design for the World Trade Center Memorial in New York City is depicted in this photograph of a model unveiled in late 2004. "Reflecting Absence" will preserve not only the memory of those who died in the terrorist attack of September 11, 2001, but the visible remnants of the buildings destroyed that morning, too.

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machine, and the reaper-thresher or combine. Mechanical planters, cutters, huskers, and shellers appeared, as did cream separators, manure spreaders, potato planters, hay driers, poultry incubators, and a hundred other inventions.

Scarcely less important than machinery in the agricultural revolution was science. In 1862 the Morrill Land Grant College Act allotted public land to each state for the establishment of agricultural and industrial colleges. These were to serve both as educational institutions and as centers for research in scientific farming. Congress subsequently appropriated funds for the creation of agricultural experiment stations throughout the country and granted funds directly to the Department of Agriculture for research purposes. By the beginning of the new century, scientists throughout the United States were at work on a wide variety of agricultural projects.

One of these scientists, Mark Carleton, traveled for the Department of Agriculture to Russia. There he found and exported to his homeland the rust- and drought-resistant winter wheat that now accounts for more than half the U.S. wheat crop. Another scientist, Marion Dorset, conquered the dreaded hog cholera, while still another, George Mohler, helped prevent hoof-and-mouth disease. From North Africa, one researcher brought back Kafir corn; from Turkestan, another imported the yellow-flowering alfalfa. Luther Burbank in California

produced scores of new fruits and vegetables; in Wisconsin, Stephen Babcock devised a test for determining the butterfat content of milk; at Tuskegee Institute in Alabama, the African-American scientist George Washington Carver found hundreds of new uses for the peanut, sweet potato, and soybean.

In varying degrees, the explosion in agricultural science and technology affected farmers all over the world, raising yields, squeezing out small producers, and driving migration to industrial cities. Railroads and steamships, moreover, began to pull regional markets into one large world market with prices instantly communicated by trans-Atlantic cable as well as ground wires. Good news for urban consumers, falling agricultural prices threatened the livelihood of many American farmers and touched off a wave of agrarian discontent.

THE DIVIDED SOUTH

After Reconstruction, Southern leaders pushed hard to attract industry. States offered large inducements and cheap labor to investors to develop the steel, lumber, tobacco, and textile industries. Yet in 1900 the region's percentage of the nation's industrial base remained about what it had been in 1860. Moreover, the price of this drive for industrialization was high: Disease and child labor proliferated in Southern mill towns. Thirty years after the Civil War, the South was still poor, over-

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whelmingly agrarian, and economically dependent. Moreover, its race relations reflected not just the legacy of slavery, but what was emerging as the central theme of its history — a determination to enforce white supremacy at any cost.

Intransigent white Southerners found ways to assert state control to maintain white dominance. Several Supreme Court decisions also bolstered their efforts by upholding traditional Southern views of the appropriate balance between national and state power.

In 1873 the Supreme Court found that the 14th Amendment (citizenship rights not to be abridged) conferred no new privileges or immunities to protect African Americans from state power. In 1883, furthermore, it ruled that the 14th Amendment did not prevent individuals, as opposed to states, from practicing discrimination. And in *Plessy v. Ferguson* (1896), the Court found that “separate but equal” public accommodations for African Americans, such as trains and restaurants, did not violate their rights. Soon the principle of segregation by race extended into every area of Southern life, from railroads to restaurants, hotels, hospitals, and schools. Moreover, any area of life that was not segregated by law was segregated by custom and practice. Further curtailment of the right to vote followed. Periodic lynchings by mobs underscored the region’s determination to subjugate its African-American population.

Faced with pervasive discrimination, many African Americans followed Booker T. Washington, who counseled them to focus on modest economic goals and to accept temporary social discrimination. Others, led by the African-American intellectual W.E.B. Du Bois, wanted to challenge segregation through political action. But with both major parties uninterested in the issue and scientific theory of the time generally accepting black inferiority, calls for racial justice attracted little support.

THE LAST FRONTIER

In 1865 the frontier line generally followed the western limits of the states bordering the Mississippi River, but bulged outward beyond the eastern sections of Texas, Kansas, and Nebraska. Then, running north and south for nearly 1,600 kilometers, loomed huge mountain ranges, many rich in silver, gold, and other metals. To their west, plains and deserts stretched to the wooded coastal ranges and the Pacific Ocean. Apart from the settled districts in California and scattered outposts, the vast inland region was populated by Native Americans: among them the Great Plains tribes — Sioux and Blackfoot, Pawnee and Cheyenne — and the Indian cultures of the Southwest, including Apache, Navajo, and Hopi.

A mere quarter-century later, virtually all this country had been carved into states and territories.

Miners had ranged over the whole of the mountain country, tunneling into the earth, establishing little communities in Nevada, Montana, and Colorado. Cattle ranchers, taking advantage of the enormous grasslands, had laid claim to the huge expanse stretching from Texas to the upper Missouri River. Sheep herders had found their way to the valleys and mountain slopes. Farmers sank their plows into the plains and closed the gap between the East and West. By 1890 the frontier line had disappeared.

Settlement was spurred by the Homestead Act of 1862, which granted free farms of 64 hectares to citizens who would occupy and improve the land. Unfortunately for the would-be farmers, much of the Great Plains was suited more for cattle ranching than farming, and by 1880 nearly 22,400,000 hectares of “free” land was in the hands of cattlemen or the railroads.

In 1862 Congress also voted a charter to the Union Pacific Railroad, which pushed westward from Council Bluffs, Iowa, using mostly the labor of ex-soldiers and Irish immigrants. At the same time, the Central Pacific Railroad began to build eastward from Sacramento, California, relying heavily on Chinese immigrant labor. The whole country was stirred as the two lines steadily approached each other, finally meeting on May 10, 1869, at Promontory Point in Utah. The months of laborious travel hitherto separating the two oceans was now cut to about six

days. The continental rail network grew steadily; by 1884 four great lines linked the central Mississippi Valley area with the Pacific.

The first great rush of population to the Far West was drawn to the mountainous regions, where gold was found in California in 1848, in Colorado and Nevada 10 years later, in Montana and Wyoming in the 1860s, and in the Black Hills of the Dakota country in the 1870s. Miners opened up the country, established communities, and laid the foundations for more permanent settlements. Eventually, however, though a few communities continued to be devoted almost exclusively to mining, the real wealth of Montana, Colorado, Wyoming, Idaho, and California proved to be in the grass and soil. Cattle-raising, long an important industry in Texas, flourished after the Civil War, when enterprising men began to drive their Texas longhorn cattle north across the open public land. Feeding as they went, the cattle arrived at railway shipping points in Kansas, larger and fatter than when they started. The annual cattle drive became a regular event; for hundreds of kilometers, trails were dotted with herds moving northward.

Next, immense cattle ranches appeared in Colorado, Wyoming, Kansas, Nebraska, and the Dakota territory. Western cities flourished as centers for the slaughter and dressing of meat. The cattle boom peaked in the mid-1880s. By then, not far behind the rancher creaked

the covered wagons of the farmers bringing their families, their draft horses, cows, and pigs. Under the Homestead Act they staked their claims and fenced them with a new invention, barbed wire. Ranchers were ousted from lands they had roamed without legal title.

Ranching and the cattle drives gave American mythology its last icon of frontier culture — the cowboy. The reality of cowboy life was one of grueling hardship. As depicted by writers like Zane Grey and movie actors such as John Wayne, the cowboy was a powerful mythological figure, a bold, virtuous man of action. Not until the late 20th century did a reaction set in. Historians and filmmakers alike began to depict “the Wild West” as a sordid place, peopled by characters more apt to reflect the worst, rather than the best, in human nature.

THE PLIGHT OF THE NATIVE AMERICANS

As in the East, expansion into the plains and mountains by miners, ranchers, and settlers led to increasing conflicts with the Native Americans of the West. Many tribes of Native Americans — from the Utes of the Great Basin to the Nez Percés of Idaho — fought the whites at one time or another. But the Sioux of the Northern Plains and the Apache of the Southwest provided the most significant opposition to frontier advance. Led by such resourceful leaders as Red Cloud and Crazy Horse,

the Sioux were particularly skilled at high-speed mounted warfare. The Apaches were equally adept and highly elusive, fighting in their environs of desert and canyons.

Conflicts with the Plains Indians worsened after an incident where the Dakota (part of the Sioux nation), declaring war against the U.S. government because of long-standing grievances, killed five white settlers. Rebellions and attacks continued through the Civil War. In 1876 the last serious Sioux war erupted, when the Dakota gold rush penetrated the Black Hills. The Army was supposed to keep miners off Sioux hunting grounds, but did little to protect the Sioux lands. When ordered to take action against bands of Sioux hunting on the range according to their treaty rights, however, it moved quickly and vigorously.

In 1876, after several indecisive encounters, Colonel George Custer, leading a small detachment of cavalry encountered a vastly superior force of Sioux and their allies on the Little Bighorn River. Custer and his men were completely annihilated. Nonetheless the Native-American insurgency was soon suppressed. Later, in 1890, a ghost dance ritual on the Northern Sioux reservation at Wounded Knee, South Dakota, led to an uprising and a last, tragic encounter that ended in the death of nearly 300 Sioux men, women, and children.

Long before this, however, the way of life of the Plains Indians had been destroyed by an expand-

ing white population, the coming of the railroads, and the slaughter of the buffalo, almost exterminated in the decade after 1870 by the settlers’ indiscriminate hunting.

The Apache wars in the Southwest dragged on until Geronimo, the last important chief, was captured in 1886.

Government policy ever since the Monroe administration had been to move the Native Americans beyond the reach of the white frontier. But inevitably the reservations had become smaller and more crowded. Some Americans began to protest the government’s treatment of Native Americans. Helen Hunt Jackson, for example, an Easterner living in the West, wrote *A Century of Dishonor* (1881), which dramatized their plight and struck a chord in the nation’s conscience. Most reformers believed the Native American should be assimilated into the dominant culture. The federal government even set up a school in Carlisle, Pennsylvania, in an attempt to impose white values and beliefs on Native-American youths. (It was at this school that Jim Thorpe, often considered the best athlete the United States has produced, gained fame in the early 20th century.)

In 1887 the Dawes (General Allotment) Act reversed U.S. Native-American policy, permitting the president to divide up tribal land and parcel out 65 hectares of land to each head of a family. Such allotments were to be held in trust by the government for 25 years, after

which time the owner won full title and citizenship. Lands not thus distributed, however, were offered for sale to settlers. This policy, however well-intentioned, proved disastrous, since it allowed more plundering of Native-American lands. Moreover, its assault on the communal organization of tribes caused further disruption of traditional culture. In 1934 U.S. policy was reversed yet again by the Indian Reorganization Act, which attempted to protect tribal and communal life on the reservations.

AMBIVALENT EMPIRE

The last decades of the 19th century were a period of imperial expansion for the United States. The American story took a different course from that of its European rivals, however, because of the U.S. history of struggle against European empires and its unique democratic development.

The sources of American expansionism in the late 19th century were varied. Internationally, the period was one of imperialist frenzy, as European powers raced to carve up Africa and competed, along with Japan, for influence and trade in Asia. Many Americans, including influential figures such as Theodore Roosevelt, Henry Cabot Lodge, and Elihu Root, felt that to safeguard its own interests, the United States had to stake out spheres of economic influence as well. That view was seconded by a powerful naval lobby, which called for an expanded fleet

and network of overseas ports as essential to the economic and political security of the nation. More generally, the doctrine of “manifest destiny,” first used to justify America’s continental expansion, was now revived to assert that the United States had a right and duty to extend its influence and civilization in the Western Hemisphere and the Caribbean, as well as across the Pacific.

At the same time, voices of anti-imperialism from diverse coalitions of Northern Democrats and reform-minded Republicans remained loud and constant. As a result, the acquisition of a U.S. empire was piecemeal and ambivalent. Colonial-minded administrations were often more concerned with trade and economic issues than political control.

The United States’ first venture beyond its continental borders was the purchase of Alaska — sparsely populated by Inuit and other native peoples — from Russia in 1867. Most Americans were either indifferent to or indignant at this action by Secretary of State William Seward, whose critics called Alaska “Seward’s Folly” and “Seward’s Icebox.” But 30 years later, when gold was discovered on Alaska’s Klondike River, thousands of Americans headed north, and many of them settled in Alaska permanently. When Alaska became the 49th state in 1959, it replaced Texas as geographically the largest state in the Union.

The Spanish-American War, fought in 1898, marked a turning point in U.S. history. It left the

United States exercising control or influence over islands in the Caribbean Sea and the Pacific.

By the 1890s, Cuba and Puerto Rico were the only remnants of Spain’s once vast empire in the New World, and the Philippine Islands comprised the core of Spanish power in the Pacific. The outbreak of war had three principal sources: popular hostility to autocratic Spanish rule in Cuba; U.S. sympathy with the Cuban fight for independence; and a new spirit of national assertiveness, stimulated in part by a nationalistic and sensationalist press.

By 1895 Cuba’s growing restiveness had become a guerrilla war of independence. Most Americans were sympathetic with the Cubans, but President Cleveland was determined to preserve neutrality. Three years later, however, during the administration of William McKinley, the U.S. warship *Maine*, sent to Havana on a “courtesy visit” designed to remind the Spanish of American concern over the rough handling of the insurrection, blew up in the harbor. More than 250 men were killed. The *Maine* was probably destroyed by an accidental internal explosion, but most Americans believed the Spanish were responsible. Indignation, intensified by sensationalized press coverage, swept across the country. McKinley tried to preserve the peace, but within a few months, believing delay futile, he recommended armed intervention.

The war with Spain was swift and decisive. During the four months it

lasted, not a single American reverse of any importance occurred. A week after the declaration of war, Commodore George Dewey, commander of the six-warship Asiatic Squadron then at Hong Kong, steamed to the Philippines. Catching the entire Spanish fleet at anchor in Manila Bay, he destroyed it without losing an American life.

Meanwhile, in Cuba, troops landed near Santiago, where, after winning a rapid series of engagements, they fired on the port. Four armored Spanish cruisers steamed out of Santiago Bay to engage the American navy and were reduced to ruined hulks.

From Boston to San Francisco, whistles blew and flags waved when word came that Santiago had fallen. Newspapers dispatched correspondents to Cuba and the Philippines, who trumpeted the renown of the nation’s new heroes. Chief among them were Commodore Dewey and Colonel Theodore Roosevelt, who had resigned as assistant secretary of the navy to lead his volunteer regiment, the “Rough Riders,” to service in Cuba. Spain soon sued for an end to the war. The peace treaty signed on December 10, 1898, transferred Cuba to the United States for temporary occupation preliminary to the island’s independence. In addition, Spain ceded Puerto Rico and Guam in lieu of war indemnity, and the Philippines for a U.S. payment of \$20 million.

Officially, U.S. policy encouraged the new territories to move toward

democratic self-government, a political system with which none of them had any previous experience. In fact, the United States found itself in a colonial role. It maintained formal administrative control in Puerto Rico and Guam, gave Cuba only nominal independence, and harshly suppressed an armed independence movement in the Philippines. (The Philippines gained the right to elect both houses of its legislature in 1916. In 1936 a largely autonomous Philippine Commonwealth was established. In 1946, after World War II, the islands finally attained full independence.)

U.S. involvement in the Pacific area was not limited to the Philippines. The year of the Spanish-American War also saw the beginning of a new relationship with the Hawaiian Islands. Earlier contact with Hawaii had been mainly through missionaries and traders. After 1865, however, American investors began to develop the islands’ resources — chiefly sugar cane and pineapples.

When the government of Queen Liliuokalani announced its intention to end foreign influence in 1893, American businessmen joined with influential Hawaiians to depose her. Backed by the American ambassador to Hawaii and U.S. troops stationed there, the new government then asked to be annexed to the United States. President Cleveland, just beginning his second term, rejected annexation, leaving Hawaii nominally independent until the

Spanish-American War, when, with the backing of President McKinley, Congress ratified an annexation treaty. In 1959 Hawaii would become the 50th state.

To some extent, in Hawaii especially, economic interests had a role in American expansion, but to influential policy makers such as Roosevelt, Senator Henry Cabot Lodge, and Secretary of State John Hay, and to influential strategists such as Admiral Alfred Thayer Mahan, the main impetus was geostrategic. For these people, the major dividend of acquiring Hawaii was Pearl Harbor, which would become the major U.S. naval base in the central Pacific. The Philippines and Guam complemented other Pacific bases — Wake Island, Midway, and American Samoa. Puerto Rico was an important foothold in a Caribbean area that was becoming increasingly important as the United States contemplated a Central American canal.

U.S. colonial policy tended toward democratic self-government. As it had done with the Philippines, in 1917 the U.S. Congress granted Puerto Ricans the right to elect all of their legislators. The same law also made the island officially a U.S. territory and gave its people American citizenship. In 1950 Congress granted Puerto Rico complete freedom to decide its future. In 1952, the citizens voted to reject either statehood or total independence, and chose instead a commonwealth status that has endured despite the efforts of a vocal separatist move-

ment. Large numbers of Puerto Ricans have settled on the mainland, to which they have free access and where they enjoy all the political and civil rights of any other citizen of the United States.

THE CANAL AND THE AMERICAS

The war with Spain revived U.S. interest in building a canal across the isthmus of Panama, uniting the two great oceans. The usefulness of such a canal for sea trade had long been recognized by the major commercial nations of the world; the French had begun digging one in the late 19th century but had been unable to overcome the engineering difficulties. Having become a power in both the Caribbean Sea and the Pacific Ocean, the United States saw a canal as both economically beneficial and a way of providing speedier transfer of warships from one ocean to the other.

At the turn of the century, what is now Panama was the rebellious northern province of Colombia. When the Colombian legislature in 1903 refused to ratify a treaty giving the United States the right to build and manage a canal, a group of impatient Panamanians, with the support of U.S. Marines, rose in rebellion and declared Panamanian independence. The breakaway country was immediately recognized by President Theodore Roosevelt. Under the terms of a treaty signed that November, Panama granted the

United States a perpetual lease to a 16-kilometer-wide strip of land (the Panama Canal Zone) between the Atlantic and the Pacific, in return for \$10 million and a yearly fee of \$250,000. Colombia later received \$25 million as partial compensation. Seventy-five years later, Panama and the United States negotiated a new treaty. It provided for Panamanian sovereignty in the Canal Zone and transfer of the canal to Panama on December 31, 1999.

The completion of the Panama Canal in 1914, directed by Colonel George W. Goethals, was a major triumph of engineering. The simultaneous conquest of malaria and yellow fever made it possible and was one of the 20th century's great feats in preventive medicine.

Elsewhere in Latin America, the United States fell into a pattern of fitful intervention. Between 1900 and 1920, the United States carried out sustained interventions in six Western Hemispheric nations — most notably Haiti, the Dominican Republic, and Nicaragua. Washington offered a variety of justifications for these interventions: to establish political stability and democratic government, to provide a favorable environment for U.S. investment (often called dollar diplomacy), to secure the sea lanes leading to the Panama Canal, and even to prevent European countries from forcibly collecting debts. The United States had pressured the French into removing troops from Mexico in 1867. Half a century later, however, as part

of an ill-starred campaign to influence the Mexican revolution and stop raids into American territory, President Woodrow Wilson sent 11,000 troops into the northern part of the country in a futile effort to capture the elusive rebel and outlaw Francisco “Pancho” Villa.

Exercising its role as the most powerful — and most liberal — of Western Hemisphere nations, the United States also worked to establish an institutional basis for cooperation among the nations of the Americas. In 1889 Secretary of State James G. Blaine proposed that the 21 independent nations of the Western Hemisphere join in an organization dedicated to the peaceful settlement of disputes and to closer economic bonds. The result was the Pan-American Union, founded in 1890 and known today as the Organization of American States (OAS).

The later administrations of Herbert Hoover (1929-33) and Franklin D. Roosevelt (1933-45) repudiated the right of U.S. intervention in Latin America. In particular, Roosevelt's Good Neighbor Policy of the 1930s, while not ending all tensions between the United States and Latin America, helped dissipate much of the ill-will engendered by earlier U.S. intervention and unilateral actions.

UNITED STATES AND ASIA

Newly established in the Philippines and firmly entrenched in Hawaii at the turn of the century, the

United States had high hopes for a vigorous trade with China. However, Japan and various European nations had acquired established spheres of influence there in the form of naval bases, leased territories, monopolistic trade rights, and exclusive concessions for investing in railway construction and mining.

Idealism in American foreign policy existed alongside the desire to compete with Europe's imperial powers in the Far East. The U.S. government thus insisted as a matter of principle upon equality of commercial privileges for all nations. In September 1899, Secretary of State John Hay advocated an "Open Door" for all nations in China — that is, equality of trading opportunities (including equal tariffs, harbor duties, and railway rates) in the areas Europeans controlled. Despite its idealistic component, the Open Door, in essence, was a diplomatic maneuver that sought the advantages of colonialism while avoiding the stigma of its frank practice. It had limited success.

With the Boxer Rebellion of 1900, the Chinese struck out against foreigners. In June, insurgents seized Beijing and attacked the foreign legations there. Hay promptly announced to the European powers and Japan that the United States

would oppose any disturbance of Chinese territorial or administrative rights and restated the Open Door policy. Once the rebellion was quelled, Hay protected China from crushing indemnities. Primarily for the sake of American good will, Great Britain, Germany, and lesser colonial powers formally affirmed the Open Door policy and Chinese independence. In practice, they consolidated their privileged positions in the country.

A few years later, President Theodore Roosevelt mediated the deadlocked Russo-Japanese War of 1904-05, in many respects a struggle for power and influence in the northern Chinese province of Manchuria. Roosevelt hoped the settlement would provide open-door opportunities for American business, but the former enemies and other imperial powers succeeded in shutting the Americans out. Here as elsewhere, the United States was unwilling to deploy military force in the service of economic imperialism. The president could at least content himself with the award of the Nobel Peace Prize (1906). Despite gains for Japan, moreover, U.S. relations with the proud and newly assertive island nation would be intermittently difficult through the early decades of the 20th century. ◇

J. P. MORGAN AND FINANCE CAPITALISM

The rise of American industry required more than great industrialists. Big industry required big amounts of capital; headlong economic growth required foreign investors. John Pierpont (J.P.) Morgan was the most important of the American financiers who underwrote both requirements.

During the late 19th and early 20th centuries, Morgan headed the nation's largest investment banking firm. It brokered American securities to wealthy elites at home and abroad. Since foreigners needed assurance that their investments were in a stable currency, Morgan had a strong interest in keeping the dollar tied to its legal value in gold. In the absence of an official U.S. central bank, he became the de facto manager of the task.

From the 1880s through the early 20th century, Morgan and Company not only managed the securities that underwrote many important corporate consolidations, it actually originated some of them. The most stunning of these was the U.S. Steel Corporation, which combined Carnegie Steel with several other companies. Its corporate stock and bonds were sold to investors at the then-unprecedented sum of \$1.4 billion.

Morgan originated, and made large profits from, numerous other mergers. Acting as primary banker to numerous railroads, moreover, he effectively muted competition among them. His organizational efforts brought stability to American industry by ending price wars to the disadvantage of farmers and small manufacturers, who saw him as an oppressor. In 1901, when he established the Northern Securities Company to control a group of major railroads, President Theodore Roosevelt authorized a successful Sherman Antitrust Act suit to break up the merger.

Acting as an unofficial central banker, Morgan took the lead in supporting the dollar during the economic depression of the mid-1890s by marketing a large government bond issue that raised funds to replenish Treasury gold supplies. At the same time, his firm undertook a short-term guarantee of the nation's gold reserves. In 1907, he took the lead in organizing the New York financial community to prevent a potentially ruinous string of bankruptcies. In the process, his own firm acquired a large independent steel company, which it amalgamated with U. S. Steel. President Roosevelt personally approved the action in order to avert a serious depression.

By then, Morgan's power was so great that most Americans instinctively distrusted and disliked him. With some exaggeration, reformers depicted him as the director of a "money trust" that controlled America. By the time of his death in 1913, the country was in the final stages of at last reestablishing a central bank, the Federal Reserve System, that would assume much of the responsibility he had exercised unofficially. ◆