

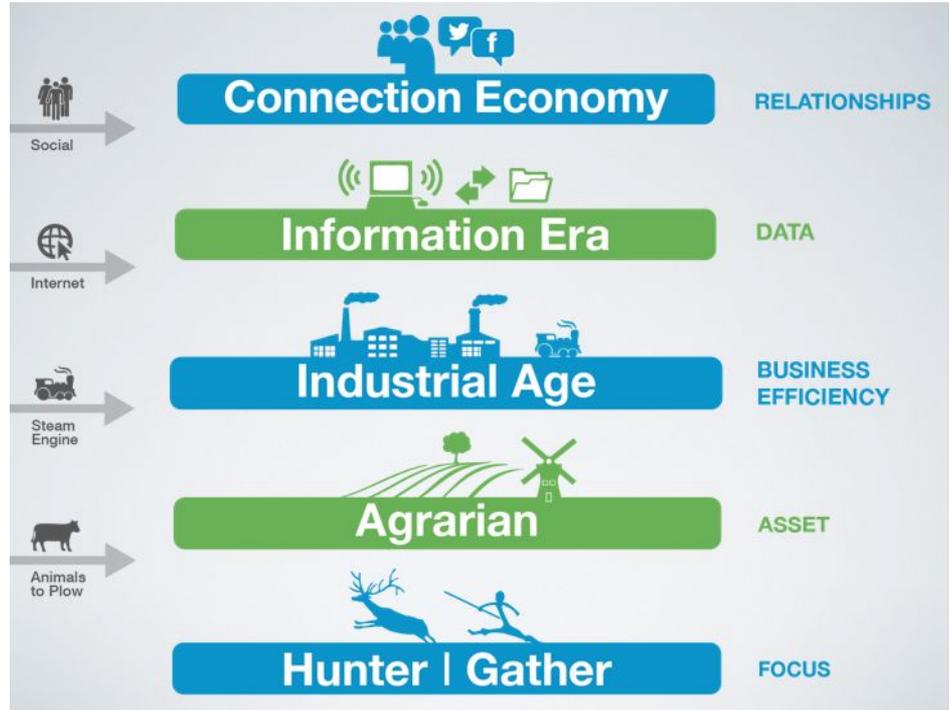
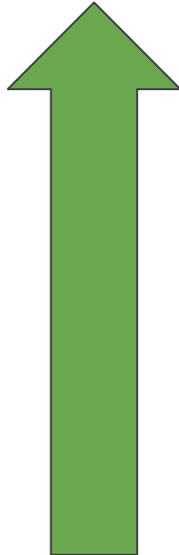
Work, Exchange & Technology *Economics Review*

APUSH Exam 2020



Work, Exchange, and Technology

I highly recommend [visiting here](#) for a plethora of prompts, timelines, documents, charts, and mnemonic devices to assist your review of the topic.

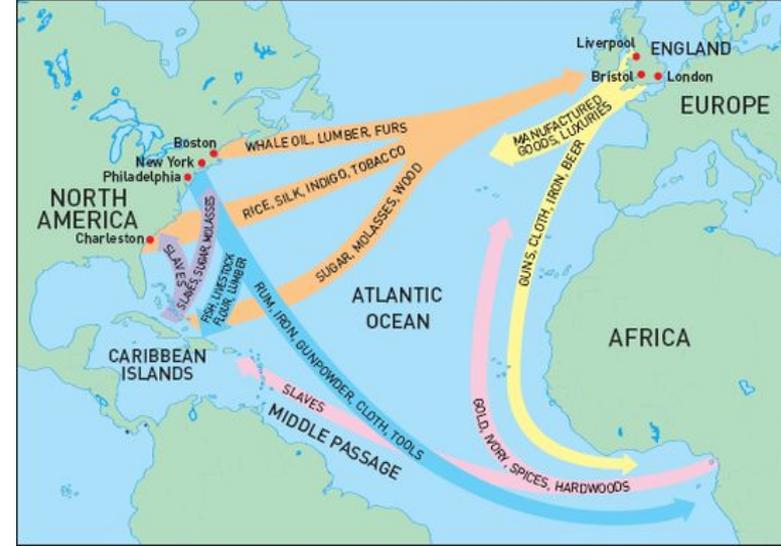




Colonial Economics

It all starts with Mercantilism!

- Economic policy built to benefit the Mother Country where colonies provide raw materials and the Mother Country earns a profit
- Mercantilism was illustrated by
 - Triangular Trade
 - Navigation Acts (put into place by Britain in the mid 1600's)
 - Restricted colonial trade- colonies could only export raw materials to Britain and could only purchase finished goods from Britain
 - This policy was not enforced due to Salutary Neglect
 - Colonies “smuggled” goods throughout Europe
 - Salutary Neglect came to an end following the French and Indian War
 - Britain needed to pay off the debts from the war
 - Added cost of newly acquired territories

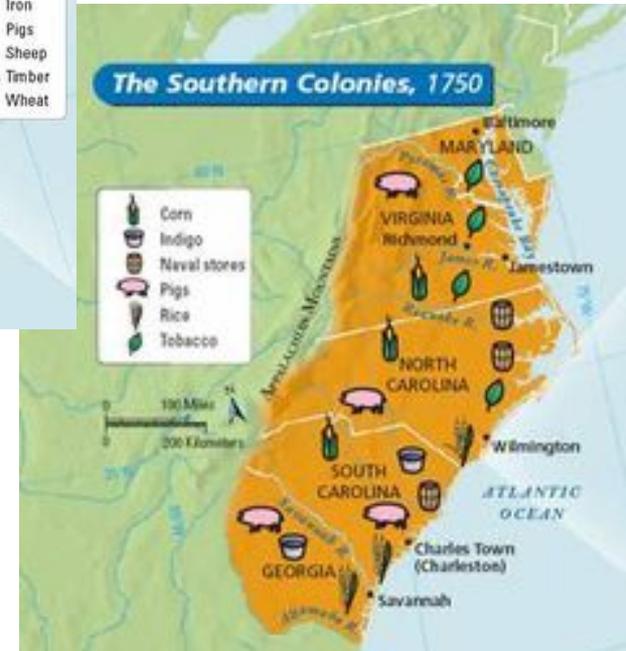


The New England Colonies 1750



Sources of labor:

- Immigrants
- Indentured Servants
- Headright System
- Slavery- 1619



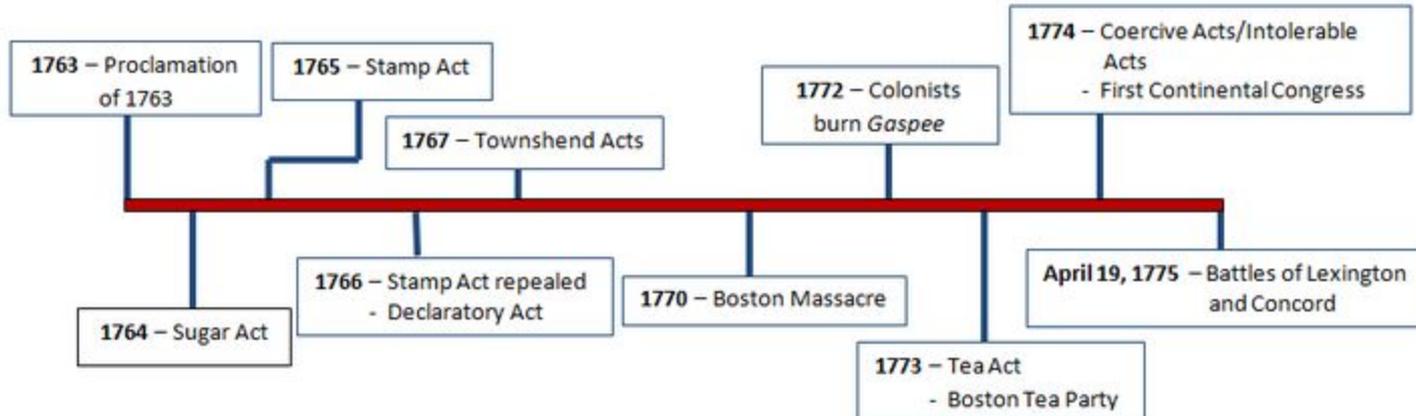
Key points- all regions had slavery--some relied on it more than others

Although colonies were founded for different reasons, all colonies needed to make money for themselves and for the crown.

Road to Revolution

Colonists stated “no taxation without representation”

- Colonists were taxed less than their British counterparts
- Enlightenment ideals and British tactics seen as tyrannical led to calls for revolution
 - Boston Massacre
 - Intolerable Acts
 - Closed Boston Harbor
 - Shut down Massachusetts colonial government
 - Quartering Act



Act	Date	Why Parliament Passed the...	What the act said...	Colonial Response
Sugar Act	1764	Help pay for the French and Indian War and keep a standing army in North America.	set duties on molasses and sugar imported to the colonies, changed colonial courts, no juries, guilty until proven innocent	upset because they thought taxes were unfair, "no taxation without representation," formed the Committees of Correspondence, boycotts to hurt British economically.
Stamp Act	1765	another way to tax colonies to get money.	required colonists to pay for an official stamp when they bought paper items. Tax on newspapers, pamphlets, and playing cards	angry about being taxed directly. protests formed immediately, Sons of Liberty was formed, used violence against tax collectors, resolutions to Virginia House of Burgess against Stamp Act.
Declaratory Acts	1766	Parliament pressured to repeal the Stamp Act and were upset that colonists had challenged their authority.	stated that Parliament had the power to make laws for the colonies "in all cases whatsoever"	worried colonist, argued it stripped away their independence.
Townshend Acts	1767	another way to tax colonies to get money.	Placed duties on glass, lead, paints, paper, and tea. Allowed tax collectors to search for smuggled goods.	hated the new laws because they took power away from colonial governments, boycotting British imports, Daughter of Liberty, letters of protest
Tea Act	1773	Parliament repealed Townshend Acts due to the pressure in the colonies which resulted in the Boston Massacre but kept the tax on tea.	gave East India Company right to sell tea directly to colonies.	colonial merchants feared cheaper tea would put them out of business, Boston Tea Party
Intolerable Acts	1774	British Prime Minister was furious when he heard about the Boston Tea Party, parliament wanted to punish the colonies	closed Boston Harbor, restructures Massachusetts government, restricts town meetings, royal officials accused of crimes sent to	boycott British goods; First Continental Congress Convenes in September 1774.



Articles of Confederation

Problems

- No single national currency- every state plus national government had own currency- Made trade within the nation very difficult
- Taxation- almost impossible for national government to collect taxes- National government had few funds
- Shays' Rebellion- Revolutionary war veterans promised money from Continental Congress, not paid---revolt



Hamilton vs. Jefferson on Economics

Hamilton's Financial Plan

- Goals: encourage manufacturing, improve America's economic standing internationally, pay off debts from Revolutionary War, generate funds for the government
- Plan
 - Bank of the United States- stabilize economy and currency, assist with investments
 - Tariff- encourage American industry, raise funds
 - Whiskey Tax- raise funds
 - Assumption of state debts- clean slate---resulted in capital moving to Washington DC

Vision for America- urbanization and industrialization

Jefferson's Views and Presidency

- Beliefs- strict interpretation of the Constitution- the Bank was unconstitutional and served the wealthy
- President
 - Did not dismantle Bank of the United States
 - Decreased size of government and government spending (resulted in issues with the breakout of the War of 1812)
 - Influenced Jackson's actions as president

Vision for America- rural and agrarian

RISE OF POLITICAL PARTIES

	<u>Federalist</u>	<u>Democratic-Republicans</u>
Domestic Policy	<p>Supported National Bank—BUS</p> <p>Supported excise tax/ Tariffs</p> <p>National debt good for country</p> <p>National govt. assume state debts</p>	<ul style="list-style-type: none">•Against BUS•Against excise tax•Against National debt•States pay their own debts•Tariffs should be low
Foreign Policy	<ul style="list-style-type: none">•Opposed French Revolution•Favored the British over French	<ul style="list-style-type: none">•Supported French Revolution•Favored the French over British.

Regions of the US in the early 1800s

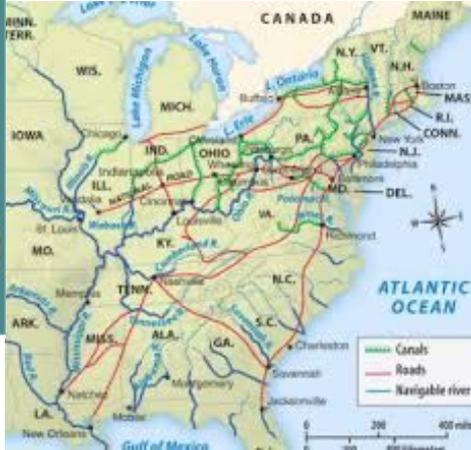
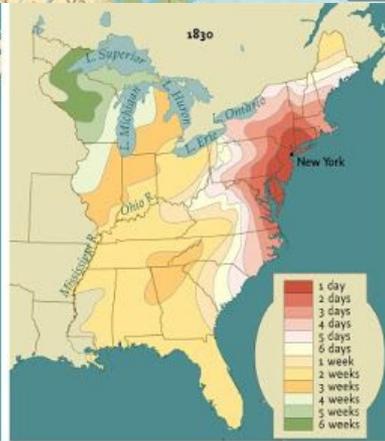


Northeast- Manufacturing and trade, subsistence farming, cities; labor force- immigrants

South- Little manufacturing, subsistence farming, plantations and cash crops, few cities; labor force- slaves

West- No manufacturing and little trade, subsistence farming, frontier, some towns

Market Revolution (1800-1840's)



- Transformation to a more modern and industrialized economy---focus on Markets (Market Economy- supply and demand and actual markets to sell goods- urban centers)
- Also known as the Transportation Revolution- roads, canals, steam power, and eventually the railroad
 - Importance of the Erie Canal
 - Opened up trade with the Midwest
 - New York City became a center of international trade
- Inventions- Steamboat, Railroad, telegraph, Cotton Gin, mechanical reaper, steel plow, interchangeable parts
- Start of factories- Lowell System- mill girls

Market Revolution was advanced by the American System

- Advocates: Henry Clay, JQ Adams, John C. Calhoun (early on), Whigs
- Bank of the United States
- Internal Improvements
- Protective Tariff



Why is this important?

Impacts of the Market Revolution

- Manifest Destiny- new land acquired via purchase, treaty, and war
 - Led to new/expanded natural resources and increased American power
- Improved transportation- ability to move goods to the marketplace and to move people throughout the nation---particularly newly acquired lands
- Improve communication- ability to quickly communicate with distant areas now owned by America
- Improved farming techniques- increased farm production, King Cotton and reliance on slave labor----South relied on slavery to produce the crops, North relied on slavery to produce materials necessary for textile mills
- Uneven development-
 - North flourished with transportation and factories which assisted in victory in the Civil War
 - South did not industrialize- reliance on farming and plantation system, opposed to tariffs since everything was imported (either from abroad or from the North)
 - West- benefitted from transportation to move people and goods, was opposed to banks and tariffs



Civil War (1861-1865)

- Market Revolution assisted the North by-
 - Factories to produce weapons, ammo, uniforms, other supplies
 - Transportation system to move troops
 - Influx of immigrants were both laborers at home and soldiers on the field
- Lincoln and the power of Federalism
 - Creation of an income tax to pay for the war
 - Continuation of a tariff to pay for the war
 - Use of presidential authority to ensure all needs were met- ex. Improvement of harbors and solid banking system
 - Use of telegraph to communicate with generals in the field
- Lincoln and expansion
 - Transcontinental Railroad- Pacific Railway Act
 - Homestead Act
- The South
 - Sherman's March to the Sea (and other actions) demoralized and destroyed the south
 - Reconstruction- Carpetbaggers from the North, institution of sharecropping, continued reliance on agriculture



Gilded Age (1870's-1890's)

Industrialization

- [Inventions](#)
- Rise of corporations
- Monopolies- horizontal and vertical integration; trusts, pools, conglomerates, holding companies
- Robber Barons or Captains of Industry?
 - Robber Barons- belief in Social Darwinism led to mistreatment of workers and unsafe working conditions, desire to enrich business led to practices to eliminate competition
 - Captains of Industry- industrialists were entrepreneurs who took risks (Carnegie and Bessemer Process) which increased production, improved products, and decreased costs; additionally, many industrialists were major philanthropists (Wealth by Andrew Carnegie)
- Unions- created to advocate for rights of workers "Eight hours for work, eight hours for rest and eight hours for what you will."
 - Knights of Labor and American Federation of Labor
 - Strikes- Reasons: pay cuts, improve working conditions Results: Government support of business, troops and violence

Urbanization

- Growth of cities (by 1920 majority of people lived in cities)
- Issues- pollution, crime, disease
- Benefits- mass transportation, parks, theaters

Immigration

- "New Immigration" from Southern and Western Europe as well as Asia
- Immigrants were valued by industrialists as a cheap labor force, labor unions opposed open immigration
- Nativism led to restrictions on Immigration- Chinese Exclusion Act (1882)



Impacts of the Gilded Age

Populist Movement

- Farmers united to fight against unfair business practices (particularly railroads and banks)
- Called for an end of tariffs and institution of a graduated income tax
- Democratic reform due to close ties between government officials and big business
- Reforms were not achieved until Progressive Era

Progressive Movement----Government Regulation---not Laissez Faire!!!!

- Muckrakers- see chart
- Reforms- see chart
 - Remember Theodore Roosevelt's 3 C's: Conservation, Consumer Protection, Corporations (Trust Busting)
 - TR- Good trusts vs. Bad Trusts

Imperialism

- Closing of the Frontier (Frederick Jackson Turner's Frontier Thesis)
- Desire for markets abroad and raw materials
 - Open Door Policy, Annexation of Hawaii, Spanish American War
- Need for naval bases and supply centers (Alfred T. Mahan)
 - Led to Panama Canal for ease of movement between the Atlantic and Pacific Oceans

BOOK TITLE	BOOK AUTHOR	TOPIC	PROBLEMS	SOLUTIONS
The Bitter Cry of the Children	John Spargo	Child Labor	Mine work Accidents Long hours	Child labor Law Insurance Minimum wage
The Jungle	Upton Sinclair	Unsanitary Meat factory	Accidents Unsafe Unclean	Pure Food & Drug Act Meat Inspection
The History of the Standard Oil Company	Ida Tarbell	Businesses (monopolies)	No competition High prices Low wages No job security	Resources > fed Insurance Max. hours Safety Codes
How the Other Half Lives	Jacob Riis	Tenements	Slums Unsanitary	Welfare Building codes Anti-prostit.
The Shame of the Cities	Lincoln Steffens	Political machines	Graft Rigged elections Padding the bills	16 th amend 17 th amend Publish \$ spent Init, Refer,

Progressive Era Legislation and Constitutional Amendments

Legislation/Amendment	Effect
Sherman Antitrust Act (1890)	Outlawed monopolies and practices that restrained trade, such as price fixing
National Reclamation Act (1902)	Provided for federal irrigation projects by using money from the sale of public lands
Elkins Act (1903)	Imposed fines on railroads that gave special rates to favored shippers
Hepburn Act (1906)	Authorized the federal government to regulate railroad rates and set maximum prices for ferries, bridge tolls, and oil pipelines
Meat Inspection Act (1906)	Allowed the federal government to inspect meat sold across state lines and required inspection of meat-processing plants
Pure Food and Drug Act (1906)	Allowed federal inspection of food and medicine and banned the shipment and sale of impure food and the mislabeling of food and medicine
Sixteenth Amendment (1913)	Gave Congress the power to collect taxes on people's income
Seventeenth Amendment (1913)	Instituted the direct election of senators by the people of each state
Underwood Tariff Act (1913)	Lowered tariffs on imported goods and established a graduated income tax
Federal Reserve Act (1913)	Created the Federal Reserve Board to oversee banks and manage reserve funds
Federal Trade Commission Act (1914)	Established the Federal Trade Commission to monitor business practices, false advertising, and dishonest labeling
Clayton Antitrust Act (1914)	Strengthened the Sherman Antitrust Act by spelling out specific activities businesses could not do
Eighteenth Amendment (1919)	Banned the making, selling, and transporting of alcoholic beverages in the United States
Nineteenth Amendment (1920)	Gave women the right to vote in all elections



World War I and the 1920's

WWII was very similar economically to WWI

- Additional measures taken to ensure troops had supplies- rationing, victory gardens
- Rosie the Riveter
- War Bonds to pay for war

World War I

- Increased production to meet the needs for war- industrial and agricultural
- Increased opportunities for women and minorities in the workforce
- Increased government control of production
- Unions- AFL supported war and benefitted, IWW did not support war, seen as communist and unpatriotic
 - After war- decrease in support for unions and labor

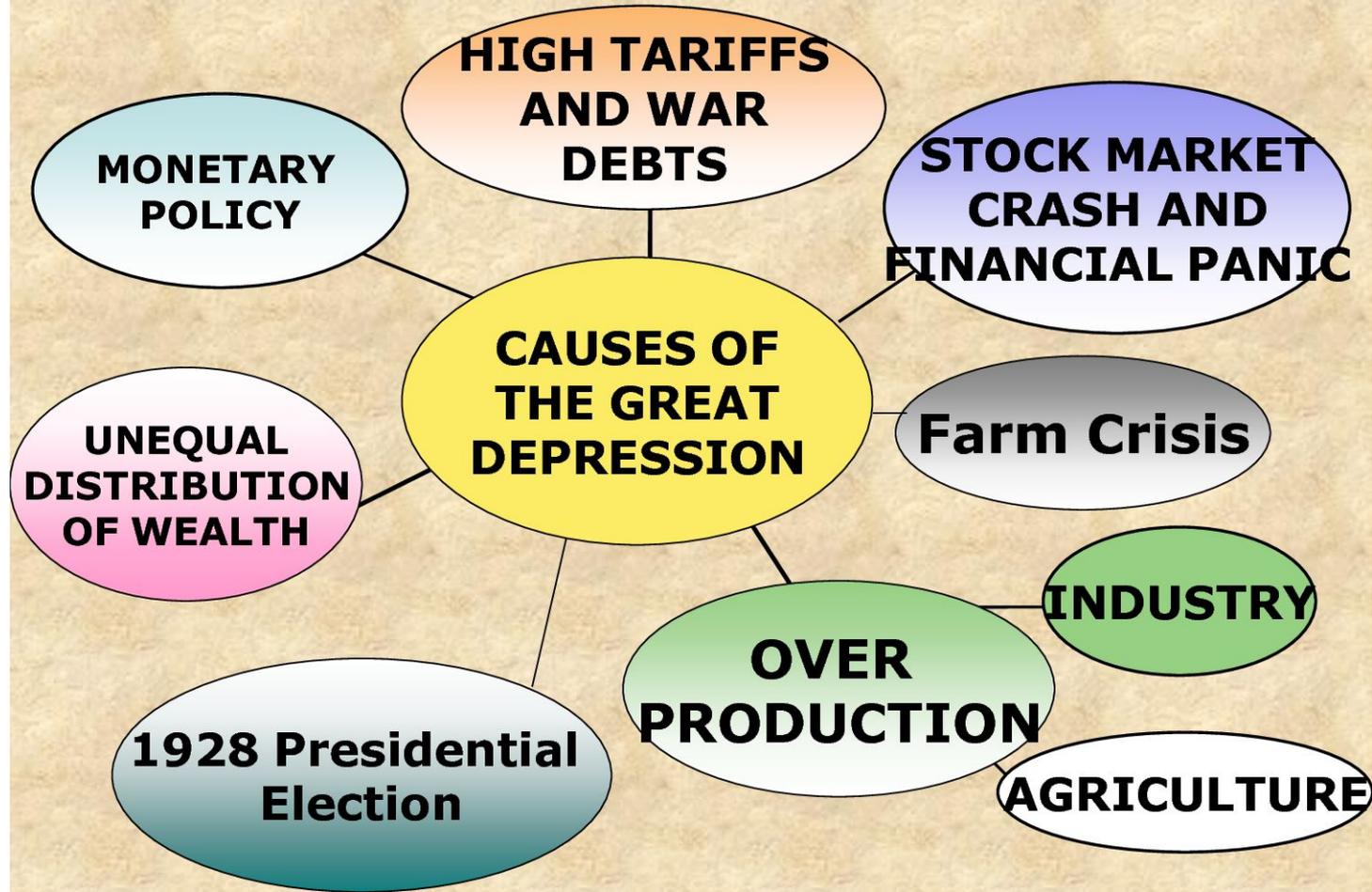
1920's

- Return to Normalcy- end of Progressive Era reforms---deregulation
- Coolidge- “the business of America is business”
- Consumerism due to new inventions, cheaper prices, mass marketing
- Mass culture- radio, film, stars (actors, sports)

Percentage of American Families Owning Various Appliances, 1920 and 1930

	1920	1930
Inside flush toilets	20%	51%
Central heating	1%	42%
Home lighting with electricity	35%	68%
Mechanical refrigerators	<1%	8%
Washing machines	8%	24%
Vacuum cleaners	9%	30%
Radios	<1%	40%
Automobiles	26%	60%

Historians disagree as to the causes of the Great Depression. Most scholars would include:





Great Depression and the New Deal

Impacts of the Great Depression (1929-1939)

- Unemployment (25% at its height)
- Hoovervilles, Hoover Blankets, Hoover Flags
- Bank failures
- Farm foreclosures (Dust Bowl was also a cause of this)----led to migration of Oakies

Herbert Hoover (1929-1933)

- Belief in rugged individualism and charity
- “Prosperity is just around the corner”

Franklin Delano Roosevelt (1933-1945)

- Brain Trust- economic experts
- 3 R's
 - Relief- end suffering from depression
 - Recovery- end Great Depression
 - Reform- prevent future depressions

Impacts of the New Deal

- End of laissez faire---belief that the government should be involved in the economy
- Government safety net- Social Security
 - Led to Great Society under Lyndon B. Johnson- Medicare, Medicaid, Welfare, Low Income Housing
- Criticism- increased national debt, increased power of the national government, loss of personal responsibility



The New Deal Relief - Recovery - Reform

RELIEF

- 1933 Emergency Banking Act
- 1933 Federal Emergency Relief Act
- 1933 Public Works Administration
- 1933 Civilian Conservation Corps
- 1933 Tennessee Valley Authority
- 1935 Works Progress Administration

RECOVERY

- 1933 National Recovery Act
- 1933 Agricultural Adjustment Act
- 1933 Home Owners Loan Corporation
- 1934 Federal Housing Administration
- 1937 Agricultural Adjustment Act

REFORM

- 1933 Glass-Steagall Banking Act
- 1934 Securities Exchange Act
- 1935 Social Security Act
- 1935 National Labor Relations Act
- 1938 Fair Labor Standards Act

Key 1930s Reform Legislation

Year	Legislation	Provisions
1932	Reconstruction Finance Corporation (RFC)	Granted emergency loans to banks, life insurance companies, and railroads (passed during Hoover administration)
1933	Civilian Conservation Corps (CCC)	Employed young men (and a few women) in reforestation, road construction, and flood control projects
1933	Agricultural Adjustment Act (AAA)	Granted farmers direct payments for reducing production of certain products; funds for payments provided by a processing tax, which was later declared unconstitutional
1933	Tennessee Valley Authority (TVA)	Created independent public corporation to construct dams and power projects and to develop the economy of a nine-state area in the Tennessee River valley
1933	National Industrial Recovery Act (NIRA)	Sought to revive business through a series of fair-competition codes; Section 7a guaranteed labor's right to organize (later declared unconstitutional)
1933	Public Works Administration (PWA)	Sought to increase employment and business activity through construction of roads, buildings, and other projects
1934	National Housing Act—created Federal Housing Administration (FHA)	Insured loans made by banks for construction of new homes and repair of old homes
1935	Emergency Relief Appropriation Act—created Works Progress Administration (WPA)	Employed over 8 million people to repair roads, build bridges, and work on other projects; also hired artists and writers
1935	Social Security Act	Established unemployment compensation and old-age and survivors' insurance paid for by a joint tax on employers and employees
1935	National Labor Relations Act (Wagner-Connery Act)	Recognized the right of employees to join labor unions and to bargain collectively; created a National Labor Relations Board to supervise elections and to prevent unfair labor practices
1935	Public Utility Holding Act	Outlawed pyramiding of gas and electric companies through the use of holding companies and restricted these companies to activity in one area; a "death sentence" clause gave companies five years to prove local, useful, and efficient operation or be dissolved
1937	National Housing Act (Wagner-Steagall Act)	Authorized low-rent public housing projects
1938	Agricultural Adjustment Act (AAA)	Continued price supports and payments to farmers to limit production, as in 1933 act, but replaced processing tax with direct federal payment
1938	Fair Labor Standards Act	Established minimum wage of 40 cents an hour and maximum workweek of 40 hours in enterprises engaged in interstate commerce