

**DJH3C: HISTORY OF THE U.S.A (1865 to 1987)**

## Unit - I

Civil War: Legacy of the Civil War – Abraham Lincoln – An Assessment - Reconstruction: Varieties of Reconstruction – Age of Exploitation – Industrialization of America.

## Unit - II

Revolution and Reaction in Economic Life: Response to Industrialism – Labour Movements – New Immigration- Apartheid and Imperialism: City Life and their problems – Political trends between 1877 and 1896 their problems Political trend in 1990.

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## Unit - V

Civil Rights: Policy of containment – Awareness of Civil rights – Martin Luther King- America 1960 – 1980: 1960s to 1980s – New Frontier Society and Racial Turmoil- Recent Development: Women's Liberation – Watergate – Ford to Reagan – American Foreign Policy.

## Reference Books:

1. Christopher p. Hill - History of the United States
2. Frank Freidal and Alan Frankly - America in the 20<sup>th</sup> century
3. Joh A. Krout - The United States since 1865
4. Rajayyan. K. - History of the U.S.A.
5. Subramanian. N. - A History of the U. S.A.
6. William Chage - The unfinished Journey in America since world war II

## **Unit - I**

### **Civil War (1860 - 1865)**

**General Causes:** Causes of the Civil War were centred on sectionalism – conflict between the national and sectional interests. Nature divided the United States into separate geographical areas, where climate, soil and produce differed from each other. These different territories were inhabited severally by aggressive, independent and adventurous populations, belonging to various national groups of Europe. This brought into extended a situation in which the national and sectional interests worked against each other. In an attempt to effect reconciliation between the two interests the federal principles in the Constitution were evolved- yet the situation of rivalry was not removed. When the national legislations did not agree with local aspirations the states advocated the theory of state rights. The Virginia and Kentucky Resolutions against the Alien and Sedition Acts and South Carolina Exposition against the tariff laws of President Jackson – which raised the nullification controversy – represented the attempts of the states to assert their independent views. This trend gained strength on the issue of slavery. In fact the civil war represented the culmination of the divisive forces were at work.

More basic than the independent attitude of people was the economic conflict between the North and the South. Industrial Revolution transformed the north into an industrial and commercial society. It created a capitalist class of merchants, trade, insurance banking and foreign exchange. In a bid to protect and promote their interests they demanded protective tariff, a national bank, liberal interpretation of the Constitution, a strong central government and internal improvements like railways to link the East with the West. The southerners, on the other hand, were agriculturists and landlords. They raised cotton, tobacco and other basic raw materials and marketed them to northern states and foreign countries. They bought most of the imported goods, paying unnecessarily high prices because of the tariff. In consequence the aristocrats of the South felt that they produced the basic wealth of the nation but were exploited by the northern financiers. In an attempt to safeguard their interests they opposed protective tariff, national bank, liberal interpretation of the Constitution and internal improvements that were aimed all linking the East and the West. The issues were old, for in this conflict between the respective principles, upheld by Hamilton and Jefferson. As years passed by, this contradiction became institution-alised, as that between the Whigs and the Democrats and as that between the North and the South.

The issue of slavery as the label of the conflict between the industrial system of the North and the agricultural system of the South. Many an American attributed the conflict of moral and sentimental opposition to slavery. No doubt there were a few whites, particularly certain Quakers, who opposed slavery on moral grounds, but the version that the war broke out because of slavery is not true to reality. The slave was the victim of the sectional conflict in the United States and not the cause of it. It was evident that the Americans treated the native Indian population with the utmost ferocity. It is wrong to assume that they suddenly turned into humanitarians and developed love for the blacks. Secondly, if the blacks were looked down with hatred and subjected to ill-treatment in the South, it was equally so in the North. Thirdly, President Lincoln never made slavery an issue, when he decided to preserve the Union at the cost of war. In his inaugural address he declared that it was not his purpose, directly, to interfere with the institution of slavery, where it had existed. Therefore it is clear that if he abolished it, it was because he wanted to remove a source of conflict between the two economic systems and to gain the sympathy of the liberals of Europe. Fourthly, even the South seemed prepared to do away with slavery. Jefferson Davis, President of the rebel states of the South, offered to abolish slavery, if the English extended their aid in the Civil War. Had he fought for preservation of Slavery, he never would have agreed to it. Despite these, slavery was made a national issue and was attacked on political, economic and moral grounds. This was because the slave symbolised the source of southern influence and wealth. Destruction of slavery appeared essential for the destruction of the political and economic influence of the slave-holders and the establishment of the political and economic ascendancy of the North. Fifthly, it is an American way to attribute a moral objective to their endeavours aimed at the promotion of selfish interests. Abolition of slavery, a projected on a moral plain, not only won for the North the sympathy of liberal Europe but drove the south on the defensive.

In fact it was the question of balance of power that served as the fundamental cause of war. The bitter conflict between the two systems of economy rendered the control of the national government of paramount importance. The progress of the North or the South much depended upon its ability to command a majority in Congress and to wrest control of the federal set up. The rival sides used at different times political parties, slaves, conquests and settlement of new states as instruments of their gigantic struggle for self advancement. SO long as one or the other side entertained a hope of preserving the balance of power in its favour, there came from its side no violent rift. But when the North gained a clear cut majority in Congress and installed its own sectional party at the political helm of the entire Union, the South no more had any flicker of hope of regaining the balance of power in its favour. Between the two desperate alternatives of secession and humiliation, it decided in favour of the more honourable.

Immediate Causes: A series of major developments that occurred during the decade after 1850 hastened the drift of the country to the arena of war. Among them the important were:

Implementation of rail road projects on sectional lines worked against the interests of the South. Since 1850, the rail roads entered into a stage of rapid expansion. While the South was neglected practically, the North received most of the new lines. The network of roads in the North –east and the North – West had been linked directly. But in the case of the northern system and the southern system such a link was not provided. Traditionally the West was dependent upon the South for marketing the products, for they were transported to the Southern ports through rivers. But with the completion of rail roads, it could sell the goods in the eastern markets and ship them through the northern ports. Incidentally, this broke the alliance of the West with the South and promoted the alliance of West with the North in Congress. This alignment placed the South at a disadvantage.

Secondly, the decade after 1850 witnessed keen competition between industry and agriculture. The industrial as well as agricultural products were in increasing demand. To cope with the situation the rival sections sought to promote production and supply. This created a demand for more workers. The steady migration from Europe assured for the North the needed supply of labour. The South on the other hand was not only deprived of supply of more slaves from Africa but was required to liberate the slaves under its yoke.

Thirdly, the Kansas – Nebraska Act of 1854 not only destroyed the peace, though shaky it was, that had so long existed between the North and the South but also added new dimensions to sectional rivalry. As the elder leaders like Henry Clay, who had no great for it, shot into prominence. Among them the most influential was Senator of Illinois, Stephen A. Douglas. He was guided by an ambition to add to the importance of his home state and make Chicago a railway centre. By this time there was a proposal to construct a railroad to the Pacific. The survey indicated that there were three possible routes- a northern route, a central route from Chicago and a southern route. Douglas was particular to push through the central route but as Kansas – Nebraska through which this line was to be constructed was not yet settled by the whites, there came opposition. Therefore he wanted this area to be organised into territories, so that a government could be provided and people could be moved into this land. It was also found essential to win the support of the South for this central routes project. With these ends in view he proposed that 1) Upper Louisiana, which was a free soil area under the Missouri Compromise, Should be divided into the territories of Kansas and Nebraska, one of which would presumably become slave white the other free. 2) Missouri Compromise should be repealed; Settlers in each

territory were to decide whether their land was to be free or slave. It was expected that popular sovereignty or squatter sovereignty as this process was called, would reduce slavery into a local issue. Also it was anticipated that the North would get the free state of Nebraska and the Pacific Rail Road, while the South would receive Kansas as a slave state and repeal of the Missouri Compromise, which prevented the extension of slavery to the North. President Pierce, who was much influenced by Jefferson Davis, his Secretary of War and southern leader, supported the bill. It was passed into act in 1854.

James Ford Rhodes called this Act “The most momentous measure that passed Congress from the day that the senators and representatives first met to the outbreak of the civil war”. This statement is true to a limited extent, for it opened Pandora’s Box. The Missouri Compromise had been regarded as the final remedy to the problem created by the extension of slavery. The South never imagined that it would gain any part of upper Louisiana to its fold. But the Act declared this Compromise as no more valued and reopened the entire issue of the extension of slavery and expansion of the South. With Kansas as a slave state, the South saw the possibility of regaining an equal number of seats in the Senate. However, these possible advantages secured by the south threatened the status of the North and excited bitterness. Secondly, the Act led to a struggle between the North and the South for the control of Kansas. The settlers from low moved into Nebraska, made it a free soil area and won it for the North. The South found it impossible to contest it, but made a determined attempt to secure possession of the southern territory of Kansas. The northerners as well as the southerners now formed aid societies for promoting colonisation. The efforts of the North proved more successful than that of the South, for the slave holders appeared reluctant to take their slaves to a region, where the situation seemed flexible. However in 1855 when the election to the territorial legislature was held, the slave holders of Missouri invaded the polling booths and captured a majority. The principle of popular sovereignty proved unworkable. The two factions met separately in conventions and drafted two constitutions, one pro –slavery and the other anti-slavery. Now the two sides armed against each other and came into clash. In a civil war that lasted for four months, about 200 people were killed. Bleeding Kansas’ as this situation was referred to, inflamed sectional animosity. It was only after the South withdrew from the Union that Kansas was admitted as a free state. Thirdly, the Act created a revolution in the party system and contributed to its reorganisation on a sectional basis. The Whigs were divided into the northern and the southern groups. The Democrats were divided into the Nebraska Democrats, who supported the Act and the Anti-Nebraska Democrats, who opposed it. In 1854 a few anti-slavery men, belonging to free soil party, the northern Whigs and the Anti-Nebraska Democrats met at Jackson in Michigan, and formed the Republican Party. While the Democratic Party drew its inspiration from the ideals of Jefferson’s Republican Party, the new Republican Party

found its necessity in the Principles of Hamilton's Federalist Party. The Republicans condemned slavery as a moral, social and political evil, denounced the repeal of the Missouri Compromise, demanded repeal of the Kansas – Nebraska Act and the fugitive slave law and opposed further extension of slavery. The new alignment of parties made them so sectional that no more did they serve as links between the North and the South.

Fourthly, the Dred Scott decision shook the confidence of the anti-slavery sections in the impartiality of the judiciary. Dred Scott, a slave of Missouri, lived with his master in the free states of Illinois and Minnesota. On his master's death he with the support of that abolitionists, filed a suit for his freedom on the ground that he lived in Free states. But Missouri court and the federal circuit court rejected his case. When it went to the Supreme Court on appeal, Chief Justice Roger B. Taney, who succeeded Marshall, ruled that Dred Scott was no a citizen, as the Negroes within the meaning of the Constitution were not persons but things. He was still a slave as his residence in other areas did not affect his status. Missouri Compromise itself was unconstitutional, as it violated the Fifth Amendment, which prohibited Congress from depriving any person of his property. This implied that Congress had no right to bar slavery from any territory and agreed with Calhoun's contention that slave was only property. The leaders of the North condemned this decision as a southern conspiracy and made it apolitical issue.

Finally, the victory of the Republican Party in the Presidential election of 1860 rendered the status of the South in the Union unequal. The Republicans grew popular and turned into a party, exclusively of the North. In the election of 1860 their candidate, Abraham Lincoln, captured the presidency. The South took it as the victory of the North over it and the loss of its status in the national government. In 1861 the southern states seceded from the Union to organise a rival government. This decisive step came as the last straw on the camel's back. War broke out, when the forces of the South attacked and subdued the federal garrison at Fort Sumter.

The Secession of the southern states from the Union to form the Confederate States of America represented an immediate reaction to the victory of the Republican Party in the presidential election. This gave the signal to the outbreak of Civil War. The North and the South fought a bitter war for four years. In the end the southern states were defeated and brought back to the Union. This victory gave a violent remedy to the issue of sectionalism and slavery.

### **Lincoln and Secession**

Early Career of Lincoln: One of the greatest presidents of the United States, Abraham Lincoln was born in 1809 in a family of settlers in a log cabin in Kentucky.

Not far from the settlement of the Lincolns was born Jefferson Davis, who was destined to become President of the Confederate States of America. While the Davis family moved to the south, the Lincoln family went to the West. A man with exceptional strength, he could split, build cabins, pilot boats and argue with reason. Like then other settlers of the times, he too fought against the native tribes, yet he was kind to animals and birds. A practical joker, homely wit and inventor of stories, he endeared himself to his fellow whites. Noted for his common sense, he displayed a keen interest in acquiring knowledge. He studied law and politics and read classics, Shakespeare's dramas and Aesop's Fables. At Springfield in Illinois he established a reputation as a lawyer and a local politician. A member of the Whig Party he was elected to the Illinois State Legislature and subsequently to the House of Representatives at Washington. Yet he was only a local politician with no recognition.

However, the revival of controversy over slavery drew him into politics. In 1858 the Republicans nominated him as their candidate for election to the Senate. Stephen A. Douglas, as candidate of the Democratic Party, contested against Lincoln. While Lincoln was a local leader, slow but persistent speaker, Douglas was a national figure, an eloquent orator and matchless debater. With nothing to lose but much to gain, Lincoln challenged Douglas to a series of seven debates. The sound reasoning and common sense, displayed during these debates, made him a national leader and won for him the admiration of many. In the course of the debate at Freeport, Lincoln asked Douglas whether popular sovereignty was possible under the Dred Scott decision. The two principles came into clash with each other, for the people could exclude slavery under popular sovereignty but they could not do so under Dred Scott decision. If Douglas favoured popular sovereignty, he stood to lose support of the South and if he supported Dred Scott decision he stood to lose the sympathy of the North. In his Freeport Doctrine Douglas favoured popular sovereignty and stated that the states could keep slavery away by refusing to enact the laws, needed for its survival. Because of this stand, Douglas could win the election by defeating Lincoln but he alienated the South and lost chance to become president. In the process Lincoln became a popular hero.

The presidential election of 1860 was of crucial importance. The Republicans nominated Lincoln as their candidate; the northern Democrats, Douglas and the southern Democrats, Breckinridge. The Republicans demanded restriction of slavery to the states where it existed, the northern Democrats favoured preservation of the Union through conciliation and the southern rights even the southern Democrats wanted protection of southern rights even at the cost of secession. Lincoln carried all northern states except New Jersey to win the election. In his bid to save the Union Douglas rallied to the support of Lincoln after the election was over. In his inaugural address the President promised to enforce the fugitive slave law and not to interfere

with slavery in the states where it existed. But the sectional victory of the North was too much for the South to bear.

Six weeks after the election, South Carolina adopted an Ordinance of Secession and seceded from the Union. By February, 1861 six other states – Texas, Louisiana, Mississippi, Alabama, Florida and Georgia too announced withdrawal from the Union. The seceded states met in a convention at Montgomery, Alabama, adopted a constitution and formed themselves into the Confederate States of America. Jefferson Davis, who had served as Secretary of War under President Pierce, was appointed President. Subsequently Virginia, North Carolina, Tennessee and Arkansas also joined the Confederate States. However, Western Virginia set up a separate government, declared its loyalty to the federal government and became a separate state in the Union. The capital of the Confederacy was shifted from Montgomery in Alabama to Richmond in Virginia. The rebel states raised an army, captured federal properties and defied the authority of the Union.

Several factors guided the south in deciding on secession. It appeared that victory of the Republican Party marked a permanent victory for the North and loss of control of the federal administration for the South. Many people in the South felt that the Republicans would free the slaves and would establish Negro rule in the South for promoting the interests of the North. Secondly, the slave holders believed that slavery was essential for their welfare and its extension to more territories was indispensable for their prosperity. While they could secure no new areas for extension, the North proceeded to occupy vast areas for itself. Thirdly, the South wanted to be free from the control of the North so that it could acquire more areas for slavery. Mexico and Cuba appeared vulnerable and the slave holders wanted to annex them, but this was not possible if it remained in the Union. Fourthly, the South counted on a divided North and European aid. France was sympathetic, while Great Britain was dependent upon the South for the supply of cotton. Supported by the European powers, it was expected, that the southern states could gain a definite victory in the event of war.

Buchanan, the retiring President, took no effective steps to prevent secession. Congress felt that the South could be pacified through concession. Senator John J. Crittenden of Kentucky suggested what was called Crittenden Compromise, which proposed a line of 35° 30', protection of slavery south of that line, continuation of slavery in the District of Columbia and compensation for owners of run-away slaves. But the Republicans rejected this proposal. Now a peace convention was called at Washington, yet no solution could be found. When Lincoln was inaugurated on 4<sup>th</sup> March 1861, he found the war unavoidable. Possibly with the hope of goading the Confederacy into striking the first blow, he sent supplies to the besieged garrison at



Fort Sumter. Before supply ships could reach Fort Sumter, the Confederate forces occupied it. This started the war.

## **COURSE OF THE WAR**

Rival Camps: At the beginning of the war most of the people on either side underestimated the strength of their opponents and expected a quick victory. The North felt that most of the South remained loyal to the Union and only a few extremes were bent upon war. The South anticipated no formidable opposition as it felt that the people of the northern states were divided against each other and less warlike. Yet the war lasted for four years and cost the lives of more than six lakhs of people

The population and army of the North were much larger than those of the South. Twenty three states with twenty two million people remained in the Union. Against them were eleven seceded states, with nine million people, of whom five million were whites. The North enlisted into its service twenty lakhs of soldiers, while the south could raise eight lakhs. The Union had a navy of its own, but the Confederate State had none. Despite this comparative weakness, the South had certain advantages. Its population was more united than that of the North and had cultivated considerable experience as killers of Indians and hunters of animals. It had the best generals of the Union- Jackson and the two Johnston's.

The North commanded possession of vast resources. It controlled more than two thirds of the banking capital. The manufacture was more than ten times those of the South. The railway expansion in the northern region gave it more than double the mileage of the South. This made it possible for the quick movement of troops and equipments to the theatres of war. Thus the North combed the farm with the factory and linked both by rails. The South on the other hand was one large farm, which depended upon imports of manufactured goods.

More than these, the North had the advantage of having diplomatic relations with foreign powers. Not only did it maintain cordial relations but did gain sympathy abroad by projecting an impression that it was fighting in defence of a noble cause. The South expected that Great Britain and France either for continued supply of cotton or because of sympathy would support it but was disappointed. Most of the cotton harvest of the year had already been exported. Besides, Britain found it possible to import cotton from Egypt and India. France had will to interfere, but found helpless without support of the British navy. Had any of the great European powers recognised the South, the northern blockade could have been broken, supplies could have been rushed to the South and the union forces could have been defeated, but these did not happen.

**North and South at War:** The determination of the North to preserve the Union required an offensive against the South. The South wanted to preserve its independence, which necessitated a defensive rather than an offensive war. The strategy of the Union army consisted of disrupting supplies to the South through the sea and making powerful thrusts through the land.

Immediately after the fall of Fort Sumter to the Confederate forces, Lincoln ordered blockade of the southern ports. This was so effective that the communication of the South with Europe was practically cut off. In 1861 the Union army, taking the offensive, advanced to Richmond but was defeated by the Confederate forces in the battle of Bull Run. This reverse convinced the North of the uphill task ahead. The two sides now devoted themselves to the equipment of large forces for a grim struggle.

In 1862 war was resumed in the West. Determined to gain control of the Mississippi, U.S. Grant at the command of the northern army, occupied Fort Henry and Shiloh. Another Union army captured New Orleans. In 1863 Grant, as the result of his victory over the Confederate forces, wrested possession of their strongholds, Vicksburg and Chattanooga. These remarkable gains won for the North control of the Mississippi and cut off communications of the South with the West. Early in 1864 Grant assumed supreme command. Sherman in the course of a brilliant expedition reached Georgia and captured Atlanta.

The war in the East was marked by changing fortunes. In 1862 the Union army made its second thrust towards Richmond, but was defeated in the second battle of Bull Run. Now the Confederate forces led by General Lee invaded Pennsylvania, but were compelled to retreat after a hard fought battle at Antietam. In the same year Lincoln issued the Emancipation Proclamation, which announced that slaves in rebel states were free from the 1st of January, 1863. The federal army made a third attempt to reach Richmond, but was defeated at Fredericksburg. In the mean time Lee gained another victory at Chancellorsville in 1863 and advanced to Pennsylvania. But the Union forces under General Meade checked the advance of the southern Army in a decisive battle at Gettysburg. The year 1863 marked a turning point in the war. The victories of the northern army at Gettysburg and Vicksburg and the emancipation of the slaves forced Great Britain and France to abandon all their designs of extending assistance to the Confederacy.

In 1864 Grant began his operations against Lee and his army in Virginia. Sherman, advancing from Atlanta, took possession of Savannah. For fear of being encircled and in his bid to join the Confederate forces in North Carolina, Lee withdrew from Richmond. In 1865 Grant and Sherman surrounded Lee and his army at Appomattox and forced them to surrender. This marked the end of the war and collapse of the Confederacy.

**Behind the Lines:** The Union as well as the Confederacy mobilised all their resources to stand up to the challenges. The war efforts, victories and reverses had their impact upon the working of the administrative system, diplomatic relations and the life of the people. Despite the stresses and strains of war, Lincoln maintained his usual balance, avoided extreme measures and proved himself as one of the best war time presidents of the country. Though he committed serious mistakes in strategy of war and choice of generals, he knew the pulse of the nation and with his usual sense of humour, inspired confidence into his people in an hour of peril. The Republicans and the northern Democrats rallied to his support. However, when the moderates called Copperheads and the radicals attacked his war time policies, the President faced the opposition with vigour. Civil liberties were suspended, martial law was enforced, and many were arrested imprisoned or banished. He justified these rigorous measures as essential for saving the Constitution and the Union. In 1864 Lincoln was re-elected to the presidency. Jefferson Davis was President of the Confederacy. Though he was able and bold, he lacked the qualities needed to gain the loyalty of his people. His cabinet but it consisted of obscure leaders. In 1862 the southern states in a convention at Montgomery adopted a constitution. According to its provisions the president could hold office for a six year term but was not eligible to seek re-election. Congress had two houses as in the United States. The judiciary consisted of a supreme court and district courts. Though the district courts functioned, the Supreme Court was not organised because of war. The constitution laid emphasis on the rights of states, protected slavery and prohibited foreign slave trade, protective tariff and internal improvement with confederate funds. The war required the concentration of powers with the central government. The jealousy with which the states sought to preserve their rights rendered it difficult for the confederate government to assume broad powers, needed for the mobilisation of resources for the conduct of war.

The federal and the confederate governments saw the importance of diplomacy in the conduct of war. They drew Indian tribes into the conflict but most of them fought on the side of the Confederacy. The tribes entertained their animosity against the federal government, as it destroyed many of the tribes and took away their lands. Among the European powers Great Britain and France evinced a keen interest in the Civil War. Great Britain was eager to see the nation divided and weak, so that it would not challenge her maritime interests. France too was equally anxious to see the country divided so that she could establish her authority in Mexico. These European countries were heavily dependent on cotton, produced by the South. Added to these, the powers entertained an impression that the North was a land of semi barbarian savages, who were rough in their dealings with other peoples and were exploiting the peasants of the South. They believed that white society in southern states was a class of cultured farmers and land holders like the English aristocracy. Despite these, Great Britain found no compelling necessity of going to the aid of the south. France was

helpless without British co-operation. In 1862 when Lee gained victories over the federal army in Maryland, the British cabinet seriously considered the question of recognising the Confederate States, but abandoned the plan, when the battle at Antietam changed the tide of war in favour of the Union. Seward, Secretary of State, contemplated upon a war against Great Britain so as to force the seceded states to return to the Union, but Lincoln did not agree. In fact a war with the European powers would have been disastrous to the North, for the South would have been enabled to receive foreign support. However certain incidents caused irritations in the relations of the United States with England and France. In 1861 an American ship San Jacinto stopped the British steamer Trent and seized two confederate commissioners, Mason and Slidell. The British condemned it as violation of freedom of the seas and demanded release of the commissioners. Threatened with war, the Union complied with. Another source of trouble came, when the confederate agents placed orders for building warships in England and France. A few of these vessels particularly the Alabama wrought havoc to American shipping. Because of American protests the two powers took steps against more war ships joining the confederate side.

The Union relied upon volunteer enlistment for raising armies but after two years of war it found the response inadequate. In March 1863 it made it compulsory for all men between the ages of 20 and 45 to render military service. The country was divided into districts and each district was made responsible for the supply of a fixed quota. The law exempted the sole supporters of aged parents and fathers of young children. It also permitted a man to gain exemption by paying 300 dollars or furnishing a substitute. In consequence the poor men and immigrants were the worst affected. The unequal working of conscription laws and emancipation of blacks made the people angry with the administration. This led to riots in New York, causing the death of more than 500 blacks and whites. In the Confederacy because of popular enthusiasm for war, the recruitment was heavy. Yet this spectacle changed after one year. In 1862 conscription was enforced. It required all men between the age groups of 18 and 35 and subsequently between 17 and 50 to render military service. Exemptions were allowed in certain cases and substitutes were permitted. The rigours in the working of the law excited much opposition in the South too.

To Lincoln preservation of the Union was of paramount interest and abolition of slavery a subsidiary issue. He appeared reluctant to emancipate the slaves partly because a large section of people of the North were opposed to it and partly because he was afraid of losing support of the slave states, which decided to remain in the Union. Yet in 1863 he issued the Proclamation of Emancipation, making use of his war time powers. Lincoln declared all the slaves in the rebel states as free. In effect this meant nothing, for the slaves remained slaves in the states which were loyal to the Union and in the states which were under confederate authority. In issuing this order

what the President expected was to gain the support of the radicals, to win sympathy of European powers and to weaken the Confederacy.

The financial resources of the rival governments were markedly unequal. The Union had a monetary system and a treasury department, while the Confederacy had to create them, which it did. The North possessed enormous amount of gold and silver, while the South had little of these. Both sides sought to find more funds to finance the war by increased taxes, issue of paper currency and sale of bonds. In 1863 Congress created a national banking system with a view to establishing uniform currency and creating a market for the sale of federal bonds. The Confederacy used the printing press more freely than the Union did for the issue of paper notes. It imposed taxes on agricultural products and livestock, increased the existing taxes and raised loans in France and Great Britain. As the money so raised was inadequate, the army was permitted to live off the country by seizing commodities from the people and to employ the blacks for construction of roads and forts, As the war moved form year to year and as the prospect of victory vanished, the credit fell. The war bonds found no purchasers. Paper money lost all it value and prices increased abnormally. These developments together with the ravages of war ruined the economy of the South.

The North experienced a severe economic depression during the war. As there was no adequate supply of cotton and other raw materials, many of the factories were closed. Several of the banks ceased to function, prices increased and the labouring classes suffered considerably. But the economy began to recover after the initial shock. Because of the heavy demand for war materials, food and clothing, the administration placed orders for their supply with the private agencies, profits increased. Large areas were brought under crops, adding to the production of grain. The transportation of troops and supplies required better communications. This stimulated railroad building. Though the war continued for four years, life ini the country was not much affected. With increased prosperity, theatres, bar rooms and dancing halls became crowded. On the other hand the people of the South suffered badly because of war. As the white population of the South was smaller than that of the North, almost every family was required to furnish one person or other for military service. Of the total recruits, at least one third never returned home, while an equal proportion was crippled. As cotton, tobacco and other raw materials could not be exported, many of the farms were abandoned. Production fell and prices reached unprecedented levels. Because of inadequate facilities for repairing rails and frequent invasions, movement of goods suffered greatly. These developments added to the ordeals of the people.

## **Results of the Civil War**

The Civil War ended in 1865, causing havoc on an extensive scale. About six lakhs of people were killed, farms were laid waste, factories were destroyed, railroads were dismantled and ships were captured. The invading forces, marching and fighting, devastated vast areas. Humbled in war the traditional leadership, that was furnished by the aristocracy of the South, lost its ground. The slaves were freed by law, but they were neither rehabilitated nor enabled to live as independent inhabitants. These issues presented powerful challenges to the victorious North. Yet, apart from the tragedy of destruction, the Civil War was attended with consequences, which in general proved beneficial to political unity and economic prosperity of the United States.

**Strains in Foreign Relations:** The Civil War badly affected the relations of the United States with Great Britain, France and the Indian tribes. Constructed in England, the confederate warships, Alabama, Shenandoah and Florida, caused damage to the shipping interests of the Union. Washington demanded compensation and the issue strained the relation between the powers, until it was settled through arbitration. The French utilised the situation, caused by the war, to send forces to Mexico and to elevate prince Maximilian of Austria to the Mexican throne. Jaurez, the talented leader of Mexican Indians, fought a heroic struggle against the occupation army. After the Civil War was over, the United States threatened to intervene in defence of the Monroe Doctrine and forced the French to withdraw. A more tragic consequence of the war was the fate of the Indian tribes. Many of the natives, who survived the wars of destruction, eager to extricate themselves from the tentacles of American expansionism, threw their lot with the confederacy. But they allied themselves with a wrong side, as it so happened on many an occasion, with a power that was defeated. Not only did they suffer heavy losses during the campaigns but fell victims to American revenge.

**Political Results:** The victory of the federal army strengthened the Union and established the supremacy of national government over the state governments. What was conspicuous in the working of federal system was the prolonged conflict between nationalism and sectionalism. While many of the people believed in the supremacy of the national government and the indestructibility of the Union, many others in the rights of the states and the inevitable disintegration of the Union. The issues that came one after the other precipitated controversies and created crises. From time to time the making of the Constitution, enactment of tariff laws, and admission of new states to the Union and restriction of slavery had served as trouble spots. They excited the issues of nullification, secession and civil war. But the victory of the Union over the southern states gave a permanent though violent remedy to sectionalism. The states were denied of the rights but they were convinced of the futility of attempting to go

out of the Union. It was established beyond doubt that the United States was a not only a federation of states but also an indestructible national entity consisting of indestructible state units.

The Civil War affected the working of party system. For generations the white aristocracy of the South had furnished leadership to political parties and governments. But now they were humbled in war, their slaves were freed and their influence was crippled. This enabled the northern leaders to maintain their undisputed supremacy for years to come. The radicals of the North made an attempt to elevate the poor whites and the freed blacks to leadership in competition with the planters and aristocrats of the South. In the process of promoting this idea they alienated the white citizens of the South. While the North remained under the banner of the Republican Party, the South extended its loyalty to the Democratic Party. In consequence sectionalism found its expression in the changed alignment of parties.

The emancipation of slaves represented an incidental result of the war. Victorious on the Field of battle, the North decided to cut at the root of the power and pride of southern aristocracy. If Lincoln Proclamation of 1863 abolished slavery in the rebel states, the Thirteenth Amendment to the Constitution provided for the abolition of slavery in all the states while the fourteenth Amendment made the freed Negroes citizens. It also provided that no state should deprive any person of life, liberty or property without due process of law. This measure made the states accountable to the federal judiciary in all matters concerning life, liberty and property of citizens. These amendments represented a revolution in the constitutional history of U.S.A.

**Economic Results:** The economic changes that came as the result of the Civil War were of vast importance. Before 1860 the agrarian order, led by the southern planters, dominated federal system and checked the rise of the industrial order under the Northern capitalists. But with the Civil War the trend changed leading to the ascendancy of industrialism one agrarian system.

The war time demands for commodities greatly accelerated the growth of industry and commerce. With increased demand, prices increased to 117 percent above pre-war levels, yielding large profits to trade. The federal government placed orders with industrialists for supply of huge quantities of war materials, food stuff and clothing. The railways rendered the quick movement of goods possible. To cope with the unprecedented demand for labour, there came no adequate supply of workers. Therefore the industrialist sought mass production through technological improvements. More lands were brought under cultivation, new mines were opened and large factories were established. As a result, the country experienced industrial boom of great magnitude.

In the mean time Congress enacted laws for encouraging the growth of industries. This could be done without much opposition, as the representatives of southern states withdrew from the national legislature. In 1863 Congress passed the national Bank Act. Though its immediate purpose was to promote the sale of war bonds, it contributed to the creation of a sound and uniform currency. The newly enacted tariff laws increased the taxes on imported goods and gave protection to internal manufactures against foreign competition. Lands were given free not only to factories but also to the immigrants in a bid to attract labour. Laws were enacted for the construction of railroads. The Civil War legislations prepared the ground for the industrial greatness of the country. The leadership so long furnished by the planters and slave holders gave way to that of the industrialists and merchants. These developments consolidated the industrial order and led to its expansion while the agrarian order went down fighting. In fact the Civil War represented a turning point in the history of the United States, for it ended the age of conflict between industry and agriculture and contributed to the victory of Hamiltonian concepts over Jeffersonian ideal.

## **RECONSTRUCTION**

After the Civil War, two major problems confronted the country, one political and other economic. The political issue related to restoration of the rebel states to their former status and reestablishment of legally constituted governments. The economic problem related to rehabilitation of freed blacks and reconstruction of southern economy. Attempts at reconstruction began under President Lincoln. But in 1865 he was assassinated and was succeeded by Vice President Johnson. From 1868 Grant the Republican candidate, held the presidency for two terms, after which another Republican, B. Hayes became President. The reconstruction continued under them and was considered as ended in 1877.

### **Problems of Reconstruction**

The war left the home land of the planters and slave holders in ruins. Cities were destroyed, fields were desolated, houses were burned, and communications were disrupted. In consequence vast sections of people lived in distress. The liberated blacks ran to the cities to earn a living. The state governments collapsed with the surrender of the confederate army. Many of the administrators fled the capitals or remained in prisons. In the absence of regular governments, the federal troops roamed about the country to maintain a kind of order, yet the problem of reconstruction appeared formidable.

Political as well as economic issues combined together in creating the reconstruction problem. Conditions were to be created so as to enable the southern



states to return to the Union. The political reconstruction related to this question. Though this appeared simple, difficulties came because of differences among the Republicans. The radical Republicans decided to treat the seceded states as conquered territories and to show them no mercy. They were led in the House of Representatives by Thaddeus Stevens of Penn-Sylvania and in the Senate by Charles Sumner of Massachusetts. Great orators, both of them were determined to destroy the influence of southern aristocrats. The conservative Republicans, on the other hand, wanted to ignore secession so as to get the southern states back into their 'proper practical relation.' They were led by President Lincoln and Vice President Johnson. Moderates as they were, the two leaders were eager to restore normalcy and not to punish the humbled South. The second issue, that was of economic nature, required the settlement of former slaves and war-torn economy. The federal government assumed responsibility for promoting rehabilitation of the blacks but left the task of repairing the shattered economy mostly to the defeated people of the South. The federal administration constituted the Freedmen's Bureau with offices in all southern states to look after freed blacks. The whites, on the otherhand, were required to find their own ways of living through self labour or free labour.

In the formulation of reconstruction programme several considerations came into play. Before the end of war, leaders of the North asserted that rebellious states always remained in the Union, as they never had the right to secede. On the other hand leaders of the South maintained that they left the Union and that secession was legal. But after the end of war, southern states anxious to return to the Union, accepted the northern view, while the North, determined to punish the seceded states accepted the southern view. Secondly, the North decided to exact from the South compensation for the losses suffered during the war. The industrialists demanded enactment of favourable legislations on tariff, banking, credit and railways. This required exclusion of the southerners from authority. Thirdly, several leaders were determined to destroy the influence of planters and aristocrats. This could be done only if the poor whites and blacks were given the status of equality. Incidentally, it was expected that these oppressed sections would extend their support to the Republican Party.

There were two stages of reconstruction. In the first stage it was the Presidential Reconstruction, for Lincoln and subsequently Johnson gave the lead to the programme. In the second stage it was Congressional Reconstruction, for during this period Congress exercised direct control over reconstruction programme.

### **PRESIDENTIAL RECONSTRUCTION**

**The Lincoln Plan:** In Lincoln's scheme of reconstruction reconciliation of the South and preservation of the Union served as the guiding factors. Hatred and revenge

found no place. A moderate as he was, he entertained the view that southern states had not seceded from the Union, but were in a state of rebellion. Therefore he decided to use his constitutional power to pardon the rebels. In his proclamation of amnesty issued in December 1864, he outlined a plan of political reconstruction, known as Ten Per Cent Plan.

There were two proposals in the plan: 1) That all southerners, taking an oath of loyalty to the Union were to be granted pardon and restoration of property except in slaves. However, high ranking civil and military leaders of the Confederacy were exempted from this concession. 2) That as soon as one tenth of the voters in the 1860 election in any state took an oath of loyalty and elected their state conventions to organise new state governments, the rebel state was to be restored to its former status in the Union. Under the operation of this scheme four states, Louisiana, Arkansas Tennessee and Virginia reconstituted their governments. However, as these states made no attempt to grant voting rights to blacks. Congress, led by radical Republicans, considered Lincoln's plan as too moderate to be approved and refused to admit the representatives of these states. On 14<sup>th</sup> April 1865, Lincoln was assassinated by a secessionist, John Wilks Booth. This created more complications.

**Lincoln's Service to the Nation:** Born in obscurity, Lincoln fought through difficulties to emerge as a national hero. Self educated, he became a lawyer and leader, noted for his ability for clear analysis and forcible presentation of facts. He entered politics during a period of crisis, when the country was threatened with sectionalism. The Republicans accepted him as their candidate and the country elected him to the presidency. As President, the greatest service that Lincoln rendered to his people was preservation of the Union. For long southern states believed in their right to defy national laws and to secede from the Union. The situation that assumed a serious turn since the Mexican War culminated in secession, posing a powerful challenge to the new President. In this critical hour Lincoln displayed his great qualities of leadership. He isolated the South by keeping the border slave states with the Union and preventing the European powers from going to its aid. Though he erred often in military strategy, he mobilised the resources of the country on an unprecedented scale and preserved national unity. Secondly, Lincoln granted freedom to the slaves by making use of his war-time powers. However, it cannot be denied that he did it much because of political considerations and that he made no attempt to grant vote to freedmen. Thirdly, Lincoln displayed a spirit of conciliation in dealing with the humbled rebel states. Despite the havoc wrought by the war, he called upon the nation to forget the past, to discard the concept of revenge and to consider the southerners as members of the same national home. In his last cabinet meeting, he exhorted: "We must extinguish our resentment if we expect harmony and union."

**The Johnson Plan:** In 1865 on the death of Lincoln, Johnsons became President, but in this capacity he was not destined to be great. The times appeared difficult and his intellectual attainments proved unequal to the unexpected elevation. In May 1865 Johnson announced his plan of reconstruction which was based upon Lincoln's. It granted general amnesty to the whites of the South, except those who served as leaders of rebel states and possessed wealth exceeding 20,000 dollars. They were to be given general pardon and their property except in slaves when they took the required oath of loyalty. Secondly, he recognised the governments of Virginia, Tennessee, Arkansas and Louisiana, as constituted under Lincoln's scheme of reconstruction. Thirdly, he made it clear that the other rebel states could rejoin the Union, when they repudiated their ordinances of secession, war debt and slavery. By December, 1865 all southern states except Texas fulfilled the terms and were ready for re-admission to the Union. However neither did Johnsons nor did any state government appear ready to grant vote to the blacks.

Annoyed at the attitude of these states, Congress rejected the Presidential Plan of Lincoln and Johnson. It refused to admit members from the reconstructed states and announced its determination to administer reconstruction programme by itself. As a result the Presidential Plan fell through and reconstruction passed under control of Congress. In fact the Presidential Plan was so lenient to the rebel states that Congress, dominated by the radicals, was not prepared to accept it. The right to admit states to the Union rightly belonged to Congress and not to President.

### **CONGRESSIONAL RECONSTRUCTION**

Guided by Stevens and Sumner, Congress appointed a Committee of Fifteen, consisting of representatives from both the houses to formulate terms of reconstruction. Before any definite policy was formulated, Congress passed two Acts over the veto of President Johnson for safeguarding the interests of the blacks. One of them extended the tenure of the Freedmen's Bureau, which was founded during the Civil War to take care of the freedmen and the other, the Civil Rights Act of 1866, forbade states from discriminating against the blacks and guaranteed to them equal protection with the whites before law. In 1866 Congress accepted the Fourteenth Amendment to the Constitution. It provided for citizenship and civil rights including equal protection before law for the blacks. It also repudiated the confederate war-debt and disqualified the former confederates from holding offices unless Congress pardoned them. Of the southern states Tennessee voted for this amendment and was therefore admitted into the Union.

**Congressional plan:** By 1867 the Committee of Fifteen completed investigations and formulated its proposals for reconstruction. Accordingly Congress adopted a plan of reconstruction for the remaining ten states. It provided: 1) The South was to be

divided into five military districts under commanders of army, who were empowered to protect life and property. 2) The black and white citizens whose names were registered as voters, were to elect delegates to state conventions, which were to draft new state constitutions, guaranteeing to the blacks right to vote. These constitutions were to be submitted to the voters for ratification and to Congress for approval. 3) The newly elected legislatures were to ratify the Fourteenth Amendment to the Constitution. When these conditions were fulfilled, the rebel states were to join the Union. Accordingly six of the ten states satisfied these conditions and returned the Union by 1868.

There still remained four states-Virginia, Texas, Mississippi and Georgia. They were required to accept the Fifteenth Amendment to the Constitution as a further condition for admission. This Amendment, adopted in 1870, forbade the United States as well as the member states from denying vote to a citizen on ground of race, colour or previous condition of servitude. The four states accepted this condition and rejoined the Union in 1870. Though the Congressional Plan appeared harsh, it did a service to the nation, for it gave vote to poor whites and to some extent blacks too, introducing thereby greater democracy in the country.

**Impeachment of Johnson:** The differences between the President and Congress on the issue of reconstruction led to open rift. Johnson freely exercised his veto on Congressional reconstruction measures, while Congress overrode the presidential veto. In his public speeches he severely attacked members of Congress. In consequence the radicals decided to curtail powers of the President. The Tenure of Office Act, enacted in 1867, prohibited him from removing civil officers without consent of the Senate and made its violation a punishable misconduct; This was particularly intended to protect the Secretary of War. Edwin M Stanton, a critic of Johnson, but the President promptly removed him from office. Thereupon the House of Representatives voted to impeach Johnson. The trial lasted for ten weeks, after which the Senate acquitted him by a margin of one vote. The President completed his term, without attempting to do much and retired from office.

**Black Rule and White Reaction:** Though the blacks and the poor whites gained political rights, the running of government proved a difficult task. Brought up under the baneful influence of continuous slavery, the blacks received neither education nor experience. With their talents crippled, they found it impossible to administer the states. Now many whites, generally poor but mostly radicals, rushed to the aid of the blacks. These adventurous and opportunistic northerners often took with them only their carpet bags and were called Carpet Baggers. More detested were the Scalawags or the whites of the South, who had deserted to the Republican camp to join the blacks. The Negro-Carpetbag-Scalawag rule of the South received support from the

radicals in Congress. Conventions, called and controlled by their leaders, drew up new constitutions for the states, granting vote to the blacks and denying vote to the leaders of the Confederacy.

The reconstructed governments did many things, good as well as bad. In a serious attempt to rebuild the war torn economy roads, bridges and public buildings which were destroyed or damaged during the Civil War, were rebuilt. Much money was invested for the improvement of railroad communication. Social and political reform received due attention. Thus compulsory free public education was introduced, for the first time the blacks in large number attended schools. The right of the blacks to control their own churches received recognition. The election system and judicial procedure were greatly improved. The taxation system was reorganised. The poor people were assisted in gaining ownership of small farms. In general the black rule was moderate and beneficial. Neither did it attempt to confiscate lands from the white aristocracy nor did it destroy the white supremacy in social and economic fields. The constitutions that were during this period often continued to be in operation for long.

However, it cannot be denied that this period witnessed increased corruption in administration. Though many of the black legislators endeavoured to provide an efficient and clean administration many of the white adventurers exploited the situation for promoting their private ends. Persons who could not read or write were appointed to hold public expense. The legislatures voted away large amounts but only to be squandered away. As a result public debt increased and so did bribery, fraud and favouritism.

Before long there came a reaction of the whites of the South, causing defeat of the Congressional programme. Under the shadow of defeat in Civil War the white leaders to begin with compromised with the new situation. But as years passed by, the northerners lost much of their zeal, while the southerners reacted energetically. The white opposition manifested itself in different forms. 1) In the states like North Carolina and Tennessee, where the whites commanded a clear majority, they regained control of the state governments through election. The Democratic Party returned to power in these states. 2) In other states where the federal troops enforced racial equality, the whites relied upon terrorism. Secret societies were founded, of which the most powerful were the Ku Klux Klan and the Knights of the White Camelia. Members of these societies dressed in masks and long robes, rode about at night, tarred and feathered the blacks, attacked Negro settlements and committed murders. In an attempt to check their activities Congress passed in 1870 the Force Act, which empowered federal authorities to suspend the writ of habeas corpus, to supervise elections and employ troops. The activities of the secret societies were curbed, yet the

frightened blacks did not venture to go near polling booths, when elections came. In subsequent elections the whites recaptured the state governments. 3) After returning to power, the whites passed laws to deprive the blacks of their political rights. The Fifteenth Amendment to the Constitution forbade the states from denying vote to any citizen because of “race, colour or previous condition of servitude”. But the new state laws imposed other restrictions, based upon property or education. Many of the blacks had no property also lost their vote. Therefore it was provided that they should possess ability to read a portion of the Bible or Constitution or to understand, when it was read out to them. The white examining boards readily said ‘yes’ in the case of whites, even if they did not know what was read out to them and said ‘no’ in the case of the blacks even if they knew. Thus the whites kept most of blacks out of political authority.

Having regained control, southern whites promoted the growth of agriculture and industry and competed with the northerners in all walks of life. The Amnesty Act of 1872 restored political rights to most of the Southern leaders. In 1877 Rutherford B. Hayes, Republican President, who succeeded President Grant, withdrew the federal troops from the South. The reconstruction now ended-it ended in defeat of the policy of Congress, for the whites of the South again kept the blacks away from power. The causes of the failure of Congressional reconstruction were; continued white supremacy in economic and social life of the South, unpopularity of carpetbag rule because of high taxation and corruption and a softening of radicalism in the North and consequent indifference to the developments in the South.

Reconstruction produced bad as well as good results. 1) For a short period the blacks, supported by deprived the whites of the South of their positions in government and kept them out of power. This turned the white’s vindictive and sharpened racial bitterness. 2) Humbled in war and humiliated through reconstruction programmes, the whites of the South turned solidly against the Republican Party and rallied under the Democratic Party. The North on the other hand remained under the Republican Party. As a result, the period that followed was marked by one party rule in the South by the Democrats and in the North by the Republicans. 3) The reconstruction precipitated a crisis in the relation of Congress with Presidency. In the process of the impeachment of Johnson the two branches of government exposed themselves to public criticism. Ultimately this affected popularity of the radicals. 4) However there were good results too. The heavy taxes imposed by reconstruction governments forced the land lords to sell away their lands. This promoted an equitable distribution of landed property. The educational policy formulated by black governments contributed to social awareness of the blacks and poor whites. Finally, as slave labour was not available and free labour was inadequate the South turned to mechanisation. There followed a period of rapid industrialisation. As a result, the interests of industrial

North and of the industrialised South became identical, obliterating sectional differences.

### **INDUSTRIAL EXPANSION AND AGRARIAN REACTION**

The period from 1865 to 1900 witnessed remarkable progress in industry and agriculture. From a position far behind Great Britain and France the country advanced rapidly to the economic leadership of the world. Edward Atkinson has rightly stated. "There has never been in the history of civilization a period, or a place or a section of the earth in which science and invention have worked such progress or have created such opportunity for material welfare as in these United States in the period which has elapsed since the end of the civil war". The Republican Party dominated the scene, for Presidents Grant, Hayes, Garfield and Arthur, were Republicans. In 1885 the Democratic candidate, Cleveland, the Democratic candidate, again captured the presidency but in 1896 Me Kinley of the Republican Party won the election.

### **BIG BUSINESS AND GIANT TRUSTS**

The Industrial Revolution which radically transformed the economic and social life of the people made its beginnings before the Civil War. Different factors contributed to its gigantic progress. The country was not only extensive but also had pleasant climate and vast resources. Mines yielded metals and oil; fields agricultural and animal products; forests timber and oceans sea food. Negro slavery and free labour were available for work, but after the abolition of slavery, the European settlers supplied labour force. Inventions and technological advancement rendered labour highly productive. Secondly, the country received needed capital for investment. The stability of political order, low taxation, high savings and freedom from administrative harassment served as powerful incentives for investment. Because of the prevailing order of colonialism, the Europeans exploited Asiatic and African peoples and invested much of the booty in the united states Thirdly marketing facilities appeared promising. A large country with a high standard of living offered vast opportunities. There was content demand for grain, raw materials and finished products abroad. Magnificent roads, railways and cargo ships helped quick movement of products from fields and factories to the markets. Fourthly, the American attitude is such that it gives encouragement to the people who can contribute. In the highly backward countries like India, because of the obsession with the concept of authority the best talents are drawn to the profession of control. In consequence they devote their intellectual and physical resources to the perfection of the engine of harassment and oppression of those who contribute. Ultimately this paralyses the creative energy of the people and enslaves them to the bureaucracy. On the other hand in the United States the ablest men take service with industry and agriculture, which contribute to human welfare. The government encouraged this tendency with concession in tax and

land and with the least interference. This coupled with the supreme confidence of the people in their ability to stand by themselves contributed to progress. In the societies, where the people develop a tendency of dependence because of slavery of mind, they surrender their rights to an authoritarian set up which finds expression in the form of dictatorship and socialism. In the resultant state of economic stagnation, progress gives way to control, people wait for permits and they receive as slaves what the bureaucrats give as tyrants. But the Americans, independent and adventurous, as they are, have created a political order with restricted governmental authority and have retained their rights so that they are enabled to employ unhindered their resources, both of the mind and of the body, for their advancement.

Scientific advances and mass production techniques promoted industrialisation on a large scale. The heavy industries like iron, steel, oil and machinery developed more rapidly than the light industries like textiles, timber and food processing. The production of steel which received impetus with the opening of mines in the Mesabi Range of Minnesota greatly helped industrial expansion. Mines were opened, factories were established and refineries were set up all over the country. In the mean time manufacture of agricultural machinery and opening of the great plains of the West for cultivation vastly enhanced agricultural production. The cattle kingdom, which was confined mostly to Texas in the beginning, extended its frontiers. The banks not only provided a stable currency but also furnished credit facilities. Ambitious schemes were undertaken to construct straight roads and railways, providing direct links between the Atlantic and the Pacific coasts. Building of ships and manufacture of motor cars and planes assumed gigantic proportions. Telegraph and telephone systems spread throughout the country. The great progress made in these directions made the people prosperous and rendered the country strong.

During early periods of industrialisation most of the factories were owned by small capitalists and small corporations. Competition among a large number of firms led to price cutting, financial loss and consequent panic of 1873. To rectify this anomaly, business houses found it necessary to make combinations. As a result they eliminated much of competition, increased prices and reaped huge profits. The policy of the Republican Party also favoured the growth of big business. A party of idealists to begin with, it turned into a stronghold of the capitalists, for it supported the industrial society. The Republican administration imposed high tariff to protect industries against foreign competition, granted concessions and gave incentives. These promoted the rise of huge business houses.

There were three forms of industrial combinations. The earliest was pooling. A pool is an organisation of business units, whose members seek to control price by dividing the available business in regard to quantity of production and area of



distribution. However by 1890, legislations particularly the Inter-State Commerce Act, came in the way of pooling. Therefore the pools were replaced by trusts. A trust is a form of organisation in which the stock-holders deposit their stocks with a board of trustees and receive in return trust certificates and financial benefits. The trustees possessed absolute power to conduct business. In a broad sense it meant any monopoly and any large business corporation. The Sherman Anti-Trust Act came in the way of trusts. Therefore in their place there came into existence holding companies. A holding company is an organisation, which controlled other corporations by holding majority of capital stocks.

**Captains of Consolidation:** The earliest of the industrial consolidations occurred in the railways. Cornelius Vanderbilt emerged as the leading figure in the consolidation of railroad companies. After making a large fortune as owner of a steamship company, he at the age of sixty nine, turned to the railroads. Purchasing the shares of one company after another, he gained control of the New York Central System. The example set by Vanderbilt gained acceptance with other railroads. In the South another business man, Morgan, purchased numerous lines until his Southern Railway System became the most extensive.

In the combination of steel industries Andrew Carnegie emerged as the most successful. A poor emigrant from Scotland, he started his career as a servant in cotton mill but worked up his way to a status of opulence. His early interest was with the railways but subsequently he turned to steel, he succeeded in cutting down prices and eliminating competition. Thereupon he obtained a lease of iron bearing area in Mesabi Range, opened mines, operated a fleet of ore ships on the Great Lakes and obtained rebates from railways. The rival concerns which could not face his competition were forced to sell their firms, leading to the creation of the steel empire of Carnegie.

John D. Rockefeller emerged as the leader of consolidation in oil industry. A clerk to begin with, he turned a successful business boy at the age of nineteen and sought his fortune with oil. At the end of the Civil War he established oil refining works at Cleveland. Through a ruthless policy aimed at the elimination of competition he acquired oil rights, refined crude oil and laid a network of pipe lines. The reduction of cost enabled him to inaugurate a price war against the rival concerns. As competitors disappeared from the market, he gained a virtual monopoly of oil industry. As a result of the working of these trends, giant corporations replaced small firms in different industries.

**Results of Consolidation:** 1) In consequence of these combinations there came into existence large corporate units, nation wide in scope. By 1900 over 5000 competing firms had merged into 300 giant trusts. Among them the most powerful were the

United States Steel Corporation, the American Sugar Refining Company, the United States Rubber company and the Amalgamated Copper Company. Together with other trusts they ruled the steel industry, mining, railroads, electricity, telegraph, petroleum and meat and fruit processing. They acquired interests overseas and extended their influence far and wide. The new industrialists and bankers replaced the merchants of the North and planters of the South as the ruling class of the country. The rise of big business sharpened the differences between the rich and the poor on the one hand and the capitalists and the workers on the other.

2) Industrialisation and the consequent mechanisation had their natural effect on social life of the people. In the past people lived a life, independent of each other, for it was a rural life, based upon their farms. But specialisation and urbanisation made the people interdependent. No longer could the people live as self-reliant farmers or self-dependent craftsmen. The factories drew people belonging to different cross-sections of society and helped the rise of cities. City life promoted growth of culture but overcrowding and slum-dwelling created social problems.

3) Economic changes brought into circulation new theories, many of the industrialists of the country began their career from humble positions, but their organisational ability and business enterprise made them eminent. By and large they believed that they obtained wealth because they deserved it, while the less successful did not deserve it. Herbert Spencer explained that struggle was a normal human activity. The strong remained on the field because the fit survived the struggle, while the unfit went down. Thus the Darwinist theory of survival of the fittest was applied to economic competition. However, most of the Americans refused to accept a new economic gospel that favoured concentration of wealth in the hands of a few. Henry George in his *Progress and Poverty* asserted that there was no real progress so long as increased wealth, generated by industrialisation, promoted the fortunes of the big business and sharpened the contrast between the house of have and the house of want. The unequal distribution of wealth influenced Edward Bellamy to write his work *Looking Backward*. He advocated a new social order, based upon collective ownership of all property.

4) The economic revolution led the country to a course of imperialism. The factories, which sprang up in large number, needed raw materials in increasing quantity. More markets were to be found for the sale of finished goods. Together with greater economic power there came more of military strength. Because of these developments the country began to take an aggressive interest in Latin America and the Pacific Ocean. Through bribery, intrigue and violence American agents made and unmade rulers of foreign lands for promoting their selfish interests.

5) The competition among the different firms in the past ensured a fair market price for the consumers and enabled the workers to migrate from one factory to another in consideration of better working conditions. But this trend reversed in consequence of the formation of trusts and corporations. Competition disappeared to a large extent, small firms languished, prices increased, working conditions deteriorated, labourers lost freedom to join unions, wealth concentrated in the hands of a few and the industrial magnates bribed legislatures and obtained concessions. The methods employed by the captains of industry for promotion of their interests were so aggressive, so ruthless and so unscrupulous that they excited a formidable reaction against big business. This reaction assumed different manifestations-agrarian revolt, trade unionism and governmental regulation, otherwise called progressive legislation.

### **AGRARIAN UNREST AND POPULIST MOVEMENT**

The agrarian interests presented an organised opposition to the combination of industries. Two principal factors accounted for the emergence of agrarian reaction against big business. The peasants, engaged in the same kind of work on the field, always cherished a community of interests. In former days their standard of living appeared better than that of the city mechanics. But with the changing trend of the times, they became concerned at their declining status in society. Secondly, the farmers fell victims to the evils of big business. Many of their grievances were legitimate. They depended upon the railroads charged so high a rate that much of the profit was eaten away. A second grievance was against the banks and insurance companies. Credit was needed not only to acquire lands but also to purchase machinery and fertilizers. The bankers charged as much as twenty five per cent as interest on loans. A third grievance was against the merchants. The peasants were convinced that the merchants joined together in fixing low prices for farm products and high prices for finished goods. In fact they were subjected to exploitation by capitalists as well as merchants.

A chain of new developments greatly increased the discontent of the farmers. The application of machine and science for agriculture while bringing certain benefits, created new complications. There came a net work of new expenses, caused by the necessity of purchasing new implements and machinery, obtaining transportation facilities and meeting the demands of growing complexity of life. As the grain elevators were not available in adequate number, the farmers were easily cheated in grading as well as in weighing. Through better methods there came better harvests, but with increased production prices fell sharply. In short the producers received no reasonable prices for their commodities, while most of the benefits went to the middle men.

**The Grange:** After years of fruitless struggle for justice, the farmers rallied to the Patrons of Husbandry, more popularly known as the Grange. Oliver H. Kelley, a clerk in the Department of Agriculture, returning from a tour of the southern states, conceived the idea of a farmers' society to help them improve their lot. Accordingly in 1867 he organised the Grange. Among its motives were: to promote cooperation among the peasants and to offer better educational opportunities and recreational facilities in the form of picnics, lectures and meetings. The spread of the Grange was rapid and by 1874 it had one and a half million members. The Grangers dominated the legislatures of Illinois, Wisconsin, Iowa and Minnesota.

The legislatures controlled by the Grangers attempted to implement a two fold programme. They passed laws fixing rates for transporting and storing of grain. Also they promoted co-operative movements among the farmers. Thus there were established co-operative grain elevators, flour mills, banks, factories and insurance companies. The railroad and elevator operators challenged these legislations in the courts on the ground that they violated the Fourteenth Amendment by depriving them of property without due process of law. But the Supreme Court upheld the laws, stating that property was not completely private, when it was invested with a public interest. In spite of the political and economic gains made by the Grangers, their organisation declined by 1880. This was because their co-operative ventures proved a failure and the farmers evinced no lasting interest in a union of their own because of changing occupational interests.

After the decline of the Grangers two other organisations emerged prominent. They were: 1) the North-western Alliance and Farmers' Alliance and 2) the Industrial Union. They agitated for regulation of railroads to provide cheap transportation, inflation of currency in the interest of cheap money, reform of Banking so as to obtain illiberal credit and a system of taxation which would lay heavier burdens on industry. However these organisations too proved ineffective.

**The Populist Party:** In consequence of the decline of the farmers' unions, the industrialists found themselves free from organised opposition. They again increased railroad and other rates and exploited the peasants drifted into difficulties. Confronted with this situation they demanded a plentiful supply of money so as to enable them to pay off their debts. By 1890 three types of money were in circulation-green-backs, national bank notes and gold coins. Those who demanded circulation of paper money formed themselves into the Greenback Party. However, this move proved inadequate to serve their interests.

In 1891 certain leaders of peasant organisations met at Cincinnati and formed the Populist Party, also called the People's Party. In a convention at Omaha in Nebraska, they adopted a charter of demands known as the Omaha Platform. It sought

extension of governmental activity in different spheres of economic interest. In the programme were included: governmental; ownership of railroads and telegraph, establishment of postal savings banks, Circulation of more money, economy in administration, imposition of graded income tax and introduction of direct democracy like initiative and referendum. Together with its democratic idealism, populism carried with it a racial prejudice directed against the Jewish capitalists. Yet it sought to promote unity among the poor whites and blacks and endeavoured hard to emerge as a third political party in the country. It gained considerable following in the southern region, the Great Plains and the Rocky states.

The party made a determined effort to capture the presidency. In the election of 1892 it nominated James B. Weaver as its candidate. Though the Democratic candidate, Cleveland won the election, the Populists gained a million popular votes. In the years that followed the popularity of the party continued to grow. In the presidential election of 1896 the Populists supported the Democratic candidate, Bryan but the Republican candidate Mc Kinley came out successful. This electoral reverse administered a blow to the rising popularity of the party.

Populism grew out of the conviction of the farmers that they would achieve their aims only by sustained political action. Accordingly they made a serious attempt to establish a third party in the country. In earlier generations third party groups like Know Nothings and Free Spoilers came and went. On the other hand the Populists led by their able but colourful leaders like Ignatius Donnelly, James Weaver and Jerry Simpson displayed a greater determination than what the other third parties did to stabilise their organisation and to fight elections.

The gains made by the peasants were considerable. The Grangers and the Populists drew the attention of the nation to the conditions of the farmers. Many of the reforms which they demanded found their way into state and federal legislations. Railroads and interstate commerce were brought under public regulation. Banking and currency were reorganised. The national parties adopted a platform aimed at the protection of the interests of the peasants. These prepared the ground for the progressive legislations of Theodore Roosevelt and Woodrow Wilson in subsequent times.

Despite these, the peasants failed to establish themselves either in Congress or in Presidency. The Populists lost their popularity in course of time. Different factors led to the decline of the Populist Party. Its leftist programme and white-black harmony had no appeal to the racist masses. The whites detested the blacks so much that they refused to co-operate with them in politics. The Americans had an over-riding faith in free enterprise and were not prepared to accept governmental intervention in economic activities. Secondly, the party gained a limited following only in the South and the West, but not in the more densely populated states of the East. Thirdly, its failure to gain a footing in national legislature and to capture the presidency tarnished its prestige. At the same time as the Democratic Party adopted the principles of

populism, the people found it unnecessary to have a third party. Finally, the farmers themselves lost interest in the party. With crop failures in Russia and Argentina, they found it possible to gain attractive prices for their products and clear their debts. The advent of farm prosperity eroded their faith in the necessity of party politics and agitation methods.

## Unit - II TRADE UNION MOVEMENT

The industrial workers gradually realised the supreme need for organisation to protect their common interests against business combines. However, trade unionism had a chequered history, for it was marked by uncertainty, failing leadership and confused strategy. Time was required to enable the labour acquire experience in organisation and success in trade union activity.

**Grievances of the Workers:** The economic revolution changed the worker from an artisan, who owned his own tools, to a labourer, who operated machines in a factory. The corporations were governed by boards of directors, who generally cared little for the welfare of workers, for they were interested in profits. As a result, there developed no cordial relationship between the employers and the employees. The workers were convinced that they could protect their interests only through the formation of unions.

The mechanisation of industry and organised character of capital put the workers at the mercy of the capitalists. As machines took over the work formerly performed by skilled labour, the businessmen no more found it necessary to depend upon particular sections of labourers. At the same time they could enlist the services of unskilled or semi skilled workers, furnished by continued immigration from Europe. The competition among these sections of workers enabled the employer to exploit the situation to his advantage. This trend needed to be corrected.

The working conditions appeared highly unsatisfactory. Women and children were employed in all kinds of arduous jobs. The average working day for a six day week ran to ten hours. As the employers cared little for safety devices, the accident rate worked high. One in every 26 rail road workers received serious injury and one in every 399 died of accident in a year. At the turn of twentieth century the average worker received 400 to 500 dollars a year, though a decent standard of living required at least 600 dollars. Compensation for death or injury was virtually unknown.

**Rise of Trade Unions:** In consequence there came into existence some thirty craft unions by 1870. In course of time the workers made serious attempts to organise a single national union. The National Labour Union formed in 1866 represented an advance in this direction, for it included not only several unions but also labour groups. However since 1870 the trade unions experienced hard times because of depression, opposition of employers and want of public sympathy. They failed to gain for the workers better wages, shorter hours and security of service. In 1877 when the railroad strikes were organised, the rail services from Baltimore to St. Louis were disrupted equipment was destroyed and rioting workers roamed about the streets of Pittsburgh and other cities. Thereupon state militia and federal troops were called out to suppress the disturbances. The failure of the strike greatly weakened trade union activity.

After the decline of the National Labour Union, the Noble Order of the Knights of Labour came into prominence. Founded at Philadelphia in 1869 as a secret society, it grew rapidly under the leadership of Powderly and emerged as a national union of working men. It stood for big unionism as opposed to a multiplicity of unions. All members of the working class were required to join, whether they were blacks or whites, skilled or unskilled and men or women. Workers were grouped together in local assemblies on the basis of residence. The local assemblies sent delegates to the assemblies which in turn to the general assembly. The Order wanted to secure for the workers full enjoyment of the wealth that they created and sufficient leisure needed to develop their intellectual, moral and social faculties.

The idealism of the Order proved attractive to many. Its devotion to the concept of industrial brotherhood, co-operation and settlement of disputes through arbitration won for it the support of reformers. But it lacked the ability to win strikes. In 1886 the Federation of Organised Trades and Labour Unions called the May Day strike in an attempt to force the general acceptance of eight hour day. The rank and file of the Knights extended their support. The demonstrations appeared successful but the anarchists indulged in violence leading to the death of several people in Haymarket Riot, Chicago. Violence and bloodshed discredited the Knights of Labour and contributed to its eclipse.

With the decline of the Knights of Labour after the May Day Strikes, many of its members went over to the American Federation of Labour. Founded in 1881 at Pittsburgh by Samuel Gompers, it emerged as a non-political organisation with foreign and socialistic leanings. The membership of this union was restricted to skilled workers, as they wanted to protect themselves against the competition of the unskilled as well as the capitalists. The union was composed of self governing craft unions. An elected governing board decided the general policy of this organisation. It demanded an eight hour day, a six working day week, better wages and abolition of child labour. Strike and boycott were frequently resorted to for the attainment of these objectives. The practical programme, excellent leadership of Samuel Gompers and the collapse of the Knights of Labour made the Federation the most powerful labour organisation in the country. Through agitation and collective bargaining it succeeded in gaining recognition for eight hour day for several unions and abolition of yellow dog contract s-the labour contracts which forced the workers to agree that they would not join trade unions.

**Industrial Unrest:** The demands of organised labour were moderate though the workers relied on strike and boycott to realise their objectives. Yet the employers and state governments were so hostile that labour could make no significant gains. The demands of labour could be achieved only slowly and after a long period of industrial strike. Between 1881 and 1900 there were organised about 24,000 strikes, involving about 1, 28,000 establishments. Some of these strikes, excited nation wide interest. In 1892 there came the Homestead Strike in the Carnegie Steel Company in Pennsylvania. The agitation lasted for nine months and many died in clashes. Ultimately the strike collapsed and the workers resumed work, accepting the terms



offered by company. In 1894 there came the Pullman Strike at the Pullman Palace Car Company at Chicago. It spread to other railroads, but was crushed by the federal troops.

In the struggle between labour and capital, the latter was generally successful. The capitalists relied on different methods like black listing of the workers, denial or delayed payment of wages and employment of goondas for coercion. The courts and governments too appeared unsympathetic. Despite these, the trend of events appeared favourable to labour for, many of the employers realised the necessity of co-operating with trade unions for preserving industrial peace. They frequently agreed to submit labour disputes to arbitration, introduced profit sharing programmes, built housing colonies for workers and implemented old age pension schemes and death benefits. The state and federal governments gradually enacted and enforced laws in favour of the workers. Thus they established eight hour day in public offices and public works, Prohibited importation of contract labour and created the bureau of labour.

If the united labour failed in many respects, it was much because the workers' unions found themselves incapable of competing with capitalists. They started numerous co-operative enterprises but they collapsed due to mismanagement and unfair competition. Secondly, the leadership devoted too much of its attention on the perfection of social reform programme rather than to the needs of trade unions. Though they organised strikes and agitations, they were done without adequate preparations. Mismanaged, and ill-conducted, they frequently ended in violence and disorder, helping the capitalists thereby. In addition to these the labour encountered serious odds, presented by internal bickering. In the mean time the industry perfected a series of weapons that rendered it invincible. Among them were the lockouts, black listing of workers for union activity, exaction of oaths from workers against trade union membership and refusal to arbitrate disputes. Together with these, certain industrialists made a genuine attempt to promote the welfare of labour and hence workers found unions not much necessary. Finally, the workers failed in securing the sympathy of the governments. The administration and the judiciary generally extended their support to the employers and not to the employed in a bid to preserve order.

### **ANTI-TRUST LEGISLATION**

The growing discontent among the farmers and workers and their agitations against the corporation and the trusts forced the federal and state governments to intervene in the working of big business. The anti-trust legislations marked a major attempt in this direction.

**Demand for Trust Legislation:** The farmers, workers and social reformers urged upon the government to break up the trusts. They were joined by the intellectuals. The Anti-Monopoly Party was formed to agitate for the regulation of trusts. Greatly concerned at the concentration of economic power and rise in prices, they demanded the break up of industrial combinations in the interest of promoting competition

among producers and fall in prices. In response to wide spread agitations, the states took the initial steps aimed at the regulation of big business. Thus the state governments particularly those dominated by the Grangers and Populists, regulated the rates for railways, warehouses and grain elevators. However the judiciary nullified the state regulations. In the Wabash Case of 1886 it denied the right of the states to fix rates on shipments passing beyond their borders. Further in the Minnesota Rate Case of 1889 it decreed that the court must decide the reasonableness of the rates, fixed by the states. Because of judicial decisions against state regulations, the leaders demanded federal legislation. The Senate responded by appointing two committees to suggest regulations. The Windom Committee (1874) proposed that the national government should operate railroads in competition with the private lines for keeping the rates low. The Cullom Committee (1886) suggested the enactment of laws by to regulate the operation of inter-state carriers.

**Inter-state Commerce Act, 1887:** A direct outcome of the work of Cullom Committee was the enactment of the Inter-state Commerce Act of 1887, signed into law by President Cleveland,. The Act required the railways to post their rates publicly and decreed that these rates must be reasonable. It forbade pooling agreements among different railroad companies, granting of rebates to select shippers and the consequent rate discrimination. An Inter-state Commerce Commission consisting of five members was constituted to enquire into the complaints against railroads.

The Inter-state Commerce Act represented the first significant step taken by the federal government to regulate free enterprise since the advent of industrial capitalism. As inter-state commerce fell within the jurisdiction of the federal government, it was the proper authority to act upon. However, the Act proved effective only for a short period, for the inter-state carriers reduced the local rates, simplified their schedules and announced the abandonment of pooling agreements. In the long run the Act lost its authority. In the place of written agreements the companies entered into unwritten or gentleman's agreements for increasing the rates. Rebates continued to be given to large shippers through secret arrangements. The judicial decisions too went against the Act. In the Maximum Freight Rate Case (1897) and in the Alabama Midlands Case (1897) the court denied the authority of the Commission to fix rates. The railroads with the support of the judiciary tied the hands of the Commission so completely that the administration ceased to have any authority to regulate interstate trade.

**The Sherman Anti-Trust Act (1890):** The Inter-state Commerce Act failed to curb the unfair practices of the railroad companies. Thereupon several states of the West and of the South influenced by the principles of populism, enacted laws against the trusts. They forbade prevention of competition in manufacturing and selling, settlement of any agreement aimed at the fixation of prices, restriction of output, the bribing of employees of rival firms and similar irregularities. Yet these laws were inadequate, as many of the trusts were of inter-state character and the states had no control over inter-state trade. Therefore federal action was again deemed essential. In 1888 a Congressional resolution called attention to the problem of trusts and

combinations. In 1889 Senator John Sherman introduced an antitrust bill, aimed at regulating the working of the trusts. In the light of the discussions in Congress the bill was changed and re-changed until it was given the final shape. By April 1890 the Judiciary Committee wrote the Sherman Anti-Trust Law in its final form. Congress accepted the bill and President Benjamin Harrison signed it into law.

The provisions of the Act were the following. 1) Every contract, whether it was combination in the form of trust or otherwise or conspiracy in restraint of trade among the several states or with foreign countries, was illegal. 2) Persons monopolising or combining or conspiring to monopolise any part of commerce between states or with foreign nations were guilty and punishable by fine or imprisonment. 3) Any property owned under a contract involved in a conspiracy in restraint of trade could be seized by the federal authorities. 4) Jurisdiction over the cases involving violation of the provisions rested with the federal circuit courts.

The Sherman Anti-Trust Law was enacted because of popular dissatisfaction with the activities of the trusts and general demand for relief. But neither was the administration nor was the judiciary prepared to enforce the law. The leaders like McKinley and Reed regarded the industrial combinations as the inevitable result of economic development and as the means and manifestation of progress. In consequence they appeared unconcerned with the formation of trusts or any other kind of combination. President Harrison and President Cleveland too were not serious about effective enforcement of the law. Nor were the federal officers keenly interested in prosecuting the companies, which formed themselves into trusts. The judiciary interpreted the law so narrowly that it was deprived of its teeth. In the case, *United States Vs. E.C. Knight* (1895), the Supreme Court held that creation of manufacturing monopoly through the purchase of their companies was not an act of inter-state commerce and therefore such matters did not come within the jurisdiction of the federal government. Added to these, the trusts resorted to different devices so as to give the impression that they did not violate the law. As a result the Sherman Anti-Trust Law had no salutary effect on the working of trusts.

Yet, in subsequent times because of popular demand for regulation and due to change in the character of the administration a serious attempt was made to check business combinations. President Theodore Roosevelt under authority of Congress created a Department of Commerce and Labour and a Bureau of Corporation in 1903, both authorised to investigate and take action against business combinations. The Elkin's Act of 1903 made the granting and accepting of secret rebates illegal. In the *Northern Securities Company Vs. United States* (1904) the Supreme Court reversed its decision on the Knight Case and stated that holding company constituted a combination in restraint of trade. Encouraged by this decision on the Knight Case and stated that holding company constituted a combination in restraint of trade. Encouraged by this decision, Roosevelt and Taft enforced the Sherman Anti-Trust

Law and took action against erring companies. President Wilson too made a serious attempt to break up the monopolies. A series of laws were enacted to check unfair methods of competition and to punish the guilty. In fact the success of the anti-trust legislation depended upon the determination of the administration to maintain constant vigilance against unfair practices and to proceed against erring companies.

### **TRAGEDY OF THE INDIANS**

In the territories situated west of the river Mississippi there survived a few Indian nations. They included the tribes, who were expelled by the Americans from their habitat in the East and those who made the mountainous area of the Rockies their abode. However, the most populous were the plain Indians, who lived in the rolling, semi-arid and treeless plains. Among them the most prominent were the Sioux, the Arapaho, Cheyenne, Nez Perce and the Apache Indians. Intelligent and Industrious, they were uniformly martial, proud of their civilization and independent in spirit. Mounted on their horses, where they were armed with bow, spear or rifle the tribal's presented formidable opposition to the white marauders and troops. They possessed a mobility enjoyed by no other Indians and were ranked among the best light cavalry in military history. The Americans moving from the plains of the Mississippi and the shores of the Pacific fought a series of bloody wars against them. The advancing white columns were effectively supported by large and disciplined army equipped with fire arms. Yet the tribal resistance was so determined that the American expenses on every Indian killed worked at an average of one million dollars.

The general cause of conflict, as in previous wars, was that the Americans covered the possession of other people's lands in violation of all canons of their own religion and principles of natural justice. Because of the policy of expulsion of natives and usurpation of their lands, as enunciated by President Jefferson and enforced by President Jackson, the tribes of the eastern region were liquidated to a large extent, while the rest were driven into the country of their traditional enemies in the far West. The native Indians of the West and fugitive Indians from the East warred against each other, before they decided to settle down together. The tribes entertained the hope that the plains would be preserved as an Indian territory, but they found their expectations shattered to the ground. With calculated audacity the whites in successive waves of migration swarmed over the tribal lands. There came settlers, cowmen set their herds free on the grass lands, while the miners, trespassed in to native villages searching for gold, oil and other materials. In the mean time the federal government granted free of cost extensive areas in Indian territory to the railroad companies. These activities, as crude and harassing as they were, violated the territorial and political rights of the Indian nations.

There were other causes too. The Civil War bequeathed a legacy of bitterness in the relation of the United States with the tribal nations. Expelled from their home land, many of the uprooted Indians joined the southern states in their war against the United States. The Americans reconciled with their fellow whites of the rebel states but decided to wreak vengeance upon the ill defended tribes. After the war was over, the United States launched a war of extermination against the Indians. Added to this, the intruding whites reduced the tribal's to starvation. The natives depended upon the wild animals particularly the buffalo for their food and clothing. By 1865 more than fifteen million of these magnificent animals roamed about the vast plains. But the Americans, when they moved into the West, for the pleasure of killing animals and seeing the Indians die of starvation, embarked upon wholesale slaughter. Within ten years the buffalo population from fifteen million fell to less than a mere thousand. To their anxiety the Indians saw the herds, which supported their way of living, fast disappearing. Coupled with this a lingering fear that they themselves would be ultimately annihilated gripped the Indian mind. They saw all the eastern tribes destroyed and the survivors put into reservations, to die in affliction. Threatened with slavery and death the plain Indians found no alternative but to resist aggression.

### **WARS OF DESTRUCTION**

The clashes began when the Americans drove the tribes of Kansas and Nebraska into concentration camps and proceeded with the occupation of their lands. The first major war was the Cheyenne-Arapaho War (1861-64). The miners supported by the American forces occupied the territories belonging to the Cheyenne and Arapaho tribes of Colorado. The governor of the territory called all friendly Indians to take shelter with the American military post for not being killed by mistake. Accordingly many of the unsuspecting tribal's reached Fort Lyon at Sand Creek, seeking protection. But the Americans under the direction of Colonel Chivington opened a treacherous fire and gunned down more than 500 of them, including women and children. The Sand Creek Massacre startled the conscience of the Indian world. The terror stricken tribes surrendered their lands and agreed to accept a small reservation in return. The remaining members of the tribes died of slow starvation in a barren wilderness.

Infuriated at the Sand Creek Massacre and threatened with the usurpation of their entire territory, the Sioux Indians, led by Red Cloud, cut off the American communications across their land. There broke out the Sioux War (1865-67). As the result of two years' fighting the tribe was suppressed. Congress now appointed a commission to enquire into Indian affairs and to suggest a new Indian policy. On the basis of its suggestions the federal government decided to create several reservations to shut the tribes in. Accordingly, the southern tribes and the remnant tribes from the

East were forcibly removed to the Oklahoma Reservation, while the Sioux Indians to the Black Hills in western Dakota. All the free Indians were subdued and thrown into reservations created out of the unproductive areas so that they would die of slow starvation.

Even in these reservations the Indians were not allowed to die in peace. With the discovery of gold and oil the Americans haunted these areas with insatiable greed. The federal troops too appeared on the scene. Wars again broke out. The Sioux Indians led by Crazy Horse and Sitting Bull evacuated their reservation and assembled 2500 warriors, the largest Indian army ever gathered at one time in the United States. They surprised Colonel Custer's regiment and routed it. But the federal troops launched a war of reprisal, broke down Indian resistance and forced the tribe to surrender. Sitting Bull at the command of his select followers escaped to Canada, but was caught and executed.

In 1877 the American army attacked the Nez Perce tribe of Idaho, as it refused to vacate its settlements and move into a desert. Threatened with annihilation, the tribe consisting of 200 men and 350 old people, women and children, gathered together and directed by its talented leader Joseph escaped to the north, seeking a new home in Canada. Pursued by four columns of troops, the Indians covered 1321 miles in seventy five days. The army chased them and hunted them down just south of the Canadian border. Joseph and his tribal's were assigned the malarial area in Oklahoma as a reservation, where they perished before long. Another army engaged the Apache Indians of Arizona and New Mexico. The war that broke out in 1871 lasted up to 1885, in the course of which the Indians were suppressed and driven into a reservation. But a band of the tribe under the command of Geronimo continued the struggle until he was captured in 1886 in Mexico. Together with his people he was deported to Florida, then to Alabama and finally to a reservation in Oklahoma.

In 1890 the United States fought the last major war against the natives. As their glory was fading rapidly and as population was moving steadily towards extinction, the remnant Indians turned to an emotional religion and sought to promote a resurgence through their traditional ghost dance. The cult of ghost dance swept across the West and gained converts among the Sioux Indians. Eager to exploit this opportunity for the execution of their calculated design, the federal troops appeared in the reservation. A unit of the Seventh Cavalry seized about 350 tribal's, two thirds of them were women and children, and moved them into a campo at Wounded Knee Creek in South Dakota. After all the prisoners were disarmed, the Americans opened the most treacherous fire. All men were killed point blank. Many of the women were pursued as far as three miles over the plains before they were overcome and pierced to death. Young girls knelt and covered their faces in terror. Yet the troopers spared not

their lives. The small kids who could make no bid of escape were cut down mercilessly. At the end of the massacre, the mutilated bodies were gathered together and thrown into a pit. Through a series of massacres the whites gained possession of a continent, stained by the blood of the Indians.

### **EXTINCTION IN RESERVATIONS**

By 1900 the whites through massacre, conquest persecution and starvation reduced the sturdy and populous tribal's to a few dying destitute. The United States, whether she needed or not, took possession of all the lands from the natives. The Indians were deprived of the magnificent territories and were shut in the captivity of reservations, which set a model for the concentration camps of the German Nazis, labour camps of Russian communists and segregation camps of South African racists. In the deserts and terrains, as the reservations were, the Indians were let to die by slow starvation and silent misery.

In subsequent times the United States decided to treat even the reservations as public lands and refused to recognise tribal rights. A series of measures taken in pursuance of this crude policy deprived them of their possession of the reservations. The Home stead Act of 1862 which had been signed into law by President Lincoln, granted 160 acres of public land free of cost to on American citizen, above the age of twenty one. This public land was nothing but the Indian land. The Dawes Severalty Act of 1887 abolished the common ownership of land b y the tribes so as to enable the Americans to purchase lands from individuals. The Allotment Act of 1887 declared quite arbitrarily that most of the reservation land was surplus and distributed them among the whites. The natives were forced to accept small fragments. In 1889 when a signal was given 50,000 whites surged into Oklahoma and occupied the tribal areas. Added to these whenever a mine was discovered, a road laid, a railway constructed and a park formed, the miserable Indians were compelled to surrender whatever fragments they possessed.

As a result, the Indian nations vanished. In early days of their glory when an American went to the Indians, as Daniel C. Sanders has rightly observed "if hungry, he is fed: if naked he is clothed: if cold, he is warmed, he lives upon the best they have; and nothing is required as a reward for all the favours they can lavish upon him." But the land greedy Americans liquidated such a magnificent people. Upon the grave yard and the blood stained field of their benefactors, the whites erected the edifices for their pleasure and arsenals for destruction. What is undeniable is that humanity has become weaker and poorer with the disappearance of an intelligent, energetic and magnanimous people of a colourful race.

## ACROSS THE PACIFIC

The liquidation of Indian tribes and expansion to the Pacific coast rendered the United States a continental power. Since then the country turned across the maritime frontiers in search of new colonies and markets. This led her to the acquisition of islands in the Pacific and imperial interests in East Asia and Latin America.

A series of developments contributed to the extension of imperialism across the Pacific. As a result of rapid industrialisation, foreign trade increased by leaps and bounds. The undeveloped countries offered scope for the supply of raw materials and for serving as markets. Because of the imperialistic trends of the times, occupation of lands was found essential not only to control them but also to prevent them from falling under the sway of other powers. Secondly, the American capitalists invested capital in foreign countries particularly in Latin America. They sought protection from the federal government whenever they experienced any difficulty due to internal opposition. Thirdly, the Americans after completing the annexation of all Indian lands, decided to seek territorial expansion beyond the shores. They were influenced by the European powers which had already acquired empires in Asia and Africa. Writers and Politicians promoted the growth of an imperialistic creed. Reverend Josiah Strong in his work *Our Country* (1885) declared that the Anglo Saxons, whether they were of England or of the United States, were superior to other races and that they had a duty to impart the benefits of their civilization to the unfortunate peoples of the world. Alfred Mahan in his writings stressed upon the necessity of creating a large navy and establishment of naval bases for promoting national glory. Finally, the Christian missions demanded the extension of American political authority over the foreign territories. They asserted that this was necessary for promoting conversion of heathens to Christianity and for the spread of culture.

## MC KINLY AND SPANISH WAR

**Cuban Question:** The rich island of Cuba, rightly called “Pearl of the Antilles” together with Puerto Rico formed the remnant empire of Spain in the New World. The Carib Indians, after whom Caribbean Sea was called-were the natives of the island but were wiped off. The Negroes, the Spaniards and the half breeds constituted the island’s population. For long the United States coveted possession of the island as it was valuable not only for its resources and strategic location but also for the supply of slave labour. In 1848 President Polk offered 130 million dollars but Spain refused to sell. President Pierce too wanted to annex the island. The Ostend Manifesto, issued in 1854 by the American ambassadors in Spain, France and England in their conference at Ostend in Belgium, asserted the American right to take possession of Cuba if necessary through force of arms. Though it was officially disclaimed, it revealed the latent designs of U.S.A.



After the Civil War, the United States established her economic domination over the island. Sugar was the principal product, for which demand was great. The capitalists invested heavily on sugar and tobacco plantations and by 1890 the investments exceeded fifty million dollars and annual commerce reached a figure of hundred million. In spite of economic progress, the inhabitants lived in misery under a despotic and oppressive rule. In 1868 they rose in rebellion against Spain. There followed a struggle for ten years, without yielding any definite gain for the Cubans, except the emancipation of slaves and promise of political reform. In the course of disturbances American properties were destroyed. The capitalists demanded that the United States should extend protection to the interests of her citizens. After the suppression of the rebellion, Spain imposed heavy taxes upon the people. The United States in the mean time removed sugar from the free list and placed on it a duty of forty per cent. The resultant depression added to popular discontent. In 1895 a second rebellion, more serious than the first, broke out. The insurgents fought a guerrilla war and continued it relentlessly with the hope of either exhausting Spain or drawing the United States into the arena. as a result they were herded into concentration camps, where they died of torture, disease and starvation.

The United States took a keen interest in these developments. She was concerned at the loss of American properties in the island. Besides, she was interested in the destruction of European colonialism in Latin America, so that her influence could be extended. In the mean time the yellow press played upon the emotions of the people. The New York World, The New York Journal and other newspapers of their category carried stories of atrocities-blood on the road sides, blood in the fields, blood on the door steps, blood, blood, blood-and repeatedly asserted that the old, the young, the weak, the crippled-all were butchered without mercy. For a moment, the Americans forgot the wanton savagery that they themselves committed on the native tribes.

Yet President Cleveland refused to intervene, though he warned Spain that senseless slaughter, if continued, would invite American intervention. The situation changed drastically, when William Mc Kinley succeeded Cleveland. Elected 1896 as Republican candidate in the contest against Democratic candidate William Bryan, he advocated internal prosperity and external glory. To begin with Mc Kinley favoured a peaceful settlement, but decided on war because of certain developments. Deputy de Lome, the Spanish minister at Washington, in his private letter, which was stolen from the post office at Havana and published in the New York Journal, characterised President Mc Kinley as a tricky politician, interested only in platitudes. De Lome resigned but the incident inflamed the sentiments of the people. In 1898 the American battleship Maine was sunk by an explosion in the Cuban harbour of Havana. It was not known whether the explosion was the work of the Cuban rebels, the Spanish

troops or the American agents, yet it was attributed to Spain. Mc Kinley issued an ultimatum directing Spain to stop throwing people in concentration camps and to grant armistice to the rebels. The queen of Spain agreed, yet Mc Kinley, determined on war to promote his own popularity, ignored her acceptance and sent a war message to Congress. To allay the suspicions of the European powers about American designs on Cuba and to prevent them from going to the aid of Spain, Congress adopted the Teller Amendment, which pledged that the United States would acquire no Cuban territory and that she would turn the island over to the inhabitants as soon as it was liberated from Spanish rule. War was declared.

**Course of War (1898):** When war came, land armies of the two powers appeared of equal strength. As against the Spanish army of two lakhs, the United States had an equal strength of regular troops. The Americans raised irregulars and gained the support of the Cubans. The naval strength of the two countries was almost equal, though the United States had better equipped war ships. While Spain had to support the war from her remote bases, the United States from nearby shores. In balance advantages lay with the Americans.

The decisive battles were fought on the sea. At the instruction of Theodore Roosevelt, Assistant Secretary to the Navy, Commodore Dewey directed the Pacific Fleet at Hong Kong for an assault on Spanish Philippines. The fleet sailed to Manila and destroyed the Spanish fleet while the army supported by the Philippine rebels, defeated the Spanish army. In the mean time the Atlantic Fleet under the command of Admiral Sampson blockaded the coast of Cuba. The Spanish warships sailed for the defence of the islands, but were trapped and destroyed in a decisive engagement near Santiago. The American forces too suffered terribly for want of adequate preparations, yet they won a victory in the battle of San Juan Hill and occupied Santiago, an American force landed in Puerto Rico and gained possession of this island.

**Attitude of European Powers:** Among the powers of Europe Germany and Great Britain took direct interest in the developments. Germany extended her moral support to Spain, while Great Britain to the United States. For fear that the humiliation of Spain at the hands of republican power would threaten the survival of monarchical institutions, Kaiser William sided with Spain. Also he cherished an ambition to take over the possessions of Spain in the Pacific. The German press too adopted an anti-American attitude. It was felt that Germany would organise the European powers to resist American expansionism. However, the attitude of Great Britain dissuaded Germany from going to the aid of Spain. The British administration and the press extended their sympathy to the United States, Contributing to an understanding

between the two powers in formulation of Open Door Policy and in the war against Germany.

**Treaty of Paris, 1898:** In August 1898 the French Ambassador at Washington, acting on behalf of Spain, signed a protocol that ended hostilities. The treaty that was signed at Paris provided for the independence of Cuba. Secondly, the Spaniards ceded the islands of Puerto Rico and Guam to the Americans. The third issue related to the Philippines. Public opinion, being ill informed of the islands, favoured the granting of independence, as promised to the inhabitants, in return for their support in the war. Dewey reported that the natives were more intelligent and more capable of self government than the Cubans. However, as the Americans understood the economic and strategic potentialities of the islands, the inhabitants seemed “less capable of governing themselves”. The St. Louis Post Despatch proceeded to the extent of declaring: ‘the Filipino is treacherous and deceitful’. McKinley, undecided how to dispose of the issue, turned to prayer. Now God dawned on him as an imperialist to suggest annexation and the President decided to proceed with. Accordingly, he forced Spain to cede the islands in return for payment of twenty million dollars.

**Results of War:** The war lasted for a short period but its results were of great importance. Spain lost all her colonies in the New World and the Pacific. The dominant status that she occupied in the past now passed on to the United States. Since then the United States came to be considered as one of the world powers. Indirectly, the war contributed to the reconciliation between the United States and Great Britain. The War of Independence, the War of 1812 and the Oregon dispute had shattered the ties of the colonial period. But during the Spanish War the British press adopted a friendly attitude towards the United States. It is believed that the British warships by taking a position against the German fleet prevented it from going to the aid of the Spanish fleet in the battle at Manila. These considerations promoted co-operation between the two powers. Further, the United States gained possession of valuable territories and developed Asiatic interests. She established her influence over Cuba and occupied the islands of Puerto Rico and Guam. Situated near South East Asia, the Philippines gave the United States a strategic presence in the Pacific. The Americans saw the possibility of promoting their trade with the populous countries of Asia. Incidentally, however, it created liabilities too. Because of the threat from other colonial powers to her new possessions, the United States found it essential to form a Pacific Fleet. Neither were the Filipinos prepared to accept American imperialism. Guided by their able leader, Emilio Aguinaldo, the inhabitants rose in rebellion. As the result of bitter fighting for two years, the rebels were suppressed and American imperialism was consolidated. Finally, the development of two ocean interests-in the Atlantic and the Pacific-added an urgency to digging a canal across Central America. This led to the acquisition of the Panama canal zone and construction of the canal.

## ANNEXATION OF HAWAII AND SAMOA

The rich Hawaiian Islands, situated in mid-Pacific had been inhabited by Asiatic people. Early in the nineteenth century traders, whalers and missionaries reached the islands, seeking warmth, women and converts. The Americans carried with them venereal diseases, spread them and caused the extinction of most of the population. In the mean time they invested capital in sugar plantations and settled in strength. As their influence began to grow, they interfered more and more in internal affairs.

In 1875 the United States forced the king of Hawaii to sign a treaty of reciprocity. The Americans permitted the importation of sugar from Hawaii free of duty, while the king pledged not to dispose of his territory to any other power. As sugar produced in the islands belonged mostly to the citizens of the United States, the treaty gave the material benefits to the American settlers. It also made the economy of the islands dependent upon the United States. Before long the country secured lease of the excellent Pearl Harbour in the islands. A new constitution, which the king was compelled to sign, granted significant privileges to the American settlers. After gaining control of the economy, the United States, as it was its usual policy-decided to throw it into disorder for obtaining more privileges. In 1890 the Mc Kinley tariff put all sugar on the free list and gave concessions to sugar produced in the country, depriving the Hawaiian sugar of privileged status it enjoyed so long. This crippled the economy so much that the islanders were inclined to accept annexation with the United States as the only remedy.

In 1891 queen Liliuokalani ascended the throne of Hawaii. A patriotic princess, she decided to adopt a new constitution, doing away with special privileges, wrested by the Americans. The white settlers now plotted to work out annexation. They appealed to John Stevens, a notorious annexationist and American minister at Honolulu. Shortly afterwards a war ship appeared, marines landed under the usual plea of protecting 'American life and property' and the white settlers rose in rebellion. In 1893 the helpless queen surrendered and the Americans set up a revolutionary government. A commission sent by the white rebels sought annexation of the islands with the United States. A bill was hastily prepared and presented the Senate, but President Cleveland did not favour annexation as he himself was opposed to imperialism and as the islanders resented the move. Yet the throne was not restored to the queen and the American settlers continued to exercise full authority. After the retirement of Cleveland from the presidency, his successor, Mc Kinley signed a treaty and annexed the islands through a joint resolution of Congress in 1898. The developments that led to the acquisition of Hawaii bear close resemblance to those in Florida and Texas, for they were a story of intrusion and usurpation. As in other

areas, the American occupation contributed to the extinction of most of the native population. The possession of the islands strengthened the American influence in the Pacific. At the same time it strained the relations with Japan, for the Japanese in large number had settled in the islands and being an Asiatic people they held a better claim.

By the middle of the nineteenth century the Americans reached the Samoan archipelago, situated in south Pacific. In 1878 the United States forced the Samoan chief to grant by treaty use of the harbour of Pago pago on the island of Tutuila. England and Germany also approached the chief and obtained almost similar rights. There followed a three cornered rivalry for supremacy. In 1889 when Germany threatened annexation of the islands, the fleets of the three powers sailed to Pagopago, ready for battle, but a hurricane wrecked the fleets except the ships of England and averted the clash. Thereupon in 1889 the three powers agreed to establish a joint protectorate over the islands. Yet the rivalry did not end and clashes continued to occur. A solution was found in 1899, when Germany and the United States divided the archipelago between themselves, with Great Britain gaining compensation elsewhere.

### **OPEN DOOR POLICY**

**Early Contacts with East Asia:** Towards the end of the eighteenth century the merchants of the United States reached East Asia. In 1784 when the Empress of China, an American vassal, set sail for Canton, it heralded a period of trade and politics with China. In 1853 a fleet under the command of Commodore Perry reached Japan. These developments were of vast consequence in the history of American relations with East Asia. In China the United States joined the European powers in seeking political and economic gains. Japan was in a state of self imposed seclusion, but the advent of the Americans led to an awakening in that island Empire.

The Manchu Emperors ruled over China but internal disorders and external interventions rendered the Empire weak. The British fought two Opium Wars, defeated the Chinese forces and persuaded China to open certain ports for foreign trade. These ports were called treaty ports. Taking advantage of this situation, an American mission under Caleb Cushing obtained from Peking a treaty which granted to the United States equal trading privileges with other powers and extra-territoriality. The principle of extra-territoriality granted to the Americans, who were charged under Chinese laws, the right to be tried in their own courts. The commercial, religious and educational activities undertaken by the Americans won for their country a firm influence in China.

In 1854 the fleet under Commodore Perry returned to the Japanese waters to make a show of strength and secured a treaty, which opened two ports for American

trade. The threat of western aggression awakened Japan from her feudal sleep and prepared the ground for modernisation of the islands. The relations between the two countries appeared cordial to begin with. However with the emergence of the United States as a colonial power in the Pacific, she considered the growing strength of Japan as a threat to her interests. American annexation of Hawaii, Japanese immigration and U.S. opposition to Japanese acquisition of Sakhalin from Russia in 1905 sowed the seeds of discord.

**Notes on Open Door:** The foreign powers, taking advantage of the internal weakness of China, endeavoured to gain access to the vast resources of this Empire. Great Britain, Germany, France and Russia secured leases of ports, concessions for the working of mines, preferential tariff and right to construct railroads and divided China into spheres of their influence. Added to these, Russia occupied the Ussuri Province, England seized Hong Kong and Japan took Taiwan. It appeared that China would be partitioned among the foreign powers and closed to American trade.

Great Britain which commanded the largest share of trade with China, appeared eager as the United States was, in safeguarding and promoting commercial interests. Yet she found it impossible to take any initiative to prevent partition, as she was challenged from different quarters and was isolated by other countries. Russia threatened British India, France turned against British Africa and Germany challenged the British supremacy on the sea. Therefore the English looked upon the Americans to initiate an open door policy so as to prevent partition of China and to keep the Empire open to all the powers for trade. Accordingly in 1898 Great Britain requested for American support to a declaration for guaranteeing commercial right of all powers in China. But President McKinley was not prepared to play second fiddle to the British, though he wanted to keep the Empire open to American trade. The business men were concerned that unless the Government interfered, the powers would join together in ejecting them from the market. After the acquisition of the Philippines from Spain, U.S.A. developed a fear that if any particular power obtained a dominant status in East Asia, it would pose a direct threat to her imperial interests in the Pacific. These considerations and the work of British leaders like A.E. Hippisley and official advisers like W.W. Rockhill led to the formulation of an Open Door Policy in China.

In 1899 John Hay, Secretary of State under President McKinley, issued a note on open door policy. In a circular addressed to the great powers he asked each nation to give assurances: 1) that it would keep open 'treaty ports' in which foreign trade was permitted and agree not to interfere with 'vested interests' of any power in its sphere of influence; 2) that the Chinese tariff would apply equally to all nations in such ports and 3) that harbour dues and railroad rates would be the same for all nations. These principles were aimed at keeping China open for trade to all countries and for ensuring

equal commercial opportunity for all. Most of the nations accepted the note on condition that others would. Russia declined to accept the 'open door' on ground that it was not based on any international agreement. Yet Hay announced that the assent of the nations was final and definite and that the open door to China would be maintained.

In less that a year the Open Door Policy faced challenges. The Boxer Rebellion broke out in 1899 and the Chinese patriots attacked the 'foreign devil'. In retaliation the foreign powers assembled an international army, suppressed the Boxers and occupied Peking. It was now feared that the powers would proceed with the seizure of Chinese provinces and block the open door. Therefore in 1900 Secretary Hay issued a second note on open door. It declared that the policy of the Government of the United States was to preserve territorial and administrative integrity of China and to safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire. Thus the second note extended the scope of the first not and added an amount of vagueness. If the first circular applied the Open Door Policy to commercial activity in foreign leaseholds and spheres of influence in china, the second circular to territorial integrity of entire China and commercial equality in all parts of the Empire. It was not made clear whether the Chinese Empire included Korea, Mongolia and Manchuria. The second note was intended as the policy of the United States only, yet the other countries did not challenge it. The powers were so strong yet so suspicious of each other that they dared not to oppose the Open Door Policy.

In fact the Open Door Policy declared the Chinese Empire as open to foreign powers, while the Monroe Doctrine declared the American continents as closed. The contrast between the two concepts reflected upon the irony in the logic and sense of values of U.S. leadership. Despite the glaring contrasts, the policy received acclaim both in the United States herself appeared unconcerned with the working of the Open Door Policy, as she had no big share in the trade with China. The extent of her trade was just two per cent of her foreign trade. Besides, she herself coveted the possession of Chinese territories and found the Open Door Policy an impediment. In November 1900 Secretary Hay undertook to secure from Peking a naval lease and a territorial concession at Samsah Bay in southern China. But the Japanese reminded the United States of the recently announced principle of China's territorial integrity and thwarted the move.

A second threat came from Russia. In 1901 the Russians sent 50,000 troops to Manchuria and took over the customs and taxes. As condition for the restoration of territories, they demanded concessions including the right to station troops. When Japan reminded the United States of this development, Hay sent a protest not but refused to take any military action in support of the Open Door Policy. In

consequence Russia consolidated her influence over Manchuria and closed it to the trade of other powers. This was followed by further threats. Japan made advances in Korea, while the United States herself obtained right to open consulates in China. In 1917 Japan recognised Russian position in Outer Mongolia and U.S.A. recognised Japanese position in China. These agreements jeopardised the working of open door. The nine power Treaty signed at Washington in 1922 provided for the preservation of China's "sovereignty, independence and territorial and administrative integrity", yet the open door could not be saved. Japanese invasion of Manchuria, Russia's occupation of Outer Mongolia and rise of unified China closed the open door effectively. In fact the conflicting interests of powers, absence of enforcing authority and Chinese nationalism led the policy to its defeat.



### UNIT - III

#### RISE OF PROGRESSIVISM

**Theodore Roosevelt:** In 1900 on the assassination of President Mc Kinley, Vice President Theodore Roosevelt assumed the presidency. An extraordinary character in many respects, his rise to eminence was spectacular. After his graduation at Harvard, he turned to politics. He served as legislator in his native state of New York, as Assistant Secretary of the Navy under Mc Kinley, as a colonel of the army unit called Rough Riders in Cuba in the war against Spain, as Governor of New York and as Vice-President in the second administration of Mc Kinley. At the age of forty-two he became President of the country. A fearless legislator and an independent thinker, young Teddy Roosevelt brought to the executive a vigorous grasp of national affairs and a zeal for reform.

As President, he implemented a series of social welfare schemes and pursued a vigorous foreign policy. He believed that the government should bridge the gulf between classes and that it should serve not a few but all. Because of this ideal in his policy, his programme is often called as square deal and the age as progressive era. Square Deal meant the fair thing to do. Big business was to be treated fairly if it appeared in the interests of the country. And the labour should be given the right to promote its welfare if it would not go lawless. The poor and the rich, the black and the white, the Catholic and Protestant – all were equal before the government, none to be favoured and none to escape punishment for wrong doing. The same principle was to be applied in relation with other countries, IF a foreign power attempted to exceed what was fair for it to do, the “big stick” would go into operation. In consequence his foreign policy was marked by what was called big stick diplomacy. But the paradox was that principles were intended for other countries and not for the United States.

#### **PROGRESSIVE LEGISLATION**

The word ‘progressivism’ is applied to the extension of governmental authority for the regulation of economic activity in the better interest of the less fortunate, while ‘square deal’ meant fair and equal treatment to all, whether high or low. In the history of the United States progressivism is generally associated with the administration of Theodore Roosevelt, William Taft, Woodrow Wilson and Franklin D. Roosevelt. The traditional policy was centred on *lassies faire* or free enterprise but progressivism marked a departure from it, for it favoured public control. In effect it amounted to a move against *lasses faire* and special privilege in an attempt to secure for the people social justice through governmental regulation of business activity.

Progressivism had its origin in Europe. Confronted with the evils of industrialism and socialist propaganda, Germany under Chancellor Bismarck adopted

a national programme of social security workingmen's compensation, old age pension, governmental care of the sick and compulsory education. Great Britain following the example of Germany, introduced health care, national housing legislation, accident compensation and minimum wage laws. Italy and France also took steps aimed at promoting social security. The liberals and leftists of the United States, considering similar reforms essential, agitated for the needed legislation.

In fact the economic fabric of the country stood in need of change. Despite the Sherman Anti-Trust Act of 1890, the trusts and corporations continued to grow in strength and wealth. They accumulated for themselves so much of the resources that they vastly extended their influence. By 1900 twelve percent of the population controlled ninety percent of the national wealth, while the top one percent possessed fifty percent. The concentration of money power posed a powerful challenge to the working of democracy, for the rich bribed the legislators and influenced the decisions of legislatures. With the eclipse of small firms and for want of competition unfair practices assumed formidable proportions. Sale of impure food, use of inferior materials in manufacture, fraudulent dealing and employment of children – all associated with big business – gave urgency for reform.

While the workers and peasants organised themselves into unions to protect their interests against the capitalists, the intellectuals and writers exposed the evils of uncontrolled industrialism. Lester F. Ward in his *Dynamic Sociology* (1883) demanded social planning for equalising opportunity. Herbert Croly in his *The Promise of American Life*, (1909) condemned chaotic individualism and called upon governmental regulation of economic activity. A group of writers, the Muckrakers, exposed the maladies, created by business monopoly. Ida M. Tarbell unveiled the evils methods adopted by the Standard Oil Company, while Lincoln Steffens exposed the magnitude of corruption in city administrations.

American progressivism made its beginnings in the local governments. The mayors of different cities, particularly Jones of Toledo and Johnson of Cleveland adopted measures aimed at eradication of corruption. Several states enacted municipal home rule laws for permitting cities to frame their own codes for the improvement of city administration, without interference by the governments. Direct democratic practices – the initiative which enabled the voters to suggest laws, the referendum which permitted the people to approve or reject laws and the recall that allowed the voters to remove legislators from office before expiry of terms – were written into state constitutions. The Seventeenth Amendment to the Constitution provided for direct election of senators by the people. Measures to set maximum working hours to fix eight hour day and to provide compensation for losses or injuries to the labourers was implemented. After the inauguration of Theodore Roosevelt in the presidency the

federal government moved in a big way towards the enforcement of progressive reforms.

In his first message to Congress in 1901 Roosevelt called for measures to regulate big business, to strengthen the Inter-state Commerce Commission, to reform civil laws and conserve natural resources, After his re-election he elaborated his policy. Through a series of legislations he sought to curb the evils of industrial capitalism, to enforce vigorously the anti-trust laws, to do justice to labour and to protect the investing public against corrupt practices.

Accordingly, the administration initiated proceedings against the giant trusts. The first judicial victory was won against the Northern Securities Company, a concern organised for the purpose of holding several railway companies of the western region. In the Northern Securities Company Vs United States (1904) the Supreme Court ruled that the Company violated Sherman Anti Trust Act and therefore ordered that it should be dissolved. This reversed the Court's decision in the Knight Case. Encouraged by this favourable judgement, the administration launched judicial proceedings against several combinations in oil, tobacco, power and meat packing. Though all were not successful, Roosevelt received the name of trust buster, The President made a successful interference in the Anthracite Strike of 1902. The miners demanded the recognition of their union, a nine hour day and a wage increase of twenty percent. This strike that involved about one and a half lakhs workers continued for five months. Through threat of government take over of mines, Roosevelt forced the operators to agree to arbitration. The dispute was referred to an arbitral commission and the strike was called off. The workers were granted a nine hour day and a ten percent increase in wages.

In 1903 the Elkins Act was passed. It made illegal the granting and accepting of secret rebates. The railroads granting them and the shippers accepting them were made liable for punishment. In the same year a Department of Commerce and Labour and a Bureau of Corporations were created to enquire into and check business combinations. These reforms together with the acquisition of the Panama Canal area made Roosevelt so popular that the Republican Party nominated him as its candidate for the presidential election of 1904. Re-elected with a large majority against his Democratic rival Parker, Roosevelt implemented more of his progressive programme.

In 1906 Congress passed the Hepburn Act. It gave real authority to the Inter-state Commerce Commission to check the railroad evils. Thus it empowered the Commission to reduce unreasonable rates, to prevent issuing free passes to the passengers except employees and to ban the railroads from carrying goods, in the production of which they were interested, The Act increased the strength of the Commission from five to seven members and extended its jurisdiction to pipe lines,

ferries and bridges. The Meat Inspection Act and the Pure Food Act of 1906 were aimed at checking the shipment of adulterated meat, food items and drugs, which were involved in inter-state commerce. The Employers' Liability Act of 1906 provided for the payment of compensation to employees for injuries, but the Supreme Court declared it unconstitutional. Another law framed in 1908 was intended to serve the same purpose. Measures were also taken to restrict the working hours of train and telegraph operators and to prohibit contributions to political campaign funds of industrial concerns. These laws extended federal regulation to the different areas of transportation and industry.

In the wake of the liquidation of Indian tribes, the white settlers resorted to indiscriminate destruction of wild animals, forests and water resources. Businessmen, who moved to the West, carved out for them timber, mining and cattle empires, Therefore Roosevelt enforced regulations for the conservation of natural resources. Accordingly the forest lands were transferred to the jurisdiction of federal agencies and the United States Forestry Service was created. The conservation programme contributed to the preservation of resources and promotion of agriculture.

In fact Roosevelt gave executive leadership to the reform movement of his period. In this respect he was compared to Jackson and Lincoln before him and Wilson and F.D. Roosevelt after him. However, it cannot be denied that he was so aristocratic in his background that he had no definite love either for democracy or for progressivism. A thorough going politician, he believed in dramatizing the issues rather than fighting for reform. When considered in terms of the long catalogue of promises he had given and the hopes he had excited, his achievement was remarkably small. True that measures were taken for the regulation of big business and conservation of natural resources, but they were neither very original nor entirely due to his initiative. In the Sherman Anti-Trust Act and Inter-State Commerce Act the needed legislation had already existed for the control of the trusts. At the most he enforced an already accepted policy. Towards the rehabilitation of merchant marine, reform of banking and currency, regulation of insurance companies and prohibition of child labour he did seldom. In 1907 there was a panic too. Though it was short lived, it caused closure of banks, disruption of business and unemployment of workers.

### **BIG STICK DIPLOMACY**

Guided by the principles of nationalism, Theodore Roosevelt like many of the European statesmen of the period decided to promote national greatness at the expense of the weak powers. He created a large navy, frequently threatened the weaker nations, entered into secret arrangements with friendly countries, intervened in the internal affairs of states and occupied foreign territories. As a result, he left the

United States as a great power with extensive economic and political influence in Latin America, Asia and the Pacific.

**The Platt Amendment:** In 1898, when the war against Spain was decided upon, Congress adopted the Teller Amendment, which required the United States to withdraw from Cuba at the end of the war and leave the control of the island to its own inhabitants. However, after the victory, the Americans seemed reluctant to evacuate the island. Under the guise of preserving peace and order, an army commanded by General Wood consolidated its grip. The Cubans, who fought against Spanish tyranny. In 1901 Congress passed the Platt Amendment. Defining the kind of relations between the United States and Cuba-that Cuba would not enter into treaties, which might result in the loss of her independence, would not borrow more than what it could pay out of its ordinary revenue, would consent “that the United States exercise the right to intervene for the preservation of Cuban independence. The maintenance of a government adequate for the protection of life, property and individual liberty” and would lease or sell to the United States the needed coaling stations.

The Platt Amendment reduced Cuba to the status of a protectorate. For, it imposed serious restrictions upon the sovereignty of the island and gave the United States overwhelming authority to intervene in its internal affairs under one pretext or the other. Despite these, Cuba accepted them and incorporated them in her constitution, as the Americans refused to quit the territory, otherwise. In 1902 the island became independent but could not preserve her sovereignty inviolate. Frequently the United States sent marines to the island to frustrate all attempts, made by the islanders for the assertion of complete independence. She also acquired a naval base at the Guantanamo Bay. It was only in 1934 that the United States signed another treaty abandoning the right of intervention.

**The Venezuelan Crisis:** European intervention Venezuela created an international crisis. This South American country failed to meet its debt services and satisfy the claims of foreign nationals, arising out of losses suffered during a civil war. In 1902 London sent an ultimatum to Cipriano Castro, President of Venezuela, following which Great Britain, Germany and Italy sent their warships, seized the gun boats belonging to Venezuela and blockaded her ports. Threatened with an European invasion, Castro suggested that the United States should settle the dispute. But John Hay, Secretary of State, recommended that the issue should be referred to the Hague Tribunal. As the powers appeared reluctant, Roosevelt-it is believed-brought upon them secret pressure and threatened to send the navy to defend Venezuela. The powers accepted arbitration, lifted the blockade and the Hague Tribunal decided the claims.

The significance of the dispute was considerable. It was the first instance, when a Latin American state requested U.S. intervention. The United States considered the seizure of American territory by foreign powers as a violation of the Monroe Doctrine. Yet never before did the European powers give such deference to the Doctrine as they did in this dispute. Encouraged by this trend, the United States proceeded to announce the Roosevelt Corollary to the Monroe Doctrine. In her relations with Germany and Great Britain the Venezuelan crisis had a mixed impact. The bitterness created by the dispute strained the relations between Germany and U.S.A. However, Great Britain as a compensation for her association with Germany against Venezuela, agreed to settle the boundary dispute between Canada and Alaska. In a bid to protect the Latin American interests Luis Drago, the Foreign Minister of Argentina, announced that no nation had the right to intervene in the affairs of another country for collecting debts due to its citizens. The Drago Doctrine, as it was called, received acceptance from other countries by 1907.

**Spoliation of Colombia:** The need for a canal across Central America was greatly felt during the war against Spain. Because of Atlantic and Pacific interests, facilities were to be created for the quick movement of the navy from one sea to the other. Further a direct link between the Pacific and the Atlantic was essential to promote trade of the United States with Latin America and between Europe and Asia.

Though the intentions appeared reasonable, the methods employed were unworthy. After Ferdinand de Lesseps, the Panama Canal Company and the Maritime Canal Company failed in their attempts to dig a canal, the United States moved into the venture. The Clayton-Bulwer Treaty of 1850, concluded by Great Britain and the United States, provided that any canal across Central America should be jointly built by the two powers. However, in 1901 John Hay, Secretary of State under Roosevelt, negotiated with England the Hay-Pauncefote Treaty, which secured for the United States exclusive control of such a canal. Investigations indicated that the canal could be dug either through Panama or through Nicaragua. As the Panama site appeared promising, it was decided to purchase the rights held by the French Company of de Lesseps and a territorial concession from Colombia, to which the region belonged. The United States offered ten million dollars in addition to an annual rental of two and a half lakhs for the lease of a ten mile strip of territory. But as the compensation seemed meagre and as the United States demanded too many rights, the Senate of Colombia rejected the terms, now the Americans decided to achieve through intrigue what they failed to gain through negotiation.

The agents of the United States, officials of the French Company and mercenaries of Panama organised a plot to overthrow the Colombian authority. On the 3<sup>rd</sup> of November 1903 they rose in rebellion, American warships appeared and

Panama declared its independence. No shot was fired and no blood was shed, for the American marines prevented the Colombian troops from reaching Panama. Washington promptly recognised the independence of Panama and signed the Hay-Bunau-Varilla Convention (1903), by which it guaranteed the independence of Panama and in return it received the perpetual lease of a ten mile strip of land across the isthmus for ten million dollars and an annual rental of two and a half lakhs. Roosevelt rejoiced at the success of his intrigues.

**The Roosevelt Corollary:** After Venezuela and Panama, the Dominican Republic drew the attention of Roosevelt. This little Caribbean republic had been the scene of frequent disorders. The dictators contracted foreign loans for promoting personal ends. The public debt increased alarmingly and the European powers threatened to intervene to collect the overdue debts. This convinced Roosevelt that the United States should undertake the responsibility of collecting the taxes to clear the debts so as to forestall European intervention. The security of the Panama Canal, which was under construction, required that the foreign powers should be prevented from establishing their influence in the Caribbean.

Guided by these considerations, Roosevelt announced a corollary to the Monroe Doctrine. In the Roosevelt Corollary the Monroe Doctrine was given a new interpretation and a wider application. Roosevelt's message to Congress in 1904 read: if a nation behaves with reasonable efficiency and decency in social and political matters, if it keeps order and pays its obligations, it need not fear any interference from the United States. On the other hand chronic wrong doing or an impotence which results in a general loosening of ties of civilized society will ultimately require intervention by some civilized nation; and in the western hemisphere the adherence of the United States to the Monroe Doctrine may force her, however reluctantly, in flagrant cases of such wrong doing or impotence, to the exercise of an international police power. This theory meant preventive intervention- American intervention to prevent other power-intervention in Latin America.

Under the Roosevelt Corollary the Monroe Doctrine suffered a perversion. Originally designed to prevent intervention by the European powers, it was used to justify intervention by the United States. As such the corollary indicated a strange departure. Yet the President attached it to an existing policy so as to gain wider acceptance. In relation to the neighbouring states the United States assumed the status of a civilised society. The constant threat of external intervention under the pretext of wrong doing had so crippling an effect upon the Caribbean States that they found it impossible to exercise their sovereignty with a sense of freedom, security and dignity. Though this was resented by the Latin American States, the European countries gave a mixed reception to it, for they were assured of the repayment of loans. In 1805 Roosevelt

imposed an agreement upon the Dominican Republic and appointed an American official to collect the customs and to clear the public debts.

**Relations with Japan:** Roosevelt took keen interest in the developments in Asia too. In 1905 Japan and Russia fought a major war in East Asia. The President considered Russia as a source of threat to the balance of power in East Asia and Open Door Policy in China and therefore extended his moral support to Japan. Though the Japanese won the war, both powers were so exhausted that they readily accepted the invitation of Roosevelt to meet in a conference at Portsmouth, New Hampshire. The Japanese demanded a large indemnity and the entire island of Sakhalin, but the American press played up the Japanese terms and prevented Japan from gaining possession of the entire island. Nevertheless peace was signed and through the preservation of balance of power between the two powers the United States expected to safeguard her own interests in the Pacific.

During the period that followed, the relation between the two powers strained. The Japanese legitimately felt that because of American opposition they could get neither the entire island of Sakhalin nor a large indemnity from Russia. Added to these, there came the immigration question. The white regime in Hawaii excluded the Japanese from migrating to the islands. The whites of California too resented Japanese migration, and raised a cry of yellow peril. In 1906 the San Francisco School Board adopted a resolution requiring all Japanese pupils, numbering about ninety three, to attend a separate oriented school. Furious at this policy of racial discrimination, the Japanese held demonstrations. As tension increased, Roosevelt intervened and at his instance the school withdrew the controversial order. However Japan agreed to restrict the migration of coolies into the United States to avoid further complications. In 1908 the United States and Japan signed Root – Takahira Agreement which provided that the two powers should respect each other's territorial possessions in the Pacific, independence of China and the Open Door Policy.

**Relations with Europe:** Roosevelt made his own contributions to the settlement of disputes. The boundary of Alaska with Canada, being not demarcated, it was referred to an arbitral commission. Because of the uncertainty about the nature of its decision, the President threatened to run the boundary as the United States claimed it. In the background of the Venezuela crisis, it was feared that the boundary issue would strain the relations between the two powers. Great Britain, which held possession of Canada, yielded and the commission made a decision, favourable to the United States. The Canadians rightly felt that they were betrayed but it was beyond their means to correct the situation.

The dispute between France and Germany over Morocco presented a threat to peace in Europe. France had established her influence in this sultanate and Britain



supported her claims. At the suggestion of Kaiser William II, Roosevelt brought pressure upon the French to refer the issue for the decision of the powers. Accordingly, a conference was held at Algeciras in Spain. The resultant conventions' recognised the territorial integrity of Morocco and guaranteed an open door to the merchants of all nations to that sultanate. In 1907 at the suggestion of the Presidents, the Tzar of Russia called the Second Hague Conference. Attended by the representatives of forty-six nations, it discussed the issues relating to restriction of armament and establishment of a world court. In the treaties concluded with twenty-two powers he incorporated the principle of peaceful settlement of disputes through the decision of the Hague Tribunal.

A master diplomat, Roosevelt gave a new content and meaning to the foreign policy of the United States. The traditional policy of the country centred on isolation but with the active interest taken in international affairs, a departure was made and it ultimately culminated in American participation in World War I.

### **THE PROGRESSIVE ERA (1890 – 1921)**

#### **Causes due to which different evils developed in the American Life**

During 1890 – 1921 the American thinkers, reformers and statesmen undertook an activity of removing the evils which had developed in their national life. By that they expected to make American life progressive. Therefore the period from 1890 to 1921 is known as the Progressive Era in the History of the United States of America.

Those evils had developed in the American life due to different causes.

Selfishness of the American capitalists. After the Civil War (1860 – 1865), which brought to an end the practice of the evil institution of human slavery, rapid industrialization took place in the United States of America. Rich American capitalist made vast fortune in coal, iron, oil and other natural resources of the United States after the Civil War. In that process of rapid industrialization, selfish American capitalists wasted America's resources and causing exploitation of the workers, became immensely rich.

America Constitution was not able to tackle the problems in the 18<sup>th</sup> century for about four million farmers could not tackle the problems of Industrialisation. The American Constitution which was written in the 18<sup>th</sup> century for about four million farmers could not tackle effectively the problems that had developed in the life of the Americans as a result of the rapid industrialization in the 19<sup>th</sup> and the 20<sup>th</sup> centuries.

As a result there developed the evils of poverty, injustice and corruption American politics and American cities; and the life of the women and the children was not satisfactory in the 19<sup>th</sup> century.

For the removal of those evils from the American life and for making that life progressive, the American writers, thinkers, politicians and government under different Presidents launched a movement of reforms, which is known as the progressive movement in America, during 1890 – 1912. The role played by them in that movement is as follows.

Role of the writers and the intellectual in the Progressive Movement.

American writers of the progressive Era literature which made the American people aware of the different evils which existed in the social, economic, and political life. Following writers and their works played an important role in shaping the policies of the American government, and the formation of the public opinion over the issue of the removal of those evils from the course of American life.

Herbert David Croly (1869 – 1930) and His Work - “The Promise of American Life”. Herbert David Croly was an American reformer who wrote the work “The Promise of American Life” in 1909. It is regarded as an important work of the Progressive Era as it effectively dealt with the problem of monopoly which was present before the American Society.

Different views for the problem of Monopolies. To solve the problem of the monopolies there were different views in America. (a) Monopolies should not be abolished. The school of thought which was supported by Theodore Roosevelt held the view that “that growth of big corporations (monopolies) was inevitable in the expanding industrial development taking place in America”. Because of that he felt that instead of dissolving big corporations, the American government should try to regulate them. For that he desired to give more powers to the government.

(b) Prohibition of the Monopolies. In contrast to that thought the other group, which was supported by W. Wilson gave “more emphasis on prohibiting monopoly”. They wanted that the small businessmen should be protected and the government should enforce effective competition. They also felt that the powers of the government should not be increased.

c) View of Croly. In that circumstance an important role in shaping “the policies of the American government and the public opinion was played by the “Promise of American life” which was written by Journalist Herbert Croly.

In that work Croly argued that “economic injustice should be ended not by dissolving the trusts (monopolies) but by extending (increasing) the powers of the government to control them and also by building up a strong trade union movement that would counteract the powers of the business”. He also pointed out that “the remedy for the special privileges to the other groups in the community”. Thus “Croly championed the cause of a strong central government and advocated a specific programme for social goals.

**Influence of the Work of Croly.** The work of Croly proved to be a source of the “New Nationalism” of Theodore Roosevelt and the “New Freedom” of Woodrow Wilson.

“New Nationalism” of Theodore Roosevelt. The ideas of “New Nationalism” were developed by Theodore Roosevelt at the time when he fought the Presidential Election in America in 1912.

In that campaign, Theodore Roosevelt “labelled his programme the ‘New Nationalism’”. This title was meant to convey the idea of a strong national government exercising positive functions to protect then people against the greedy interests. Such functions would include strict regulation of business by a Federal commission, prohibition of child labour and of injunctions in labour disputes, a minimum wage for women, an eight-hour day for women and children, workmen’s compensation, the establishment of a department of labour in the Cabinet and insurance against sickness, unemployment, and old age. To the familiar proposals for universal suffrage, direct election of United States Senators, and the initiative, referendum, and recall, Roosevelt added a demand for the recall of judicial decisions. By far the most radical of his doctrines, this proposal would have given the people the right to overturn the decision of any State Court declaring an act of the legislature unconstitutional.

Though Theodore Roosevelt lost in that election, his programme of the “New Nationalism” set a line of action for the government of America in the time to come.

“New Freedom” of W. Wilson. After becoming the President of America, Woodrow Wilson “dedicated almost all his efforts to realization of his progressive programme. In large measure he was successful. He fought the tariff lobbyists to a standstill and forced Congress to reduce the duties on over 900 articles. He established the Federal Reserve System designed to provide better regulation of banking and more flexible currency and credit arrangements. He procured the enactment of the Clayton Anti-Trust Act prohibiting interlocking directorates and price discrimination to prevent competition. He established the Federal Trade Commission with power to issue ‘cease and desist’ orders against corporations found to be engaged in unfair in unfair business practise. Among his other achievements were an eight –four law for interstate railways, a child- labour act to prevent the shipment in inter-state commerce

of products of child labour, and a Federal Farm Loan system to provide for the farmers easier credit than they could obtain from commercial banks. The entire Programme her proudly named the “New Freedom”. The “New Freedom”. Of Wilson laid down the guideline for the work of the future governments and statesmen in America. (Also Sec, E. (3) of this Chapter).

Thus the work of Croly, which made the Americans aware of the evils of monopoly, was instrumental in making the American statesmen able to take correct steps for the welfare of the common man.

II. Role of “Muckrakers” In the Progressive Movement (1890 – 1912). (i) Meaning of “Muckrakers”. “Muckrakers was a group of writers who aroused public opinion in America with exposures of dishonesty, greed and corruption in machine politics and business and also attacked social evils like slums, juvenile (youth) delinquency (criminality) and prostitution.

Role of the Magazines’ in the Progressive Movement. During the period of the progressive movement (1890 – 1921) the magazines of wide circulation in America made sensational appeals to the American mind about the above stated evils and developed public opinion against them. Out of the prominent magazines the most important were the Colliers’s McClure’s Cosmopolitan, The American, and Everybody’s Magazine.

Role of the American Authors and Their Works in the progressive Movement. The following American authors and their works also played an important role in which existed in American life in order to purify and rebel’s “History of the Standard Oil Company” (1903). (2) Lincoln Steffen’s the “Shame of the Cities” (1904); and (3) David Graham Philips’ the “Treason of the Senate” (1906). (4) Muckraking impulse also appeared in American fiction. Upton Sinclair’s novel “The Jungle”(1906), exposed the condition which existed in the Chicago Stockyard and meat-packing plants and created a great sensation in America. As a result the American government was led to pass the Meat Inspection Act in 1906, in order to remove the evils pointed out by Sinclair. Muckraking literature reached its height between 1904 and 1910 in America.

The Muckraker’s increasing emphasis on sensational led President Theodore Roosevelt caustically to compare some of those writers “to man with the Muckraker (moist manure containing the decomposed vegetable matter) in the Pilgrim’s Progress of John Bunyan who was so busy raking the filth off the floor that he could look no way but downward”. By that Roosevelt indicated to those writers that “constructive efforts were more important in life than mere exposure of the evils.

The Movement of Muckraking which died away before 1914 was of great importance in winning popular support for progressivism which stood for a virtuous and sensible course of life. That service of the Muckrakers was of immense value in moulding the history of the subsequent period of America.

**Role of the Intellectuals in Progressivism (1890 – 1912).** Intellectuals played an important and effective role in the Progressive Movement which purified American life.

The American intellectuals provided “New analysis and thoughts related’ to human relationship and other problems” of American life during 1890 – 1912. As a result, the people of America gave up old ideas, and they supported new thoughts of a progressive life . That furthered the interests of the Progressive Movement.

**Role of the Economists.** Amongst those intellectuals Torstein Veblen (1857 – 1920) was important. He was an economist. His book,, “Theory of Leisure Class” (1899), gave an analysis of pecuniary values (relating to Money) of the business and middle classes in the American pattern of life. Because of that the American economists were led to study “the actual operation of their economic institutions, practices and mal-practices”. That also led them to weed out defects from their economic institutions.

**Role of the Socialists.** The workers Lester Frank Ward (1841 – 1913), an eminent American Sociologist, like (1) Dynamic Outlines of Sociology in America.

In those works Ward “stressed the role of mind and education in human progress and the necessity of intelligent and systematic planning for the furtherance of rational social development”. That was in opposition to “the Laissez faire school and to the evolutionary determinism of Spencer”. That broke with the popular doctrines of “Social Darwinism” which taught that “man was the helpless creature of his environment”. In contrast to those matters, Ward taught that “man was in command of the environment and could use political and legal instrument to change it”.

The Works of Ward actuated the American intellectuals to undertake and activity of improving the social and political conditions in America.

**Role of other Intellectuals.** In the human branches of knowledge like philosophy, History, etc., also the intellectuals gave new approaches and ideas to the Americans. Due to that Progressivism took a firm root in America and it reformed the American life in the 20<sup>th</sup> century.

**Progressivism in Municipal and State Politics (1890 – 1912)**

The reformists of the Progressive Movement tried to purify the working of the Local government and the State governments in America during (1890-1921)

**Reform in the Municipal Work.** There existed Municipalities in the cities of America. The work of those Municipalities was not managed on proper lines. As a result, there had crept in minded progressives, therefore, took the following steps in order to improve the work of the Municipalities in America.

**Reorganisation of the Municipal Work.** It was in 1888 that James Bryce demanded reforms in the working of the municipalities in America.

After that the American reformers established their control on the municipalities by drying out corrupt persons from them. The reformers then reorganised the Municipal government. It was through the agency of those governments that they carried out economic and social reforms.

Steps for increasing the Finance. In order to increase the finance of the Municipal government, the American reformers raised the taxes on property and rail – road. They also increased the street car fares.

Increased Municipal income spent for carrying out Improvements. The increased income of the Municipalities was spent by the American reformers “for introducing city planning, housing codes to enforce safety, health regulations in slum areas, for the improvement of schools, parks, playgrounds”, etc.

Mayors of the Progressive Movement gave honest and active Municipal Governments. The Mayors of the Progressive movement were honest and active persons, who wanted to make the American life free from different evils. Therefore they gave honest municipal government to the American cities.

Out of those Mayors, Mayor Tom Johnson Cleveland was a notable city reformer. He acted as a Mayor of Cleveland during 1901 – 1907. He carried put several reforms for the improvement of his city and thereby set an example of good work to other Mayors. He was followed in the work of carrying out reforms by the “the Mayors of hundreds of other cities in America”. As a result of their reforms, they freed the municipal government of their cities from the domination of the rich persons, who earlier used to have positions of power in that government.

As a result of the above stated activity of the American reformers of the progressive Movement, the Municipal Government in America not only became free from different evils, but it also became effectively able to serve the cause of the welfare of the Americans in the time to come.

b) Reform or Progressivism in the State of America. The spirit of reform of Progressivism actuated the American statement to undertake an activity or removing different evils from the administration of the States in America.

1. Role of Robert La Follett (1855 – 1925) of the Wisconsin State in carrying out reforms in the States of America. Amongst the American statesmen who carried out reforms in the different States of America, Robert La Follett was of great importance. For, while acting as a Governor of the Wisconsin State he carried out different reforms in that State and by set an example of a meaningful activity of carrying out reforms to the Governors of the other States in America.

(i) “Wisconsin Idea” Robert La Follett became of the Governor of the Wisconsin State in 1901. He held that office for six years. During that period he started a programme of reform in that state. That programme came to be known as the “Wisconsin Idea”. That programme is regarded as of great importance in the history of the progressive Movement in America as it “served as a model of Progressive Government in the United States for other States”.

The programme initiated in the Wisconsin State was as follows: (a) Opposition to political bosses, (b) Direct appeal to the people, (c) Employment of technical experts, (d) Specific proposals for direct primary legislation, (e) Rail –road control, and (f) Tax reform.

Passed laws for the execution of his Programme. In order to execute the programme, Robert La Follett passed several laws through the State Legislature. Those laws reformed the working of the Wisconsin State.

Employed experts for the execution of his programme Robert La Follett solicited the advice and assistance of scholars, economists, and political thinkers in order to collect accurate and detailed information of the problems he wanted to solve. Similarly he associated them in the work of solving those problems.

He also “entrusted the enforcement of laws regulating business to Commissions composed to experts whose main function was to collect and publicize the relevant statistics”.

While carrying out his programme, Robert La Follett “gave prominence to the wishes and welfare of the individual”. Because of that he made the State administration of Wisconsin achieve a great success in the execution of his programme.

As the example of Robert La Follett was followed by the Governors of the other States in America, the life of the American people became much better and progressive during the period of the progressive Era 1890 – 1921.

#### Progressive Social Legislation and Extensions of Democracy

As a result of the work of the social reformers of the progressive spirit many evils were eradicated from the American life in the 20<sup>th</sup> century due to the following

matters. (i) In 1914 the American Senate passed a law due to which in any industry a child below the age of 14 years was not to be employed. This resulted in increasing the child welfare in America. (ii) The American government also passed measures which prohibited the employment of children at night and in the dangerous industries (iii) The American government passed laws and fixed a 10 hours working day for the women in industry in order to protect and improve the health of women. (iv) It also passed the minimum wages act which fixed the minimum salary positively for the women workers in industry. (v) During 1898 – 1921 different American States granted voting rights to the women in order to make them able to actively participate in the American political life. (vi) The American government passed accident and insurance laws to protect the families of workmen who were injured or killed while working in the factories. (vii) Different measures to give assistance to the old persons and relief measures to help the widows were also passed by the different States in America.

Thus the activity of Progressivism resulted in improving the condition of life of the people of the weaker sections in the American society in the 20<sup>th</sup> century.

#### Role of the President of America in the Progressive Movement (1890 – 1921)

Though the Progressive Movement had started in the United States in 1890, it gathered momentum by the close of the 19<sup>th</sup> century and produced its impact in government matters and policy during the time of President Theodore Roosevelt (1901 – 1909), President William Taft (1909 – 1912) and President Woodrow Wilson (1913 – 1916 and 1916 – 1921) as follows.

President Theodore Roosevelt and Progressivism (1901 – 1909). (i) Favoured Progressivism. President Theodore Roosevelt was in favour of the aims of Progressivism which intended to make American life free from different evils like poverty, corruption, etc., and thereby make that life pure and free for the well-being of the common man. As a result, when he came to power he was shocked to see that the American businessmen followed low ethical standards in their business activity. He was unhappy to see that those businessmen also had developed a spirit by which they regarded themselves above the American business must be compelled to conform to higher standards since American institutions might be endangered by a growth of revolutionary sentiment”.

(ii) Desired to establish supremacy of the American Government over business activity. After the rise of the big corporations (Monopolies) in America, Theodore Roosevelt was the first President to insist that the American government must have supremacy over the business activity. After Abraham Lincoln (1864 – 1868), Theodore Roosevelt was also the first Republican President to assert to strong



Executive leadership in all the matters of America. Because of that more than the other President of America he aroused the spirit of reform and gave support to the Progressive Movement and its Ideals.

Enforcement of the Sherman Antitrust Act of July 1890. The Federal government of America had passed this Act in order to establish control over the Trust (monopoly) and business combinations which had developed in America after the establishment of the Standard Oil Trust in 1879, and because of its desire to prohibit the emergence of the evils of monopoly. According to that Act the Federal government had powers to declare illegal “every contract and combination in the form of Trust”. But the phrasing of that Act was not clear. As a result, between 1890 and 1901 it was not enforced vigorously by the American government. But as President Theodore Roosevelt was a supporter of Progressivism he ordered the application of that Act against the Northern Securities Company which had monopolised the rail-road lines of North –Western America. As the Supreme Court of America sanctioned the government move, Theodore Roosevelt applied that Act to the Standard Oil Trust and nearly other 42 Companies in order to break their monopoly. By that he reduced the evils of monopolies in the American life.

Strengthening of the Inter –State Commerce Act of 1887. In order to check the abuses in railway transportation, the American Senate has passed this Act. It was applicable to rail – roads passing through more than one State. That Act provided that all charges made by railways must be reasonable and just. It prohibited pooling operations, discriminatory rates (charges), drawbacks and rebates. The rail-roads were also required to post their rates (charges, and could not change them until after a 10 –day public notice. The Act had also created the Inter –States Commerce Commission. That commission was authorised to investigate the management of rail – roads.

In 1903 the American Congress passed the Elkins Act which made the rail – roads adhere to their published rates and prohibited them to give rebates (concessions).

The Act was “directed against business corporations like the Standard Oil which had obtained competitive advantages by forcing the rail – roads to ship their goods at professional rates”.

During the time of Theodore Roosevelt, several corporations were fined for securing rebates. Theodore Roosevelt also tried to reduce the excessive rates charged by the rail-roads by passing the Hepburn Act of 1906. It authorised the Inter-state Commerce Commission to order a reduction of unreasonable rates. It also empowered the Commission “to prescribe a uniform system of book-keeping for all railroads, and thus made it able to find out for the first time what they were really doing and whether

the profits were excessive". Due to that Act, in the time to come the American government secured full power over the rates charged by the railroads in America.

The Coals Strike of 1902 and Theodore Roosevelt. The miners in the anthracite (coal of pure carbon which burns with little smoke or flame) coal fields went on strike in 1902 for (1) Higher wages, (2) a nine-hour day, and (3) Union recognition under their leader John Mitchell.

As Theodore Roosevelt upheld the cause of the betterment of workers which was championed by Progressivism, he intervened in that strike. After that he appointed a Commission to mediate between the different parties.

After conducting the investigation of the causes for that strike, that Commission awarded (1) increases of 10% in the wages of the workers. But it refused to give recognition to their union.

Conservation (an action to preserve natural resources like soil, forests, etc.) and Theodore Roosevelt. Theodore Roosevelt's most important contribution to American national welfare was his encouragement of conservation. "Theodore Roosevelt was the first President to realize the vital importance of that question". Up to his time public land policies were administered by officials who generally followed a policy of favouring the private interests against the public welfare.

Altering that policy, Theodore Roosevelt added about 13 crore acres of land to the Forest Reserves with the help of the implementation of the provisions of the Forest Reserves Act of 1891, which was not implemented properly by the earlier Presidents.

He also withdrew from public entry another 9 crore acres of land in Alaska and the North- West was rich in coal, phosphates and water power sites.

In 1902 Theodore Roosevelt passed that National Reclamation Act (New lands Act) and set aside almost the entire amount of proceeds of public land sales in 17 Western and South- Western States to finance the construction and maintenance of irrigation projects in the arid States. That Act authorised the Federal Government to establish directly the irrigation projects in arid lands and also authorised it to create a Reclamation Service to supervise them.

After that, Theodore Roosevelt constructed in the Western States a number of dams and increased the productive capacity in agriculture of those States. That not only provided a large scale employment to the American but also helped to make the United States self-sufficient in food and other matters.

Thus Theodore Roosevelt protected and developed America's natural resources, and by establishing a check on their waste, laid down the foundations of a prosperous life in America.

Passing of the Meat Inspection Act (1906) and the Pure Food and Drug Act (1906) By Theodore Roosevelt. Inspired by Upton Sinclair's novel "The Jungle", Theodore Roosevelt passed these Acts in order to protect the health of the Americans from food poisoning, adulteration and other evils. Those acts provided for the Federal inspection of factories packing meat for inter-state commerce. The Pure Food and Drug Act prohibited the sale of certain harmful foods and ordered that medicines containing dangerous drugs be correctly labelled.

Thus because of the Progressive spirit of President Theodore Roosevelt, much good accrued to the Americans.

Progressivism and President Taft (1909 – 1913). President W.H. Taft was of the Republican Party which stood for the betterment of an ordinary American citizen in the United States. As a result, he carried out following measures to achieve that ideal.

Progressive Legislation. Taft supported the progressive proposals for a better course of life in the United States. As a result his administration dissolved 90 trusts (monopolies) and thereby decreased the evils of monopoly in American life.

Passing of the Mann-Elkins Act of 1910. That Act placed telephone, telegraph, and cable and wireless companies under the jurisdiction of the Inter-state commerce Commission which was newly established under the Federal government. That Act gave an authority to that Commission to suspend new rates (charges) pending a court decision. It also provided for effective enforcement of the long and short haul (distance) clause, according to which the payment was to be made by the person who uses the above services (telephone, etc). That Act also created a Federal Court of Commerce to pass upon appeals which arose from the rate (charge) disputes.

Steps for the Promotion of Conservation. President Taft promoted conservation by passing laws which separated the ownership of minerals in the sub-soil from the ownership of the surface and thereby brought the mineral wealth of the United States under the Federal government. Those laws provided for the lease (renting out) rather than sale of minerals in the public (government) lands.

Establishment of the Postal Savings bank System. In June 1910, Taft established Postal Saving Bank System and authorised two percent interest on funds deposited at specified post offices. That measure inculcated a spirit of thrift in the ordinary citizens of the United States. That resulted in making their life better.

Passing of the publicity Act (1910). This Act required filing of statements concerning election campaign contributions for the Representatives of different American bodies. That established a check on the corrupt practices which were

followed in the elections in the United States up to that time. As a result, there arose chances for the success of worthy and proper representatives in the elections. That helped in developing the public life in America on proper lines.

The Mann Act or the White Slave Traffic Act (1910). According to this Act the administration of President Taft prohibited inter-state transportation of women for immoral purposes and thereby checked the spread of immorality in the United States. Commission of Efficiency and Economy in the Administration of the Federal Government (1909). President Taft aimed at spending rationally on the charges of administration. He also wanted to achieve the good of the people by reducing their burden of taxation. That made him to appoint this Commission. That Commission pointed out “the outmoded business methods employed in the different departments of the Federal Government and suggested economics which could be affected to curtail the government expenses”. It also suggested different measures in order to make the working of the government efficient. That Commission also recommended the establishment of a national budget. Though during the time of President Taft the national budget could not be established because of the difference of opinion about that matter between the members of the Senate on the lines of the recommendation of the Commission, the state and the local governments in the United States formulated their budgets and spent their amounts rationally. “Though the matter of national budget could not be carried out by Taft, his efforts prepared a ground for the national budget in the United States which was established in America by the Budget Act of 1921.

(i) Social legislation in the States during the period of President Taft. By 1912 progressive movement had reached its apex in the United States. Due to that the States in the United States passed social legislation relating to wages and hours of work, the employment of women and children, and safety and health conditions in factories in order to improve life in America during the presidency of Taft.

(3) Progressivism and President Woodrow Wilson (1913-1916) and (1916 – 1921) President Woodrow Wilson was of the Democratic party, which stood for government action to secure the well-being of the common man. As a result, he passed the following measures in order to realise that aim and to strengthen the cause of Progressivism.

(a) Underwood Tariff (1913) Tariff means a duty to be paid by the businessmen for importing or exporting goods. The Underwood Tariff Law was passed by Wilson in order to abolish duties on more than hundred articles and to make those articles available at reasonable prices to the common man.

That law also reduced duties on nearly a thousand other items, and put iron, steel, raw wool, and sugar on a free list, so that duties on them were not to be paid.

Those measures were taken by Wilson in order to deprive the American business its monopoly of the American market, and in order to make the American manufacturers compete with foreign business. That welfare of the common man, and for increasing the efficiency of the American industries.

The Glass-Owen Federal Reserve Act (1913). It was passed by Wilson in order to reform the monetary system of the United States. It provided for the establishment of twelve Federal Reserve Banks in different regions of the United States. The supervision of the entire system was given under a Federal Reserve Board under the government. All the national banks and the state banks were to become members of the new system.

As a result of that arrangement, it became possible to mobilize the banking capital in the United States and to help the institutions which were to come in danger financially. That Act also prevented an excessive loan expansion in the United States.

Anti- Trust Legislation. Wilson supplemented the Sherman Anti-Trust Act of 1890 by passing in October 1914, the Clayton Anti Trust Act.

The Clayton Anti-Trust Act was “aimed at corporate methods which were not specified as illegal practices up to that time”. That legislation had also the provisions related to labour and agricultural organisations. The New Act established a check on the development of the monopolies in the United States, and made the strikes, peaceful picketing and boycotts legal under Federal jurisdiction. As a result, that New Act was regarded by the American thinkers as the ‘Magna Carta’ which granted fundamental rights to the workers in America.

The Federal Trade Commission Act (1914). It was passed by Wilson to prevent unfair methods of competition in inter-state commerce and unfair business practices.

The Wilson administration continued to check the evils of monopoly and dissolved ninety-two monopolies in the United States. By that it served the good of the common man.

La Follett Seaman’s Act (1915). This Act improved the conditions of the workers who worked in the ship industries and on the ships.

The Adamson Act (1916). This Act established an eight-hour day for employees of inter-state rail-roads.

Federal Farm Loan Act (1916). It set up twelve Federal Land Banks to give mortgage loans to the farmers at low rates of interest in order to help the farmers to increase agricultural production.

(i)Results of Progressivism. Under the three Presidents (Theodore Roosevelt, Taft, and Wilson) the government in America undertook progressive measures for

eliminating evils of corruption and inefficiency from the government administration; removed many evils from the working of the monopolies; made the representatives, who took part in the elections, accountable to the people, and improved the wages and the conditions of life of the women, men, and children. Because of that those Presidents protected the weaker sections of the society from exploitation and thereby prevented the rise of revolutionary sentiments and Communism in America.

The progressive activity of the government of the United States became slow after 1914 when the United States was involved in the First World War (1914 – 1918). But by that time it has achieved much good of the common man in America and had made American life free from different evils.

That progressive activity had also strengthened the faith of the American in the democratic values of life as they found that by following the democratic methods they can solve their problems. It is not wonder therefore that the success of the Progressive Movement made America a bulwark of Democracy.

### **WILLIAM TAFT AND DOLLAR DIPLOMACY**

A student of law, William Howard Taft who succeeded Roosevelt in the presidency, was a native of Ohio and a graduate from Cincinnati. He served as Governor General in the Philippines, as federal judge and as Secretary of War. As Republican candidate in the election of 1908, Taft defeated his Democratic rival William Bryan and became President. A polished, cautious and aristocratic Taft, he did not prove himself as successful a president as Roosevelt was. Yet his administration was noted for a series of measures taken against the trusts and in support of dollar diplomacy.

President Taft carried forward the progressive reforms, initiated by Roosevelt. In 1910 the Mann Elkins Act was enacted for the effective regulation of railroad rates. As the Hepburn Act of Roosevelt was found inadequate and as the Inter-State Commerce Commission encountered difficulties in enforcing the rates because of court injunctions, the Mann Elkins Act was passed to rectify these difficulties. It extended the jurisdiction of the Inter-State Commission over telephone and telegraph lines and created a Commerce Commission. Also, Taft enforced the Sherman Anti-Trust Act more vigorously than Roosevelt did. A series of cases were registered against business combinations, particularly the Standard Oil Company and the American Tobacco Company. However, the prosecution of the United States Steel Corporation badly affected the political fortunes of Taft. Roosevelt who sanctioned the formation of this holding company, resented the action of Taft, leading to acrimony between the two leaders and dissension in the Republican Party.

The foreign policy of President Taft and his Secretary of State, Knox centred on what was called Dollar Diplomacy. It implied that it was the duty of the government to seek out and protect opportunities that would allow the American businessmen to operate freely in other countries. In 1912 the President asserted: “the diplomacy of the present administration has sought to respond to modern ideas of commercial intercourse. This policy has been characterised as substituting dollars for bullets... It is an effort frankly directed to the increase of American trade upon the axiomatic principle that the government of the United States shall extend all proper support to every legitimate and beneficial enterprise abroad.” In fact Dollar Diplomacy had a two fold objective: to establish American influence in foreign countries and to promote affluence at home. Instead of sending warships and landing marines, it was felt that the investment of capital would safeguard not only American interests in foreign lands but also confer material benefits upon the people.

To enforce dollar diplomacy certain crude techniques were formulated and enforced. The direct methods included-to prevail upon foreign countries to invite American capital for investment and to persuade American bankers to lend money. If the government of a weak state did not favour the Americans, the United States created factions, gave arms and ammunition and set one against the other. When a revolutionary government was established, the recognition of the new regime was made conditional to the grant of political and economic concessions. If a ruler, who was ready to play to the tune of Washington, was obtained, support in all forms was extended to keep him in power-even against democratic movements. Should these methods fail, there was another, more reliable – military intervention. Naval patrols would appear along the coast, warships would make threatening approaches, and marines would land in the name of protecting ‘American life and property.’ The exploited people could seek no succour from the major powers of the world, for the operation of the Monroe Doctrine would come in their way. In short Dollar Diplomacy represented an American brand of imperialism.

Accordingly, revolutionary disturbances in the Caribbean were promoted for the furtherance of Dollar Diplomacy. Nicaragua occupied a strategic location, for it was through this state lay an alternate canal route. The control of this country appeared essential for preventing other powers from obtaining rights for digging a rival canal. Jose Zelaya, President of Nicaragua, resented American pressure and offered facilities to other powers to open a canal. There upon the Americans condemned him as a tyrant and fomented a rebellion against him in 1909. In the course of disturbances two citizens of the United States serving in the camp of the rebels were killed. Now the United States broke off diplomatic relations, assisted the rebels with arms and men and contributed to the overthrow of Zelaya from power. Taft refused to recognise the new government until it granted opportunities to

American merchants. As the voters did not favour this move, warships appeared and forced the Nicaraguan government to grant the needed rights. In 1911 Nicaragua agreed to take a large loan from the American bankers, to pledge the customs as security and to appoint a citizen of the United States as collector general of customs. The consequent exploitation of the poor natives excited reaction. In 1912 widespread disturbances broke out. But Washington promptly despatched 2500 marines and suppressed the rebellion. Taft now seeking to establish American influence on a firm basis, imposed upon Nicaragua a treaty, which secured to the United States right to construct a canal and a naval base and long term lease of the strategic islands of the Great Corn and Little Corn. Though the Senate denied ratification, it accepted subsequently a similar treaty, settled by President Wilson.

The United States interfered in the internal affairs of Honduras too. Caribbean state was compelled to contact a loan with the American bankers and to pledge the customs. In the case Haiti, though the settlement was not ratified by the Senate, four banking houses were persuaded to invest capital in the Haitian National Bank. As part of the dollar strategy, the administration exerted pressure upon Latin American states to purchase warships from American yards. Argentina bought two battle ships. It was expected that the sale of ships would promote growth of American armour plate industry, but it was not pursued for fear of other powers learning naval secrets.

Dollar diplomacy made substantial progress in China. For long Japan and European powers invested capital and gained concessions in China but the American financiers seemed reluctant to follow their example. Willard Straight, the United States Consul General at Mukden, felt that it was because of poor investment that the Americans lacked influence in East Asia. In the mean time E.H. Harriman, the renowned railway promoter, outlined a plan to construct a round-the world transportation system through China. Straight and Harriman, persuaded Secretary Knox to formulate a policy of forcing "American capital by diplomatic pressure into a region of the world, where it would not go of its own accord." The first of the projects which received serious attention was the Hukuang Railway. A Consortium of German, French and British bankers was organised to construct a railroad in central China. Because of official encouragement an American banking group was immediately formed and Knox demanded that it should be admitted to the consortium. When the British objected, President Taft wrote a personal letter to the prince Regent of China in an attempt to prevent the Chinese government from signing the contract. Ultimately the Americans were admitted but as the project made no progress, the banking group withdrew from the consortium. As a next step the administration decided to use dollar diplomacy to destroy Japanese and the Russian influence in Manchuria in the interest of preserving the open door. The South Manchurian Road owned by Japan and the Chinese Eastern Railroad by Russia served as the mainstay of



foreign influence. Knox persuaded the private bankers to seek the purchase of these lines. When their attempt failed, he suggested to lend money to China to enable her purchase them. When this too did not materialise, Knox proposed the construction of a competing railroad, parallel to South Manchurian Road. This too came to nothing and the policy suffered a defeat.

Taft sought to settle certain international issues through conventions. Pribilof Island situated near Alaska and owned by the United States was the home of the seals. Indiscriminate killing by the sailors for hides led to the near extinction of these rare animals. Therefore Taft called a meeting of these powers at Washington. The North Pacific sealing Convention, accepted by the powers in 1911, provided for restricted killing only by the Americans and payment of a share of the proceeds to Japan and Great Britain. The Anglo-American Convention of 1912 settled the dispute over the fisheries of Newfoundland. The administration also made a reciprocity agreement with Canada by which numerous commodities were to be admitted to each country free of duty or at reduced rates. But the Canadian Parliament rejected it for fear that it would lead to annexation. A Japanese firm sought the purchase of a tract of land on the Magdalena Bay belonging to Mexico for settlement, but the Lodge Corollary of 1912, approved by the Senate, disapproved the transfer of strategic spots in the American continent to non-American companies. This resolution arbitrarily extended the arbitrary principle of the Monroe Doctrine against foreign companies and Asiatic powers.

In his external policy Taft was guided by an ambition that the United States should take its rightful place as a major power in the commercial and financial world.

With this end in view he adopted the Rooseveltian tradition of intervention and open door. National greatness was the common objective of the two presidents. But while Roosevelt was guided by the ideal of patriotism and relied upon big stick for its realisation, Taft was motivated by the ideal of materialism and depended upon the almighty dollar. The direction of foreign policy under Taft did not change though the methods changed. The use of foreign policy to promote commercial interests was not new, for it dated from the early years of the republic, when the United States sought to re-open trade with the British West Indies for helping private interests. But under the administration of Taft this kind of diplomacy assumed ruthless dimensions. In its ultimate analysis it caused more harm than benefit to the country. The policy of forcibly enlarging the commercial jurisdiction became so unpopular that the Latin American countries resented it bitterly. The induction of American capital in China excited the suspicions of powers. In an attempt to defeat the American objective Russia and Japan came closer. The co-operation between these countries led to the

closing of the open door and the related failure of the policy of the United States in East Asia.

### **U.S.A. AND WORLD WAR I**

In the presidential election of 1912 Thomas Woodrow Wilson, candidate of the Democratic Party, defeated the other contestants, William Taft and Theodore Roosevelt. Son of a Presbyterian preacher he began his career as a lawyer at Atlanta. He served as professor of political economy and president of Princeton University. Elected as governor of New Jersey, he gained a reputation from his programme, called New Freedom—freedom for small businessmen against monopolistic control of trusts. The common people welcomed the programme and elected school master Wilson with a large majority. Aply assisted by his principal advisers, Colonel House and Secretary of State Bryan, the President implemented a series of progressive reforms at home and followed a forward policy abroad.

### **WILSON AND NEW FREEDOM**

**Economic Reforms:** In his inaugural address he outlined his programme. It sought the promotion of trade, regulation of big business, fair deal for labour, conservation of natural resources and reform of banking. President Wilson promoted the growth of trade through a reduction of tariff. The Underwood Tariff Act of 1913, enacted accordingly, provided for substantial cut in the tariff rates, widened the free list and reduced the duties on numerous items—in particular iron and steel products and cotton and woollen goods. To make up the loss of revenue under the new tariff, Congress enacted a bill, drafted by Cordell Hull, providing for the levy of a graduated income tax. Further, Congress framed laws for the regulating of trusts. For years past, the political parties promised relief to the people through effective control of the trusts.

The Sherman Anti-Trust Act of 1890 failed to curb the evil of combination much because of interpretations by the courts. The Constitution gave no right to Congress to control business except to regulate commerce between the states and with foreign countries. As a result, there came into existence more of trusts. The administration now decided to put its limited authority to regulate commerce between states and with foreign countries so as to ensure maximum benefits. The result was the framing of two acts—the Clayton Anti-Trust Act and the Trade commission Act of 1914. The Clayton Anti-Trust Act, called after Henry Clayton, who sponsored it, was intended to eradicate the evils, which were associated with trusts, railroad and labour. It forbade price discrimination, sale of commodities under condition that the purchaser would receive no goods from a competing firm, holding the stock of a competing business for the purpose of controlling it and the appointment of interlocking directorates by the different corporations in industry and banking. The directors and

officers of offending firms were held individually responsible for the violation of law. Labour unions and peasant organisations were permitted to function and to resort to peaceful picketing and boycotting for promoting their interests. The Clayton Anti-Trust law was not only definite in its meaning but also more far reaching than the Sherman Anti-Trust law in its implications. The Trade Commission Act created a Commission of five members, empowered to prevent persons and corporations from drifting into unfair methods of competition. The powers granted to the Commission to investigate and scrutinize the working of corporations were so extensive that it was rendered difficult for the business concerns to violate the anti-trust laws. The Adamson Act of 1916 provided for an eight hour day for all employees in railways, engaged in inter-state commerce and extra pay for overtime work.

**The Federal Reserve Act (1913):** The federal Reserve Act enacted during the administration of Wilson represented a major reform aimed at the reorganisation of banking and currency. The banking legislation had a chequered history. In 1791 because of the initiative taken by Hamilton, the bank came to an end. In the absence of a national bank the stated chartered banks supplied the currency. However, most of these banks printed notes in excess of gold reserves, threatening there by the financial stability of the country. Therefore in 1816 the second Bank of the United States was chartered. The charter came for renewal during the administration of Jackson. As the bank lent money to his political rivals, Jackson withdrew the governmental deposits and brought about its collapse. Since then there existed no centralised control of banking. The National Bank Act of the Civil War period provided merely for a sound bank note currency.

There existed serious anomalies in the system of banking and currency. 1) In the absence of a central banking house, there was no co-ordination of the policy and activity of the different banks. In times of crisis they found it impossible to pool their resources to face the threat of mass withdrawal of funds by the panic stricken depositors. This led to financial break downs. 2) As there was no national bank, the control over the banking system gravitated towards the large financial houses of Wall Street, New York. The small banks deposited their reserves in large banks and the large banks in still larger banks. This process led to the formation of banking trusts and the concentration of money power in the hands of a few. It was considered not in national interest to give too great a power over money and credit to a few financial houses. 3) The existing system allowed no adequate flexibility in the supply of money. In seasons of harvesting and marketing, the demand for money went much faster than what was usual. The banks found it impossible to increase the circulation of notes because of the legal requirements that the issuing banks should own government bonds amounting to ninety percent of currency notes issued. In the mean time the metallic coins too went into short supply. Because of industrialisation the United

States had to depend upon European capital and foreign imports. The interest on investments and the cost of imports were required to be paid generally in gold. The out flow of gold and other metals greatly restricted the supply of coins. These difficulties led to fall in prices and forced the merchants to borrow money at high rates of interest. The Aldrich – Vreeland Act of 1908 authorised the national banks to issue additional money in times of scarcity, yet the problem continued to baffle solution.

As provided by the Aldrich – Vreeland Act, a committee under Senator Aldrich studied the banking problem. In its report it suggested the creation of large privately owned central bank with fifteen branches. Another committee headed by Representative, Carter Grass, framed a bill aimed at the organisation of a centralised banking system. Congress passed this bill into the Federal Reserve Act. The Act provided that: 1) there should be a Federal Reserve Board to supervise the entire federal banking system. It was to consist of seven (later on eight) members, appointed by President with the consent of Senate. One of the members of the board was to be designated Governor of the Federal Reserve Bank. 2) The country was divided into twelve banking districts and at the financial centre of each district a federal bank was established. It was placed under the management of a board of nine directors – three appointed by the Federal Reserve Board and rest by the stock holders. This was to function as a bank of banks, for its stock was held by the member banks like national banks and state banks. It served as a repository of reserve funds, advanced loans to member banks and issued Federal Reserve notes. 3) The Federal Reserve Board was authorized to issue notes with a backing of forty of their value in gold and the rest in commercial papers. These notes supplied the needed bank note currency. The Federal Reserve Bank could increase the money in circulation or reduce it according to the needs of the times.

The Federal Reserve Act is considered as one of the greatest of the financial measures. Several banking institutions opposed the reform on the ground that it represented an unwanted governmental interference with banking, but subsequently they changed their views and sought membership of the Federal Reserve System. The law corrected certain evils. So long the money kings of Wall Street controlled the money market. From these financiers the federal government now wrested control of the supply of currency. The circulation could be increased or decreased in proportion to demand. More supply of money could be had during seasons when it was needed and in regions where it was required. Thirdly, the Act coordinated the working of the banking system. The different banks could pool their resources through the Federal Reserve System to face any emergency. Yet the banking system was not enabled to tackle all situations of panic. In 1929 there came a depression and a stock market crash, but the Federal Reserve banks found themselves helpless. Therefore changes were made in subsequent times to extend and strengthen the reformed system to

increase its power to control credit and to allow it to increase money in circulation. Added to these, the law granted a fair share of banking to the local and private banks and contributed to a distribution of money power.

Further, the President took measures for promoting the welfare of peasant and workers. Because of the necessity of investing more and more money of farming, the peasants needed credit on easy terms. To meet their demand federal land banks were created in 1916. The country was divided into twelve districts for the purpose of land bank administration. In each district a federal land bank with the capital of seven and a half lakhs of dollars was established. All banks were controlled by the Federal Farm loan Board. The Farmers could borrow money through their organisations for long periods at reasonable interest.

Like Jefferson, Wilson claimed himself as the champion of the right of the common people, however, while Jefferson believed that the people should be left free in their pursuit of life, liberty and happiness, Wilson felt that the average citizens should be protected through governmental action for the pursuit of economic opportunity and individual liberty. This made Wilson a Jeffersonian in his aims but Hamiltonian in his methods in respect of his attitude towards the common people.

**Constitutional Changes:** In 1920 two amendments were incorporated in the Constitution. The Eighteenth Amendment introduced nation wide prohibition. Enlightened Americans and the Anti –Saloon League agitated for nation – wide prohibition. Carried away by idealism, Wilson extended his support. The result was an amendment to the Constitution for introducing prohibition. But the measure proved a failure, for in the place of the saloons there sprang up night clubs by thousands. Illicit distillation of liquor and indecent dances became the order of the day and bootleggers amassed wealth without paying any tax. Public opinion now turned against prohibition. The Twenty First Amendment adopted in 1933 abrogated the Eighteenth Amendment. The Nineteenth Amendment was carried into effect for granting suffrage to women. In most of the states the women were not eligible to vote. There was a movement in favour of the extension of franchise but while one organisation of women agitated for vote, another equally powerful organisation of women opposed it. Yet in consideration of the service rendered by women during the World War public opinion turned in favour of the reform. The Nineteenth Amendment stated: “the right of citizens of the United States to vote shall not be deprived by the United States or by any states on account of sex”. Since then women took a more serious interest in politics than what they did in the past.

## New Diplomacy

In his foreign policy Wilson was guided by his own idealism and traditional policy, yet believed that the United States should play a definite role in international relations. Though he did not favour dollar diplomacy, he supported open door policy and domination in the Caribbean. The traditional aims of the nation did not change but the diplomatic methods changed. His New Diplomacy, as it was called, laid emphasis on international morality, but in practice this proved a failure. He was guilty of naked intervention in the countries of Latin America, revival of dollar diplomacy in Nicaragua and formulation of a policy of partisan neutrality towards the warring countries of Europe.

**Caribbean Intervention:** In his relations with the Latin American States, Wilson declared that he would respect their rights as equals, that he would pursue friendly relations with governments which came to power through constitutional means and that he would abandon dollar diplomacy. But in practice he disregarded the assertions and followed an aggressive policy. President Taft imposed upon Nicaragua a treaty giving away to the United States naval bases and exclusive right to construct a canal in return for a nominal payment of three million dollars. Most of this amount was to be given to the Americans, who financed the rebellion for the overthrow of Zelaya and elevation of the pro – American Diaz to power. Wilson incorporated an additional provision, which permitted American armed intervention in the state. In 1919 the Senate ratified the treaty but rejected the intervention clause. Yet the Americans established their influence in this state and exploited the native Indian. A canal would have contributed to the economic progress of Nicaragua but this opportunity was denied.

In the French speaking Negro republic of Haiti frequent rebellions disturbed political stability. In 1915 the Negroes rose in rebellion against the blood thirsty tyrant Guillaume and executed him. Under the pretext of preventing European intervention, Wilson sent marines, massacred the Negroes and established American authority. A treaty imposed upon Hitia granted financial control to the United States. In 1916 marines were sent to the Dominican Republic. The administration was turned over to the American naval officials, who established a dictatorship of the most rigorous form in 1917 the United States purchased the Virgin islands from Denmark.

**Mexican Adventure:** Mexico, once a rich and vast country, was crippled into the status of a minor power in consequence of the annexation of her northern provinces by the United States. Most of the inhabitants were Indians but the ruling clique, usually military men of Spanish origin, sold away economic rights to the aliens. The American held control of two thirds of the mines, oil fields, plantations and railroads. People rose in rebellion against the tyrants, causing disorders in the land. In 1913 in

the course of a revolution Huerta came to power. Wilson refused recognition to the regime of Huerta, as he felt that the latter seized power through unconstitutional means. He asked Huerta to resign his office for holding an election. As this amounted to interference in the internal situation in his state, Huerta refused. Thereupon the President offered support to Carranza, the political opponent of Huerta, if he would agree to hold an election but he too rejected the offer. Yet Wilson supplied arms to the rebels in a bid to overthrow Huerta from power. In 1914 when the Mexican police arrested a few American sailors at Tampico, the United States demanded an apology but Huerta refused. Thereupon American forces occupied the Mexican port of Vera Cruz and war threatened to break out, but the ABC (Argentina, Brazil and Chile) powers agreed to settle the dispute. In 1914 the Mexican regime collapsed under the pressure of American intrigues and rebel activity, Huerta fled to Spain and Carranza came to power. The United States extended recognition to the government of Carranza.

Yet revolutionary disorders continued in Mexico, Francisco Villa, an opponent of Carranza, defied the regime. In a bid to draw the United States into a war against the administration of Carranza, he raided Columbus in New Mexico and killed seventeen Americans. Thereupon in 1916 American forces led by General Pershing raided Mexico but failed to capture Villa. Yet because of the possibility of a general war with Mexico, opposition of Latin American countries and preparations for war against Germany, the United States withdrew her forces from Mexico. The Pershing expedition earned the nick name, perishing expedition.

In 1917 Mexico adopted a constitution, which provided for the national ownership of all oil and mineral resources. As this threatened the financial interests of the Americans in Mexico, they entered into intrigues with rebels and organised a rebellion, Carranza was overthrown from power and murdered. Alvaro Obregon, who became President in 1920, made an agreement to the effect that Mexico would pay compensation to the Americans for their properties taken over by the state. The Mexican policy of Wilson excited the resentment of the Mexicans and suspicions of the Latin American powers.

### **Wilson and Neutrality, 1914 – 1917**

In 1914 World War broke out in Europe. On the one side were Great Britain, France, Russia, Japan and Italy, together called Allied Powers. In the opposite camp were Germany, Austria, Hungary, Turkey and Bulgaria, together called Central Powers. The Americans felt a sense of security on their shore, yet with their sentimental and cultural ties with Europe, they could not but take a direct interest in the tragic developments. The war involved a major land power in Germany and a major sea power in Great Britain as during the Napoleonic Wars. Both sides refused to

honour neutral rights because of their struggle for survival. The United States sought to uphold her rights through peaceful methods and when these failed, through war, as she did under Jefferson and Madison.

**Neutrality to Partiality:** President Wilson followed a line of neutrality towards the warring powers. Accordingly in 1914 he called upon the people to be “impartial in thought as well as in action”. The Americans were not inclined to drift into the war but were not prepared either sentimentally or otherwise to be impartial. The vast majority extended their sympathy to the Allied Powers and found it impossible to ignore their Anglo – Saxon descent and cultural heritage. Wilson himself could not forget his Scotch ancestry. Most of the Americans looked upon France as the citadel of democracy and recalled the services rendered by her during the War of Independence. They considered Great Britain as the torch bearer of civilization and recalled the support extended by her during the Spanish War. It was projected that the Allied Powers were fighting for a noble cause. This belief leads the people to take a pro-Anglo - French stand. Effective propaganda by the English and the interested people strengthened the sympathetic attitude of the people towards the Allies. London was the newspaper capital of the world. The newspapers in the United States obtained much of the news items from London and as such they were biased in favour of the British. The press depicted that German militarism, imperialism and navalism constituted an international menace. It declared that Germany launched an offensive war and that her victory would result in the triumph of autocracy over democracy. Stories, that were freely circulated, excited a fear that Germany after effecting the conquest of Europe would invade the United States. Swayed by these suspicions, public opinion swung forcibly in favour of the Allies.

Added to these, economic necessity demanded an anti-German and a pro-British stand. For long the capitalists of the United States had been agitated over the fierce competition that they encountered from the manufacturers of Germany. The goods with the label made in Germany were so popular that the sale of American goods could not be promoted. The business circles were convinced that only the destruction of Germany would change the situation in their favour. As the English navy blockaded the coastal areas belonging to the Central Powers, no trade with Germany and her allies seemed possible, but that with Great Britain and her allies increased by leaps and bounds. The fields and factories in the United States were required to support victory, Wilson resumed his one sided peace effort but made no progress for he believed that “if Germany won, it would change the course of our civilization”.

**Drift to War:** The trend of developments led the United States to war. In 1917 the submarine warfare entered into a new phase. As the situation appeared gloomy,



Germany announced that all ships entering the war – zone would be sunk. Immediately Wilson, who was waiting for an excuse, broke off diplomatic relations with Germany. In February 1917 the Americans received the news that Germany sought the alliance of Mexico and Japan. In a telegramme to Von Eckhard, Minister to Mexico, Zimmermann, Secretary for Foreign Affairs in Germany, directed him to explore the possibility of forming an alliance. In return for alliance Germany promised support to reconquer the lost provinces of Texas, New Mexico and Arizons. The English intercepted the message and forwarded it to Washington. This came in handy to the administration which was already inclined towards declaration of war.

The Russian Revolution added urgency for the United States to join the Allied Powers. The Russian campaign had kept several divisions of the German army in the eastern front. But in March 1917 disorders broke out in Russia. It was feared that it Russia withdrew from war, Germany would concentrate her forces on the western front and overrun France. Therefore a quick military intervention appeared imperative. Accordingly on the 6<sup>th</sup> of April 1917 Congress adopted a war resolution. In fact America entry into the war represented a deliberate work of the administration, the racists, the press, and the merchants of death – the manufacturers of deadly weapons – who wanted to amass wealth by promoting killings.

### **U.S.A. AT WAR**

The United States entered the war at a critical juncture in the military history of the Allies. In November 1917 Russia signed the Treaty of Brest Litovsk with Germany and withdrew from the alliance. Released from the eastern front, the German armies moved in strength against France. Italy suffered a devastating blow in the Battle of Caporetto. The submarine warfare was so destructive that it badly crippled the British naval strength. Energetic effort on the part of the United States seemed essential to change the tide of war.

With the declaration of war, the country mobilised a large army. A selective Service Act required all men between the age of eighteen and forty five to register for military service. After preliminary training for six months, they were sent to Europe for more intensive training and field service. About four million men were recruited to the army of whom two million were sent to France. The arrival of American forces under General Pershing raised the morale of the Allied troops. Despite the formidable strength of these forces, the Germans launched a desperate attack on the enemy and threatened Paris. The Allied forces began a counter offensive and opened a new front near Verdun. Early in November 1918 the Allies expelled the invading army from France. On the high seas the American navy in co-operation with the British and French fleets bottled up the submarines and crippled the German naval strength.

At the home front every attempt was made to raise and train the troops and to mobilise resources. Fuel Administration was created to promote production and reduce consumption of coal and iron at home. The War Industries Board regulated the Manufacturing industries in the interest of promoting war effort. An Emergency Fleet Corporation looked after the needs of the navy. The government took over the railways and operated them for the quick movement of war materials. While taxes were increased, individual rights were restricted in the interest of effective conduct of war.

Fourteen Points: The United States declared war on Germany on the issue of neutral rights. Yet it appeared to Wilson that the issue of neutral rights and freedom of the seas was not of much appeal to the emotions of the people. The Bolsheviks of Russia after they captured power published the texts of the Secret treaties, made by the Tzarist regime with the imperialist powers. This discredited the Allied Powers before the world, for it exposed their aggressive intrigues and designs. It was felt that something should be done to offset the demoralising impact of communist propaganda. Under these circumstances Wilson felt that a statement of war aims and discovery of new phrases were essential. Accordingly on the 8<sup>th</sup> of January 1918 he outlined his Fourteen Points.

The contents of the Fourteen Points can be summarised under three heads. The points from one to five related to the removal of the general causes of war. They advocated open diplomacy, freedom of the seas reduction of barriers to trade, disarmament and an impartial adjustment of colonial claims, giving consideration to the needs of native peoples. The points from six to thirteen dealt with the question of the determination in Europe. They upheld the fundamental right of the peoples to live under a government of their choices. Thus Poland was to become an independent state, Alsace and Lorraine were to be restored to France, Belgium was to be returned to her people the minorities in Turkey were to be protected and the boundaries of Italy and the Balkan states were to be adjusted on ten basis of the Principle of nationality. The last point, fourteen, asserted the necessity of creating a general association of nations. The concept of an international association to prevent the outbreak of war was not new but Wilson sought to give concrete form to it and made it the corner stone of his peace programme.

In October 1918 Germany suggested that Wilson should call a conference of powers to end war and make peace based on the fourteen points. But the President maintained that the military masters of Germany including the Kaiser should be overthrown before peace could be settled. William II abdicated and fled to Holland. In a session held at a Weimar the representatives of the people framed a democratic

constitution. They expected to receive peace and justice from the victorious powers but were sadly disappointed.

In fact the principle of Wilson ran into serious difficulties. The Allied Powers were not prepared to accept a peace without victory. They were determined to take territories from the defeated countries and to force them pay war damages. Great Britain whose strength lay with her navy refused to concede to the freedom of the seas. Japan suggested the acceptance of the principles of racial equality, but Wilson at the instance of Great Britain rejected it. Because of mutual suspicions the countries were not prepared to disarm themselves or to surrender their colonies to satisfy the idealism of the president. Though they agreed to have an international organisation, they were not prepared to part with enough rights to make it effective as an instrument of peace. No wonder Clemenceau, the Premier of France, declared: Almighty God had given only Ten Commandments but Wilson has fourteen commandments. Yet the Allied Powers accepted the Fourteen Points as the basis of peace, as they badly needed American support to rehabilitate their shattered economy.

The President overcame the difficulties abroad but he experienced considerable opposition at home. In the mid-term election of November 1918 he called upon the voters to extend their support to his peace programme by electing the candidates of the Democratic Party to Congress. But the people voted in favour of a Republican majority in both houses. Theodore Roosevelt now declared that Wilson lost his authority to speak for the nation; still the President went in person to the Peace Conference at Paris without taking with him any prominent Republicans. Twenty seven powers attended the conference that began its session in January 1919. Despite the exhibited idealism of Wilson, the defeated nations were not invited to the conference. The leaders of the great powers – Wilson of the United States, Lloyd George of Great Britain, Clemenceau of France and Orlando of Italy-Met in secret in violation of the principle of open diplomacy – and took decisions on important issues. Added to these, the President prevailed upon the powers to recognise the special interests of the United States in the American continents. Thus the Covenant of the League of Nations incorporated the Monroe Doctrine. When the treaties were finalised they appeared as nothing but instruments of the victors' peace. Germany and her allies were stripped of their colonies and were required to pay huge amounts as reparation. Principle of self determination was frequently violated to suit the interests of Allied Powers. The colonies were not granted independence. In fact the world was not made safe either for peace or for democracy. Nevertheless the powers approved the Covenant of the League of Nations.

In the absence of the President his influence at home waned and opposition to him mounted. Many leaders asserted that the League was a kind of entangling alliance

against which the Americans had been warned by Washington Jefferson and Monroe. The Americans of German descent condemned the Treaty as unnecessarily harsh to the land of their ancestors while the anti-Japanese circles opposed the cession of Shantung in China to Japan. The Republican were angry that they were not given proper representation in the peace conference though they commanded majority in Congress. They considered the settlement as a Wilson an product and decided to defeat it.

In June 1919 the President returned to his country to face his critics. Despite the Congressional opposition and his declining health, he decided to make an appeal to the people to accept the peace settlement. He undertook a country wide tour and addressed a series of meetings. After his return to the capital city, a stroke paralysed one side of his body and he could no more give the leadership to Congress. It appeared that his wide gained the actual control of administration. There spread a rumour that the invalid turned into an insane. Thereupon the Republican senators decided to make a probe, Senator Fall entered President chamber and said: Well Mr president, we have all been praying for you, ‘Which was Senator, ?’ Wilson shot back . They found the President alert. Yet it represented a passing episode in the changed situation.

### **ISOLATION AND DEPRESSION**

The Republicans dominated the political scene during the period from 1920 to 1922, for all the presidents of this period, belonged to this party. In 1920 Warren G. Harding was elected to the presidency. His administration ended in 1923 with his death in office. Calvin Coolidge, the vice President, succeeded in the presidency and in 1924 he was elected for a regular term, Herbert Hoover, the next President, held office for one term, at the end of which the Democratic Party with its candidate F.D. Roosevelt returned to power. The Great Depression that came at the end of the Republican administration affected the life of the people.

The retreat to isolationism form interventionism and a reaction against progressivism represented the conspicuous trends of the period several factors contributed to this development. The Americans suffered heavy losses as the result of war. The war effort caused considerable strain to the economy. In spite of heavy sacrifices, the results appeared disappointing. The liberals entertained an ambition of making the world safe for democracy but it could not be so. The treaties, imposed upon the defeated countries, were so harsh that they shattered their economy and made them vindictive. Revolutions broke out and dictatorships came – communism in Russia, fascism in Italy and Nazism in Germany. Nor did the American find it easy to collect the loans. They had advanced huge sums to the Allied Powers for the conduct of war. When the war was over these countries made the repayment of their debt

conditional to their receipt of reparation payments from Germany when Germany defaulted, all the allied countries except Finland defaulted. They said in chorus “we cannot pay”, on the ground that the economic benefits of war went to the United States. To the dollar minded Yankees this attitude appeared intolerable. Added to these, the liberals wanted to curb the growing influence to the merchants of death. It was discovered that the capitalists, who manufactured deadly weapons for mass destruction, influenced the administration in taking the country to war, as nothing appeared to them more pleasing than war. As public opinion all over the world condemned their savage attitude, many of the Americans became disenchanted with the idea of intervention. Finally the influence of the dead leaders, particularly Washington, Jefferson and Monroe, who preached ‘no entangling alliances’ came to prevail. Guided by these considerations the country rejected the League of Nations and returned to isolation.

At the home front nationalism and conservatism again emerged as the ruling concepts. Progressivism was not abandoned, yet laissez faire again became the economic gospel of the times. This was because the Republican Party, which was in power, was not only the strong hold of the aristocratic classes but also was inclined by tradition to favour the big business. Added to this people turned bitter at socialism because of the terrors that attended the Bolshevik Revolution in Russia and the subversive activity, engineered by the Communists.

**Rejection of the League of Nations:** The rejection of the League of Nations together with the Treaty of Versailles marked a turning point in the trend towards isolation. The Senate was divided into three groups- the Democratic followers of Wilson who supported the ratification of the treaty, the Moderates who supported the acceptance of the League with certain reservations and the Irreconcilables who demanded rejection of the League. The opposition to the League came from several sources. The Republicans were angry that Wilson refused to consult them in the drafting of peace settlement, though they commanded a majority in the Senate. The President did not consult them, as there was no instance when the Senate rejected any peace treaty. The idealists and the German Americans condemned the treaty as it was harsh to Germany and her allies. Not only was Germany required to surrender her colonies, territories, and war machine but also to accept the highly objectionable war guilt clause. In the mean time the hated Japanese were rewarded with German possessions in east Asia. Also it was feared that membership of the League would deprive the country of its freedom in foreign affairs. Particularly objectionable was Article 10 in the Covenant of the League, which required each member to defend the territorial integrity of members states against aggression. This would have required the United States to defend ill-gotten territories of the powers, victorious in the war.

In view of these objections Henry Cabot Lodge of Massachusetts proposed fourteen amendments to the Covenant of the League. The most important of these required Congressional approval for sending troops in defence of the integrity of member states under Article 10. The President resented this formula. Determined to influence public opinion in his favour he undertook a tour of the country. But to the sixty three year old Wilson it proved so tedious that he fell a victim to a paralytic attack, which incapacitated him for life. Left leaderless the Democrats lost their influence, while the Republicans gained the ascendancy. The crucial vote was taken on 19<sup>th</sup> November, 1919. The Senate rejected the League together with the Treaty of Versailles. As this left the United States technically at war with Germany, Congress in 1921 adopted a joint resolution, declaring the state of war at an end.

### **WASHINGTON CONGERENCE, 1921 – 22**

Despite the rejection of the League, the United States took effective measures to promote her interests in East Asia through collective security. Edwin Ginn established the World Peace Foundation in 1910 and Andrew Carnegie created the Carnegie Endowment for International Peace in 1911 to promote the cause of peace. In consequence of their efforts, the administration sought a limited cooperation with the League of Nations and sent observers to attend its sessions. In the mean time disputes with other nations were submitted for arbitration in line with peaceful settlement of disputes.

The growing influence of Japan and the problems created by armament race in the Pacific engaged the serious attention of the United States for long. The Anglo – Japanese Alliance of 1902 placed the United States at a disadvantage in its relations with Japan. It was felt essential to dissociate Great Britain from this alliance and to enforce restrictions upon the production of arms, so that American interests in the Far East could be safeguarded.

Since the Russo – Japanese War, tension in the relation between the United States and Japan increased steadily. The two countries emerged as the most powerful nations in the Pacific. While the Americans annexed the Hawaii Islands and the Philippines, the Japanese acquired Taiwan and southern Sakhalin. Both the powers built bases and developed formidable navies. Because of the pressure on land in the islands, the Japanese sought to migrate to the Hawaii Islands, to California and then to Mexico but in all these areas they faced the opposition of the United States. The American imposed restriction upon migration and ill – treated the Japanese settlers on racial grounds. Prevented from migrating to the East, the Japanese turned to the Asiatic mainland. Here too, the Americans presented a threatening attitude as they decided to maintain the open door to China.

However after the outbreak of the World War I, Japan seemed to excel the United States in empire building in the Pacific. She established her influence in Manchuria, acquired Shantung, obtained the German leasehold of Kiaochow and the German islands in the Pacific, situated north of the equator. In 1914 Allied Powers sent their forces to Asiatic Russia in an attempt to keep the Trans – Siberian Railroad out of Bolshevik control. Japan not only sent more troops than the combined strength of other powers but retained them after other powers withdrew their forces. The United States developed a suspicion that the Japanese entertained a design on Russian Siberia. At the same time a dispute over the tiny island of Yap in the Pacific and ill-treatment of the Japanese school boys in California added to the strains. The United States maintained a powerful navy but Japan too developed her naval strength so rapidly as to equal that of her white rival. The Anglo Japanese Treaty of 1902 which committed Great Britain into a defensive alliance with Japan served as a source of strength of the Japanese Empire. Great Britain wanted to withdraw from her alliance so as to weaken Japan and thereby to help the United State. In the men time Japan felt that naval rivalry with U.S.A. imposed burdens on her economy. Many in government preferred trade and diplomacy to armament and militarism; for advancing national interests. These led to the conference at Washington.

In 1921 President Harding issued an invitation to Great Britain France, Japan and Italy to a conference at Washington to discuss limitation of armament. Together with this, he sent another invitation to other Pacific powers – China, Netherlands, Belgium and Portugal – to discuss the problems in the pacific and the Far East. This was done with the unofficial support of Great Britain. Washington Conference remained in session for about two and a half months from the 12<sup>th</sup> of November, 1921. It discussed the limitation of naval armaments and the security of the Pacific. Hughes, Secretary of State, proposed a ten year holiday in the building of capital ships and scrapping of a sufficient tonnage of warships, built or being built, so as to give the navies of the United States, Great Britain and Japan the ratio of 5:5:3 strength respectively. The powers accepted this formula and signed three treaties.

The first was the Four Power Treaty, signed by the United States, Japan, Great Britain and France . This treaty terminated and replaced the Anglo – Japanese Alliance by Four Power Treaty. It provided that the four powers would respect each other's colonial interests in the Pacific and settle their disputes through peaceful means. From the American view point this was intended to deprive Japan of British aid in the event of a war and thereby to provide for the protection of the Philippines and the Hawaii Islands.

The second was the Five Power Treaty signed by the United States, Great Britain, Japan, France and Italy. It stipulated a ten year holiday in the building of

warships, naval limitation and disarmament. The respective naval strength of these powers – the United States, Great Britain, Japan, France and Italy – was to be of the ratio 5:5:3: 1. 75: 1. 75. The United States and Great Britain agreed not to build fortifications and naval bases in the Western Pacific. This was intended to restrict naval competition, but in the balance it worked in favour of the Japanese. For, Japan could possess more than half of the navy of the United States or Great Britain and could establish bases and fortifications. While Great Britain had to defend her global interests and the United States two ocean interests from remote bases, Japan had limited interests in the Pacific and bases near by.

The third was the Nine Power Pact. The United States, Great Britain, Japan, France, Italy, China Netherlands, Belgium and Portugal, which signed this treaty agreed to respect the right of China to control her tariff so as to preserve equal commercial rights and not to take advantage of the disturbed condition in that country for seeking special rights and privileges. This pact was intended to preserve the open door to China. In accordance with this agreement the Japanese withdrew from Shantung, which they held from Germany since World War I.

The Washington Conference seemed a significant victory for American diplomacy. The great powers met in a conference and agreed to restrict their naval strength. The United States too, despite her isolationist trend, co-operated with the powers in seeking a solution to the problems that threatened peace in the Pacific and Asia. The destruction of the Anglo-Japanese Alliance was of paramount importance for keeping Japan under check and for preserving the Anglo – American interests in the Pacific. This was achieved through the Four Power Treaty but in return Japan was given the right to build bases and erect fortifications, while the other powers were denied of this right. Added to these, the conference cleared the war clouds gathering over the Pacific. It averted the possibility of a war between Japan and the United States and gave the hope that the nations could be persuaded to disarm. However, the Washington settlements were ineffective in checking armament race. They did not cover the land forces and all the categories of naval armament. When a restriction upon the expansion of capital ship fleet was imposed, there began a race in the expansion of land forces and in the construction of small vessels – destroyers, cruisers and submarines. Added to these, the Conference sought to perpetuate the system of alien exploitation in China. The open door that was accepted by the powers was a widened open door, for it provided for equal opportunity not only for commerce but also for industry of all nations.

A competition in the construction of vessels of smaller categories forced President Coolidge to call a conference of the signatories of the Five Power Treaty at Geneva in 1927. France and Italy, disappointed at the small ration allotted to them at



Washington, refused to attend. The other powers met but broke up in the midst of acrimonious controversies. In 1930 due to the efforts of Britain, the powers again met at London. The London Naval Conference set ration to cover the building of auxiliary craft too. However after 1931 the situation changed drastically. Japan occupied Manchuria and renounced her conference treaties in 1934. In preparation for another war, the powers launched their naval building programme in violation of the limitation settlements. The consequent armament race culminated in the out break of the World War II. As a result the Washington conference produced no lasting results.

**The Kellogg Briand Pact, 1928:** The exponents of the peaceful settlement of disputes believed that if the great powers issued a declaration, asserting “let there be no war”, then would come no war. Accordingly in 1925 the Principal powers of western Europe signed the Locarno Pact, agreeing to guarantee peace in their part of the Locarno Pact, suggested that the United States and France enter into a treaty to outlaw war. But several leaders suggested that it should include all nations. Accordingly Kellogg, Secretary of State under President Coolidge, took the follow up measures leading to the signing of the Kellogg – Briand Pact, 1928. To begin with fifteen nations including the United States signed the document and eventually sixty two powers including Russia joined it. The pact condemned war. In accordance with the prevailing mood of the times, all the nations renounced it as an instrument of national policy. Thus at least on paper war was outlawed. However, it proved unworkable as the nations insisted upon their right to wage war in self defence and as the pact created no machinery to enforce the provisions.

Herbert Hoover, who was elected in 1928 as Republican candidate, rode to the presidency on the crest of a prosperity wave. A successful engineer and businessman with a distinguished record in public service, he appeared as the right man, who could put the prevailing prosperity on durable foundations. As the economic boom became more and more pronounced the people became more and more obsessed with a mania, get rich quick. But suddenly there came the stock market crash and the depression. In September 1929 a few of the investment companies in Europe, the United States and Latin America collapsed. In October the prices of the wheat, cotton and other crops fell. Farmers and manufacturers found it impossible to sell their products. Profits disappeared suddenly and losses mounted steadily. In consequence price of shares in the stock market in New York fell to low ebb. Overtaken by panic, the people began to sell their shares in investment companies in a hurry. The value of stocks fell to one fifth of their peak value. In many cases no buyers could be found for the sale of stocks, A huge number of accounts were simply wiped out and the banks were closed one after the other. These marked the beginning of a great depression, which spread to other countries and shook the economic structure of western civilization to its foundations.

**Causes of Stock Market Crash:** Neither among the historians nor among the economists is there any agreement in their evaluation of the causes of the Great Depression. Nevertheless what is undeniable is that certain undesirable features in the economic system conspired together in bringing about a rapid decline of prices of articles and unprofitability of business, leading to the closure of business units and collapse of financial institutions. Yet the most conspicuous were the trends that were centred on the imbalances in market forces.

The situation created by the World War contributed to the rapid expansion of production. The demand for arms, ammunition, fuel and clothing increased. As the farms and villages in Europe were destroyed, the United States was required to supply food items and raw materials to the European countries. As trade increased and economy experienced a boom, prosperity came to the land. As demands increased, prices increased and the firms gave attractive dividends to the share holders. In consequence the people invested their savings with the corporations partly for high dividends and partly for re-sale of shares with great margin. Such speculation in stocks and shares was a common phenomenon at Wall Street it assumed vast proportions in 1927 – 29. This meant that excess funds went much for production and not much for consumption. The imbalance created by more of out put and less of intake cause a serious upset in the economic system.

At the same time no foreign market could be found for the surplus output. In the period after the end of World War I the farms and factories of Europe regained their productivity. In their bid to protect local industries the European countries adopted a system of protective tariff and restricted American imports. This development deprived the country of the foreign market. At the same time there came dislocations in the internal market too. Because of changing dietary habits and clothing styles, the demand for conventional goods went down. In fact the imbalances caused by increased production in agriculture and industry on the one hand and steady fall in demand both at home and abroad on the other caused the Great Depression.

**Hoover and Depression:** On the 24<sup>th</sup> October 1929 prices of shares at the exchange market at Wall Street, fell precipitately and for fear of further decline more than twelve million shares were sold out in hurry the same day. The trend continued day after day, marked by heavy losses in exchange market. The Wall Street panic was followed by a general depression in prices and bank failures, exceeding 4000. As business proved unprofitable, factories cut down production by forty eight percent and sixteen million workers, representing more than one quarter of the nation's total labour force, were thrown out of employment. The farmers, having no control of the prices, continued farming. While the total farm production fell by six percent, the prices by sixty three percent. By 1932 the purchasing power of the farmers was only

about one half of what it had been a decade ago. They could neither meet debt payments nor make interest payments. In the past there had been depressions, yet business eventually recovered. but the present depression not only affected a larger section of the population but also continued in its full fury for years together, with continued fall in the purchasing power of the people. Every year brought with it more business failures, more unemployment and more misery.

The administration was guided by a conviction that what was needed was a revival of business confidence to bring back prosperity. Hoover was opposed to the federal government assuming a major role in affording relief, for he thought that it could be best done by private agencies, city administrations and state governments. In accordance with this policy he called upon the businessmen not to cut wages. At the same time he mobilized private services, sponsored credit expansion and persuaded the local governments to undertake building programmes. However, the effect of these measures was so negligible that the depression continued to rage. With the spread of the panic to Europe and other continents, it became clear that no quick recovery was in sight. In the mean time the presidential election was approaching and something positive was needed to boost the sinking morale of the Republican Party.

Hoover formulated a two fold policy of dealing with depression one at the foreign front and the other at the home front. He persuaded the European countries to accept a moratorium on payment of war debt and reparation, so that the recovery of the economy could be promoted. At home he suggested a programme of aid to owners of property, who were threatened with bankruptcy, but Congress controlled by the Democrats refused its co-operation. The conflict between the executive and the legislature delayed action. Ultimately, after bitter and prolonged debates Congress set up Reconstruction Finance Corporation to lend money to the needy corporations to receive business, to the Federal Home Loan Banks to help house owners and to Federal Land Banks to assist the farmers. While the federal spending was expanded, the taxes were increased for balancing the budget. Despite these remedial measures, the ill-effects of the depression continued to prevail. The trend could be reversed only by the boom generated by the exigencies of World War II during the administration of F.D. Roosevelt.

**Results of Depression:** The results of the depression were mixed. While it benefited a few interest, it badly affected the economy of the country. 1) The workers, who managed to keep full time employment, were actually better off than before, As the result of the fall in prices and with no sharp reduction of wages, their standard of living improved. Like-wise, certain business firms, particularly the cigarette companies took advantage of the fall in prices of raw materials for making more profit. 2) However, for most of the people the depression brought with it misery on an

extensive scale. Fall in prices and consequent losses caused closure of business houses. Lakhs of people who were thrown out of employment with the closure of business house became homeless migrants. They drifted aimlessly through the streets in search of job and food. Many of them erected huts, ironically called Hoover villas, after President Hoover, on vacant spots and led a miserable life. Many workers went to agriculture in search of employment, while some others sought to make a living by selling things in the streets. Private individuals and city governments afforded relief to the victims of depression, but as the economic conditions continued to deteriorate their resources became exhausted. The state and federal authorities were slow in their response as they did not favour interference with private enterprise. 3) The idealistic Americans, particularly writers, professors and students, carried away by the evils effects of depression, came under the influence of socialism. They felt that the remedy to the economic malady was planned economy as in Soviet Russia, which escaped depression. The communists set up fronts to work for trade union rights, peasant welfare and pro –Russian foreign policy. For a time they infiltrated into trade unions and the administrative departments, but their influence began to wane after Stalin signed a pact with Hitler in 1939. In spite of economic demoralisation and growing influence of socialism the people did not lose their faith in capitalism in several countries of Europe like Germany and Italy, it had no such effect upon the United States. 4) The Republicans lost their popularity with the masses. The Democratic leaders held the Republicans responsible for not averting the panic and for not taking effective measures to counter the evils. The decline in the popularity of Hoover and his party helped the Democratic Party with Franklin D. Roosevelt as its candidate to capture the presidency in the election of 1932.

## UNIT – IV

### FRANKLIN D. ROOSEVELT AND NEW DEAL

Franklin D. Roosevelt was inaugurated in the presidency on the 4<sup>th</sup> of March, 1933 at a critical time in the history of the United States. Most of the banks had been closed, many of the business firms were working with losses and millions of workers were unemployed. Yet few presidents had been better trained than Roosevelt for facing the situation. Though he had no peaceful domestic life because of his secret love affairs, he gave strong executive leadership to the country. A distant cousin of Theodore Roosevelt, he served in the New York state legislature and as Assistant Secretary of the Navy under President Wilson. Twice he was elected Governor of New York with large majorities. In the election of 1932 he contested for the presidency as candidate of the Democratic Party, promising a 'new deal' to eradicate the problems that confronted the nation. The party platform promised unemployment relief and social security, favourable legislation for workers, restoration of agriculture, public regulation of security exchanges and holding companies, generation of electric power by the public owned projects, reciprocal trade agreements with foreign countries and continuous governmental responsibility for public welfare. This programme implied a great departure from laissez faire and a swing towards socialism. While Hoover traced the economic malady to external factors, Roosevelt attributed them to the basic defects in the economic system and administrative incompetence of the Republicans. With progressivism as his ideology, Roosevelt became the symbol of dynamic leadership.

### NEW DEAL MEASURES

**Bases of the New Deal:** Roosevelt's New Deal legislations aimed at achieving a three fold objective: relief, recovery and reform –relief for workers, peasants and the unemployed, recovery for the economy of the country and reform to prevent such a panic in the future. They were based upon a conviction that public authority rather than private agency was responsible for public welfare and that state intervention rather than state non-intervention was essential for ensuring social justice.

As the administration asserted, there existed in the economic order several defects, which could be corrected only through legislations. These defects were 1) Industry and agriculture had over expanded, leading to over production beyond normal requirements. To maintain the balance between production and consumption, controls over the use of existing machinery and over new plant expansion appeared essential. 2) Prices were not natural but managed. Monopolistic combinations and imperfect competition led to increased prices. This could be corrected only through an attack on trusts and monopolies. 3) Labour received no fair deal from the community.

The workers were getting an inadequate share of the national income because of their inadequate bargaining power. Their interests could be protected only through recognition of trade union rights and legislation for fixing minimum hours of work. 4) The financial mechanism and banking system held the key to business fluctuations. Therefore state control was essential for their proper functioning. 5) There were several dark spots in the economic system. They included unemployment, poor housing, low income and insecurity caused by sickness, invalidity and old age. These difficulties could not be entirely remedied only by private agencies. 6) Finally, the anomalies, created by high tariff, quota system and foreign regulations worked against the usual absorption of American surpluses in the world market and disrupted the market at home. Control of production and removal of barriers were essential for the orderly working of the world market. Hence the New Deal legislations.

**Relief Measures:** The relief measures were aimed at assisting the banks, the jobless and the farmers. The banking system presented the most serious problem. As immediate action was needed, the President on the day of his inauguration issued an executive order under an old law closing all the banks for four days and prohibiting the withdrawal as well as transfer of gold. Before the four day period was over, Congress was in special session and an emergency banking bill was ready. The new law permitted the sound banks in the Federal Reserve System to function and to liquidate the unsound banks. It also authorised the expansion of Federal Reserve loans and directed the treasury to withdraw all gold from circulation. Within a few days the panic in monetary system was arrested and most of the banking resources were put into operation. An Economy Act provided for a cut in the salaries of public servants and ex-soldiers. Despite opposition, it helped the government to balance the budget.

A series of measures were undertaken for the benefit of the unemployed and the handicapped. A Civilian Conservation Corps was created to provide employment to the men; wandering without work. It employed people to plant trees, erect houses, construct dams improve roads and form parks. Besides food, clothing and shelter, each worker was paid thirty dollars per month and was required to send a part of his salary to his dependents. The Federal Emergency Relief Administration furnished direct aid to the state and local governments for undertaking relief projects. The Work Projects Administration gave financial aid through legal agencies to those who could not do any work. Assignments given to writers, artists and actors helped them to devote to art and learning. The United States Employment Service was organised so as to link local employment exchanges into a nation wide organisation, for finding jobs to the unemployed, Farmers too received aid. However, the effect of these relief measures appeared negligible, neither could the unemployment problem be tackled effectively not could the people be put in worth – while projects. Unrest and unemployment continued to prevail until World War II created a favourable situation.

**Recovery Measures:** The National Recovery Act and the Agricultural Adjustment Act, both enacted in 1933, constituted the principal recovery measures. The National Recovery Administration (N.R.A.) was created to help business-revival through restriction of competition and stabilization of prices. In return for governmental protection the business was required to make concessions to labour. The industries were persuaded to accept codes of fair competition, which were supposed to curtail over-production and price cutting and to promote employment and better working conditions like higher wages and reduced hours of work. The code authorities enforced these codes, which had the force of law, under the overall direction of the N.R.A. headed by a colourful figure, General Hugh Johnson. The workers were granted the right of collective bargaining. As in communist movements, the N.R.A. was launched with parades, fire works and speeches. The anti-trust laws were relaxed for promoting co-operation among firms and hundreds of codes were drafted. The N.R.A. represented the most important of the New Deal legislations but in practice it proved a failure. In trying to promote business cooperation the administration helped monopolistic combinations. Prices increased rapidly but the wages not proportionately. Many of the industrialists particularly Henry Ford refused to have anything to do with N.R.A. The Act was eventually struck down by the Supreme Court on the ground that Congress had no right to alienate its law making power to any agency like code authority. Though no attempt was made to revive it some of its features like trade union rights and restriction of unfair competition were written into laws.

The Agricultural Adjustment Act (A.A.A.) constituted the pillar of agricultural recovery programme. It was intended to cut down farm production and to raise farm prices. The farmers, who accepted the programme, were required to reduce the acreage that they devoted for basic products and were compensated for leaving their fields fallow. The needed amount was raised through an excise levy on food processing. The farmers did not favour governmental regulation, yet as there was no other go, they agreed in general. But in 1936 the Supreme Court invalidated the Act on the ground that it impaired the state rights and that the excise levy represented an unconstitutional misuse of taxing power. Therefore in 1938 a second Agricultural Adjustment Act was passed with a view to achieving an “ever normal granary”. The critics of this legislation declared that it was economic insanity to pay people for producing less. Nevertheless prices increased, but the benefits went mostly to rich commercial firms.

**Reform Measures:** As part of the New Deal, legislation were enacted to prevent the recurrence of the situations leading to stock market crash. The federal government assumed control of the national banking system. The Banking Act of 1933 forbade the banks from engaging in investment business, restricted the speculative use of -bank credits and extended the control of the Federal Reserve System to all the banks. It

created the Federal Deposit Insurance Corporation to insure all deposits up to 5000 dollars. The Securities Act of 1933 regulated the working of stock exchanges and held the directors of the corporations as responsible for furnishing any false information to share –holders. The Securities Exchanges Act of 1934 created the Securities and Exchange Commission to regulate the issue of securities.

In an attempt to help increase of prices of articles to their former level Roosevelt decided to reduce the value of dollar. This meant the abandonment of gold standard. While the gold content of the dollar was reduced by forty one percent in relation to the old dollar, the paper dollar was devalued to less than sixty percent of its former value. The administration withdrew gold from circulation. It purchased gold and silver and stored them away. In consequence the United States like the other countries developed a monetary system with emphasis on a managed currency.

The administration made an experiment in public ownership of projects in 1933, when it created the Tennessee Valley Authority (T.V.A). It was empowered to build and operate irrigation and power schemes on Tennessee, to manufacture fertilizers and to reclaim an extensive area in seven states, through which the river flowed. A similar programme was undertaken in the Columbia River basin. This was regional planning of a kind unheard of in the United States but common in socialist countries. By 1940 the T.V.A. completed seven dams, under took soil conservation and began selling electric power and fertilizers at cheap rates. The leftists welcomed the T.V.A. As the forerunner of a new economic order, but the critics condemned it as an unwanted public venture, financed by people’s money but paying no interest on taxes.

Because of growing demand for welfare measures, Congress in 1935 enacted the Social Security Act. This law created a Social Security Board to administer old age insurance, beginning at the age of sixty five, unemployment compensation and federal aid to the destitute people, maternity care, and child health and the welfare of the crippled, the aged and the blind. These measures represented a significant endeavour made by a capitalist state for the care of the unfortunate sections of the population while no such attempt is made even for the care of lepers, beggars and crippled in a socialist country as the present day India claims to be.

**Supreme Court and New Deal:** Roosevelt began his second administration with a daring move aimed at the reorganisation of the judiciary. He was bitter at the opposition of the Supreme Court to his New Deal, for between 1935 and 1937 the Court declared seven of the basic New Deal laws, particularly the N.R. A. And the A.A.A. as unconstitutional. Of the nine judges four were conservatives, four liberals and another judge-Roberts-stood squarely in the middle. In practice what the government could do or not depended upon what Justice Roberts thought that morning. Added to this, it was explained that seven of the nine justice were appointed



by Republican presidents and six of them passed the age of seventy. The demand for the reform of the Court gained strength, when it invalidated a New York state law, which fixed minimum wages for women. It was feared that so long as the Court maintained its opposition, no authority could regulate wages and hours for the benefit of workers.

Roosevelt proposed that when a judge exceeded the age of seventy and yet continued in office without retiring, the President should have the authority to appoint an additional judge to assist that particular judge. As six of the Judges passed this age limit by this time, mean that the strength of the Supreme Court would be raised to fifteen. But the court bill roused country wide opposition. Congressmen, who were already annoyed at the extension of presidential authority under the New Deal, decided to use this opportunity not to allow the President to have his way. The Court in the mean time changed its attitude and gave decisions favourable to the New Deal. This convinced the people that the reorganisation of the Court was uncalled for. In 1937 Congress voted against the Court Reorganisation Bill. Nevertheless the president carried out changes when retirement or death of the old judges enabled him to appoint younger and liberal men of his choice.

**Evolutionary or Revolutionary?:** The new Deal continued in operation until 1931. Since then the crises in world affairs so much pre-occupied the attention of the administration that it ignored further attempts at domestic reform. The outbreak of World War II created a new situation in which the Americans could sell their goods, gain profits and revive business. This rendered New Deal measures superficial.

The results of the New Deal were mixed. The good results were 1. It enabled the country to face the problems, created by the Great Depression without sacrificing its capitalistic order. 2. It resulted in the implementation of numerous projects intended for irrigation, power generation and soil conservation. 3. The government assumed the control of the banking system and responsibility for social security 4. And it promoted the co-operation between the peasants and workers so as to counter the growing power of big business. There were bad results too. 1) In the name of relief and recovery huge sums of money were wasted on useless projects. This caused increased public debt, deficit financing and heavy taxation. 2) The administration exploited the opportunity to extend its authority. It assumed more powers, created more offices, violated the principle of free business enterprise and made inroads into the liberties of the people in the name of social welfare. 3) It badly affected productivity too. The government assumed from the private investors much of the responsibility of putting the savings of the community for capital investment. The attack on private enterprise imposition of bureaucratic controls and levy of more taxes created a state of uncertainty in which business expansion became impossible. 4) The New Deal failed in realising its

primary objective, namely revival of full production and employment. Even by 1937, when the New Deal reached its peak, there remained seventy five lakhs of people without jobs and the national income stood much below the figure of 1919. It is asserted with substantial truth that the administration hurried to join the World War II much because of its anxiety to cover up its failures.

By its very nature the New Deal was evolutionary as well as revolutionary. It was evolutionary in the sense that it represented an extension of progressivism. This was because 1) The methods employed were Hamiltonian in character, for it assumed wider powers for, Jefferson an, for it sought to promote the welfare of the peasants and the workers. 2) In many of its features it marked a continuation of progressivism. In the past the Populist Party and the peasant organisations demand that the federal government should assume a positive role for promoting social welfare. During the administration of progressive presidents and governors, attempt were made to regulate the working of industry, banking and commerce and to provide social security. Roosevelt was much influenced by the progressive presidents, Theodore Roosevelt and Woodrow Wilson. No wonder, he sought to consolidate progressivism. 3) Added to these, the New Deal made no changes in basic aspects of the society. Neither was the private ownership of property violated nor was any economic enterprise nationalised. Though a stream of legislations poured from a submissive Congress, it was done in the name of strengthening the basic structure of society through the eradication of evils. As a white House official asserted; “the effort is not to destroy our institutions but to save them from the poison of unlimited greed and to turn the results of common efforts toward more general benefits”.

Yet the admirers as well as opponents of the New Deal describe it as revolutionary. In some respects this is true. In the past the state played no direct role in economic activity, for it stood above contests in the market. But under the New Deal it abandoned its self imposed seclusion and assumed an interventionist role. Not only did it compete with private corporations but, did impose controls over free enterprise and use its overwhelming authority to promote social security. The laissez faire state with a few agencies and small body of servants transformed into a ‘social service’ with complex machinery and a large army of bureaucrats. Secondly, it inaugurated a system of regional planning as in the Tennessee Valley and Columbia Basin and accepted broader responsibilities than what was in the past for giving social security to the under privileged. In these respects the United States followed the example of countries, which accepted social welfare and social justice as their creed. Thirdly, it promoted equilibrium in the political set up of the country. The rise of big business badly affected the interests of the labour and the peasantry. Now a big bureaucracy, a big labour and a big peasantry were set as checks on big business.

## GOOD NEIGHBOUR POLICY

The New Deal period witnessed changes in the techniques and contents of American policy towards foreign countries, particularly the Latin American states. The United States gave aggressive interpretation to the Monroe Doctrine and frequently interfered in the internal affairs of small states under the pretext of threat from Europe or in the name of protecting American life and property or under the guise of maintaining law and order—all calculated to serve selfish interests. Theodore Roosevelt resorted to what was called big stick diplomacy, while Woodrow Wilson relied on violence, embargo and intervention for wresting concessions. The Republican administration of the post-war period followed the same rigorous policy. Protected by the war machine, the American capitalists invested capital in plantations, mines, factories and trade, but their activities eventually led to the exploitations made by official as well as private agencies, excited suspicions and opposition in Latin America. The leaders of Latin America bitterly resented the Monroe Doctrine and felt aggrieved that the United States was holding a protective umbrella over their states, when there was neither sun nor rain. Still they appeared helpless.

However, the world situation was fast changing and assuming threatening proportions. It was found essential to allay the suspicions of the countries against the Colossus of the North so as to present a united front against external challenges. Secondly, there developed internal opposition to foreign interventionism. Each aggression or intervention brought in its wake more taxes and other burdens to the common people of the United States. The public opinion became more and more dissatisfied with the policy, pursued by the administration for the benefit of big business abroad. Added to these, the country placed in a stronger position than ever before, found intervention in the small states not longer very necessary to safeguard its interests against European designs. These factors prevailed upon the administration in evolving a friendly policy towards Latin America.

**Republican Policy:** The Republican administration of the post-war period made earnest attempts towards the improvement of relations with the neighbouring countries. In Mexico the Americans owned extensive lands and held oil rights. The relations with that country had been strained for long over the issue of nationalisation of foreign assets. President Harding even threatened war. However, due to the efforts of Ambassador Dwight Morrow, Mexico agreed to settlement promising compensation to the American citizens for losses incurred because of nationalisation.

President Hoover took steps to cultivate cordial relations with Latin America. He made a tour immediately after he was elected and formulated a policy aimed at the abandonment of interventionism. In 1930 his administration published a declaration on the Monroe doctrine called the Clark Memorandum. It states that the United States

had no superior status in relation with other American countries and that the Monroe Doctrine was directed against Europe and not against Latin America. This in effect meant repudiation of the Roosevelt Corollary, which assigned a police authority to the United States in her relation with nearby countries. In accordance with this assertion Hoover withdrew forces from Nicaragua. Under President F.D. Roosevelt this attitude of equality and amity was consolidated into what was called the good neighbour policy.

Roosevelt's Policy President F.D. Roosevelt in his inaugural address in March 1933 stated; 'I would dedicate this nation to the policy of the good neighbour who resolutely respects himself and because he does so respects the rights of other'. Again in December 1933 he observed: 'the definite policy of the United States from now on is opposed to armed intervention...' These assertions represented a unilateral statement of policy, which could be changed or abandoned at will. Yet in 1933 Secretary of State, Cordell Hull, signed a convention at the conference of American states at Montevideo, declaring 'No state has the right to intervene in the internal or external affairs of another'. Three years later, this assertion was incorporated into a protocol, accepted by the Senate. The good neighbour policy was applied towards the Philippines too.

Every president since Me Kinley held out the hope of freedom to the Filipinos, but the Yankees refused to withdraw. IN 1916 independence was offered, yet it was deferred. However, the Great Depression created circumstances in which the United States felt that the archipelago was more a liability than an asset. The sugar growers of the southern states resented competition from the islands. The daily interests demanded the exclusion of coconut oil imported from the islands so that milk products could be sold with high profit. The white workers did not favour the migration of coolies from the Philippines, for the latter offered cheap labour. The liberals demanded the granting of independence as it had been promised for long. Added to these, it was feared that unless it was done, the islands would fall to the Japanese army. Compelled by these factors, Congress during the administration of Hoover in 1933 passed an act providing for independence after ten years, but reserved the right to retain naval and military bases. The islands rejected the offer. In 1934 the Tiding Mc Duffie Act Provided for complete independence after a ten year period. Naval bases were left for future discussion. This decision was implemented in 1946, leaving the two countries free from each other.

The Roosevelt administration did much to undo what the previous presidents did in the Caribbean. A treaty signed with Cuba in 1934 provided for the abrogation of the Platt Amendment, which had secured for the Americans the right of intervention in the island. IN the same year all troops were withdrawn from Haiti. A treaty with Panama, signed in 1936, stated that the United States would have no right of intervention in

that state. Mexico nationalised foreign oil interests, valued at forty crores of dollars. The United States agreed to refer the issue of compensation to a joint commission and a settlement came in 1939. The American customs receivership over the Dominican Republic was ended in 1940. Reciprocal trade agreements, concluded with Latin American states, contributed to the expansion of trade. In the mean time the inter-American conferences, held at Rio de Janeiro in 1933, at Buenos Aires in 1936 and Lima in 1938 went a long way in promoting co-operation among American powers.

The good neighbour policy had its rewards. The Monroe Doctrine, so long a unilateral policy of the United States, was made a collective responsibility of the American countries. It was made the basis of their quest for collective security. At the political and commercial levels, it helped the promotion of co-operation. However, all the irritants were not removed. The Latin American states particularly the Caribbean republics, still entertained a lingering fear about American designs. Nor did the Yankees change suddenly. A real departure from the old policy was that the American administration became more realistic. The government was convinced that American interest could be served best without exciting suspicions, not by physical intervention and occupation but through intrigues and influence.

### **RELATIONS WITH RUSSIA**

**Early Relations:** In early periods the relation of the United States with Russia, was marked by amity. Though it lacked warmish. The, distance between the two countries, absence of any area of conflict periodical expressions of good will, identical views on neutral rights and common opposition against the British Empire contribute to this situation. Subsequently there came conflicts and disappointments.

In 1780 Francis Dena went to Russia to seek recognition for the United States. But the Tzarist regime refused to receive him for fear of Great Britain. During the Napoleonic Wars, the Russians needed the services of the American merchant marine because of war with England. Therefore in 1890 Russia recognised the independence of the United States, leading to the establishment of diplomatic relations. During the war of 1812 the Tsar offered his mediation for the settlement of peace, but England did not accept it. By this time Russia firmly asserted her authority over Alaska and issued a decree extending her jurisdiction from 54°40` up to 51°. Alarmed at this move, president Monroe in his Monroe Doctrine denied the right of colonisation of America by the European powers. In 1824 Russia signed a treaty with the United States, withdrawing her jurisdiction to the parallel, 54°40` - During the Civil War the relation between the countries continued to be friendly and in 1867 Russia sold Alaska to the United States.

**Causes of Friction:** However this state of friendly relations did not last for long. Russia extended her influence to the frontiers of China, while the United States established commercial interests in East Asia. Eager to keep China open for trade; the United States formulated the open door policy. Russia on the other hand moved to Manchuria and challenged the open door. Despite this development, Theodore Roosevelt extended his assistance for the settlement of a peace treaty during the Russo–Japanese War. President Taft relied upon dollar diplomacy for promoting American influence in China but Russia and Japan presented a combined opposition.

The persecution of the Jews also served as a source of ill-feeling between the two countries. Between 1880 and 1900 the Russian Jews in large number were forced to seek asylum in the United States. The Jews, as American citizens, visited Russia, but were subjected to ill treatment. This violated a treaty signed by President Buchanan, which guaranteed equal rights for the Americans in Russia and the Russians in the United States during their visits. Therefore President Taft abrogated this treaty. In an attempt to settle the disputes Secretary of State, Bryan, signed a cooling off treaty with Russia, providing for mutual restraint and no war for one year.

**Russian Revolution:** In 1917 revolutions broke in Russia. As the result of the March Revolution, Kerensky established his government. A moderated socialist he pledged to keep the country in war against Germany. President Wilson felt that the revolution represented the working of the American ideal of freedom. Eager to keep Russia in the war and to secure concessions for American business interests, he extended recognition and authorized the bankers to give loan to the new government. But the war was unpopular with the Russians, for they stood to gain nothing. The Bolsheviks in the mean time won the support of the army and the working class by promising that they would take the country out of war.

In November 1917 there broke out a second revolution and the Bolsheviks captured power. Secretary of State Lansing believed that this was transitional and would soon be followed by a reaction. Russia now withdrew from war, repudiated war debts, exposed the designs of Allied Powers and threatened the countries with a world revolution. Therefore the administration decided not to extend recognition to the new regime. It waited for a reaction, but there came no reaction and the Bolsheviks proceeded to consolidate their power. The United States now decided to co-operate with Great Britain in sending forces to Mermensk. Troops were landed partly to hold the line against the Germans and partly to promote reaction against the communist regime. Russia however, made peace with Germany and warned the powers against committing intervention. Despite this, Wilson sent more forces to Archangel and Vladivostok in violation of territorial integrity of a foreign country. When the Peace Treaty at Paris was settled, he was prepared to withdraw American troops if Russia

granted certain concessions, which included payment of war debt, no nationalisation of foreign firms and facilities for American investment. He sent a mission to Russia to discuss the issues but because of internal criticism he withdrew the troops without gaining concessions.

The subsequent developments hardened the American attitude against recognitions of Soviet regime. The Republicans attributed the bomb attacks, sabotage and labour disturbances, that marked the Great Red Scare in the United States to Bolshevik inspiration. The Kerensky regime. The Poles declared war on Russia and to their struggle for freedom Wilson extended his sympathy. In 1921 there came a famine in Russia. The American Relief Administration, supported by private contributions, reached to the aid of the Russians but the Bolsheviks charged that the Americans attributed the famine to the failure of communism and that they extended aid only to white Russian, who opposed the red regime. In fact food was neither graciously given nor graciously accepted. As a result it created no goodwill between the two countries.

**Recognition of Soviet Regime:** As years passed by, the Americans were convinced that despite their attitude the communist government was gaining strength and receiving recognition from the rest of the world. In the United States the Republicans, who committed the country to non- recognition, went out of office and the Democrats with F.D. Roosevelt as President came to power. The liberals and intellectuals argued that Russia was not the only country, which defaulted payment of war debts and that recognition would soften communism. The Great Depression too contributed in a significant way to the movement in favour of recognition. The business interests believed that recognition would open vast market of Russia to American goods and it would relieve unemployment in the country. Also in view of the threatening situation in Europe and Asia, created by the gathering war clouds, good will of Russia was considered essential to counter the influence of Germany and Japan.

President Roosevelt sent a letter to President Kalinin indicating the willingness of his administration for a frank discussion to remove difficulties. The Roosevelt – Litvinov Agreement signed at Washington on the 16<sup>th</sup> of November 1933 provided for a settlement. On the 17<sup>th</sup> the United States extended recognition to the Soviet government. In return Russia consented to discontinue communist propaganda against the United States, to grant freedom of worship to Americans in her territory and to waive all claim for compensation for American expedition in Siberia.

Before long the Americans discovered that recognition brought with it none of the expected benefits. The two powers competed against each other in inflating their claims The united States asked for repayment of war time debts, while Soviet Russia demanded compensation for the invasion of Mermensk and Archangel. This

development kept their relations strained. The Americans wanted to expand their trade, but the Russians took no definite interest and even the existing trade continued to sink. The Bolsheviks desired to have a large loan but the Yankees would not give it for fear of inviting troubles. In consequence there came no understanding. At the most it placed them in a position in which they could exchange words. A turning point came, when the Nazi aggression made them common enemies of Germany, preparing the ground for their mutual co-operation during World War II.

### **U.S.A. AND WORLD WAR II**

Since 1920 the hopes of making the world safe for peace and democracy receded to the back ground. The Communists in 1917 established a ‘dictatorship of the proletariat’ in Russia. The Black power in Italy. Hitler organised the Nazi party and gained control of Germany in 1933. The dictators suppressed liberty. Created large war-machine and embarked upon aggression. In 1929 the Soviets made a full scale invasion of northern Manchuria. In September 1931 the Japanese moved into southern Manchuria. When China appealed to the League of Nations, the latter censured Japan but took no action to vacate aggression. Secretary of State, Stimson, declared that the United States would not recognize any situation, treaty or agreement, which might be brought about by means contrary to the covenants and obligations of the Kellogg – Briand Pact. This was the Stimson Doctrine. In 1935 Italy invaded Ethiopia. The League of Nations applied economic sanctions. Yet Italy occupied the entire country. The League of Nations lost much of its credibility, when Japan and Germany repudiated it and withdrew their memberships. There upon in 1937 Hitler proceeded to organise a new power bloc- the Berlin-Rome-Tokyo- Axis - and signed with Japan the Anti-Comintern Pact against Russia. Against this combination there came a rival alliance of France, Britain and Russia. In 1938 Germany annexed Austria and in 1939 Czechoslovakia and threatened Poland. Greatly alarmed, Britain and France signed a treaty with Poland, guaranteeing her independence and territorial integrity. On 1<sup>st</sup> September, 1939 Germany attacked Poland and two days later France and Britain declared war on Germany. Thus broke out World War II.

### **ISSUE OF NEUTRALITY**

While Europe was drifting to the arena of war, forces of isolationism were gaining strength in the United States. Several factors contributed to this trend. 1) The Great Depression had wrought such havoc in the country that the problems of reconstruction engaged the full attention of the administration. Distracted by the economic malady, there was little interest to follow the developments elsewhere, 2) In the mean time the Senate Committee under Gerald P. Nye studied the events which led the country to World war I. Its report made the startling revelation that the manufacturers of deadly weapons influenced America entry into war and accumulated



huge profits. The people were convinced that isolationism was essential to deny another opportunity to these merchants of death for amassing wealth at the expense of human life. 3) President Wilson, when he intended to end war for ever but this proved nothing but a reverie. Neither did the peace settlements nor did the post war developments promise the fulfilment of this dream. 4) The Allied Powers with the solitary exception of Finland failed in their obligation of liquidating the war debt of World War I. The money loving Yankees found it impossible to compromise with this attitude. They appeared determined to keep the country out of international entanglements so that a similar situation could be averted. 5) Finally, sections of the population took the view it was impossible to save Europe from recurring disasters and it was unnecessary for the Americans to become unduly concerned with such developments. The growing isolationism that emerged out of these considerations found expression in neutrality legislations.

A series of legislations, enacted between the years 1935 and 1937 sought to keep the nation out of war. The acts imposed several restrictions which: 1) required all persons engaged in the manufacture of munitions to register with the Secretary of State and to export their products only under a license. 2) Laid an embargo on the shipment of all munitions, arms and implements of war to belligerent powers. 3) Stipulated that any indirect war materials like food, cotton and steel should be handed over to alien nationals only on a cash and carry basis, which meant that they should be paid for in cash and should be taken in the ships of the purchasers. 4) Forbade American vessels from carrying arms to the warring powers and warned the American citizens that they could travel in belligerent vessels only at their own risk. 5) Denied to the warring powers right to float loans in the United States. Through these measures Congress reversed the traditional American stand for freedom of the freedom of the seas in a bid to keep the country out of war.

**Roosevelt's Policy:** However President Roosevelt had no personal sympathy for neutrality. A strong pro – British American as Wilson was, he believed that the country could remain at peace only by helping preventing of war. To him this meant aid to the Allied Powers. Therefore he used the Neutrality Acts not to enforce a neutral policy but to punish the aggressors and to assist their victims. Thus he applied the embargo provision in the Italy – Ethiopian War (1935) as he knew that only Italy and not Ethiopia would purchase arms from the United States. In the Sino- Japanese War (1937) he did not invoke the law so that the Chinese could obtain arms supply. In an address at Chicago Roosevelt compared international lawlessness to a physical disease and called for the quarantine of aggressors. But the public opinion did not favour American involvement in any conflict. Because of internal opposition, the President refused to elaborate the implications of his quarantine speech.

On the outbreak of war the President issued a proclamation of neutrality and applied the arms embargo and other provisions of the neutrality acts against the warring powers. Yet Roosevelt was convinced that Allied victory was essential to prevent an eventual encirclement of the United States by the Axis Powers. The German victories in 1940 led him to the conclusion that the Allies could be enabled to win the war only through American participation. It seemed logical better to war on the side of defendable allies rather than war on the side of defeated allies. Yet public opinion was not in favour of entry into war. Determined to prepare the ground for joining the Allied camp, he advocated all out aid, short of war, to help the British and the French. As this required modification of the Neutrality Act, he called Congress into a special session in November 1939 and persuaded it to repeal the arms embargo. The 'cash and carry' provision however continued to be applied to all trade with warring powers.

The attitude of the administration together with traditional interests created division in public opinion. The isolationists opposed the extension of any aid to the Allies for fear that it would entangle the country ultimately into war. Their cause was ably expounded by the America First Committee, which included some of the influential leaders like William Hearst and Gerald P. Nye. On the other hand the interventionists demanded the extension of all aid short of war to the Allies. This view was championed by the committee to Defend America by Aiding the Allies, headed by William White. In 1941 some of the interventionists, who advocated outright participation in war, formed themselves into Fight for Freedom Committee. While their debates were on, developments in Europe assumed alarming proportions.

To the Arena of War: Within a few months Poland, Denmark, Norway, the Netherlands and Belgium fell in quick succession to the German blitzkrieg. In June 1940 France surrendered to the combined forces of Germany and Italy. There remained only two powers to be conquered – Great Britain and China. Badly assailed by the hostile war machine, they stood in need of urgent succour. The administration was greatly agitated over the possibility of collapse of the British Empire.

The undertakings made by the administration in defence of British interests led the country steadily to the certain path of war. The first was the Destroyer Bases Deal. Great Britain urgently needed swift naval vessels for anti – submarine activity and convoy duty in the English Channel and the North Sea. Roosevelt turned over fifty destroyers to the British navy in return for the right for a ninety nine year period to set up and maintain American bases at eight centres in the British Empire. This was done in violation of the Neutrality Acts, Yet Congress fell in line. The second development was the re-election of Roosevelt in 1940. The Democratic Party nominated him for third term in the presidency, while the Republican Party nominated

Wendell L. Willkie. The two parties declared against participation in any foreign war, though the Democrats added a qualification, "except in case of attack". Roosevelt returned to the presidency. Free from the uncertainty of re-election, he found it easy to work out precipitate a crisis. The third was the Lend Lease Deal. Immediately after re-election, the President received a letter from Prime Minister Churchill of Great Britain, setting forth the urgent defence needs. In response Roosevelt decided to offer aid without creating the problem of war debt. The result was lend lease or lending goods instead of money. The Lend Lease Act of 1941 authorised the administration to make available to any country, whose defence the President deemed vital to the defence of the United States, any defence article, service or information. Launched on a modest scale, the programme eventually conveyed goods and services worth more than fifty billion dollars. For all practical purposes this marked the end of neutrality.

As a next step in violation of declared neutrality, the administration entered into discussion with the English for joint military operations against the Axis Powers. Accordingly in 1941 British and American officers held secret conferences at Washington and decided to co-ordinate their war effort. They also agreed to give priority to the defeat of Germany over that of Japan, for fear that the German scientists would develop secret weapons, the nuclear arms. In June 1941 Germany attacked Russia. This turn of events brought Russia on the side of Allies. Encouraged by this development, Churchill and Roosevelt met in a conference in Newfoundland in August 1941 and issued the Atlantic Charter. It set forth their war aims, which included several principles no territorial gain for their nations, respect for the right of the people to choose the form of government that they wanted, freedom from fear and want, freedom of the seas and disarmament of aggressor nations. This marked a step nearer to war, for as Churchill himself wrote, the fact that the United States, still technically neutral, joining with a belligerent power in making such a declaration was astonishing.

The supply of lend lease items could not be effected without inviting clashed with the German navy. The American war ships and air force escorted the carriers and passed on information about German moves. The confrontation of the American navy with the German submarines culminated in an attack on the United States take the country into war, now reported: we have wished to Congress did away those sections in the neutrality law which still prevented the country from entering the war. Thereupon in the Atlantic Charter the President vowed to destroy the 'Nazi tyranny'. He directed the navy to shoot the German submarines, advocated freedom of the seas and even declared that the shooting war had started. Despite these serious provocations, Hitler as a real statesman, threatened no reprisal, issued no ultimatum and refused to invite a war the United States. When the President and war hawks were languishing and panting for declaring the war, but afraid to declare war without

some plausible excuse than what they dared to assert, there came the pear Harbour episode.

Pearl Harbour marked the culmination of chain of events in the aggressive confrontation, posed by the United States against Japan. The American snatched away the Hawaii Islands and endeavoured to gain political ascendancy in East Asia. They foiled the Japanese bid to secure possession of entire Sakhalin from Russia, discriminated against Japanese immigration to the United States and resorted to the persecution of Japanese settlers. Annoyed at these provocations, Japan in 1938 announced the “New Order for East Asia” aimed at the liquidation of western influence. In accordance with this principle the Japanese extended their influence southward, threatening the destruction of American and European imperialism in South East Asia. As a retaliatory measure, the United States served notice for the abrogation of the commercial Treaty of 1911. Undeterred, Japan landed forces in Indo-China. Thereupon the United States placed an embargo on export of scrap iron and steel to Japan and granted a large loan to china. This was followed by the freezing of Japanese assets in the United States and the consequent denial of commercial rights. Japan wanted to settle the differences through direct discussion but Roosevelt refused to grant an interview to Japanese Premier, Konoye. On 7<sup>th</sup> December, 1941 the Japanese bombers attacked Pearl Harbour, sank or damaged nineteen ships and immobilised the American Pacific Fleet. The next day Congress recognized the state of war with Japan. A few days’ later Germany and Italy declared war on the United States.

**Major Campaigns:** The process of entry into war was complete. In 1942 the American army marched to the war front in Europe and the Pacific but were quickly thrown into the defensive. Axis Powers continued to gain thrilling victories in the West as well as in the east. The Germans made heavy strikes against Great Britain and Soviet Russia, while the Japanese invaded the Philippines and descended upon the British, Dutch and French colonies in South East Asia. The British Asiatic Fleet and the American Pacific Fleet were badly crippled. For a major offensive, the United States embarked upon preparation on a scale, unprecedented in her history. The army was increased to five million troops by the end 1942 and more than one million were sent overseas.

In November, 1942 the combined forces of the United States and the British Empire opened a front in North West Africa. The army, commanded by General Eisenhower, fought a bitter war against the German and Italian army led by General Rommel. Greatly out-numbered, the Germans and the Italians in Africa retreated. In the succeeding months reinforcements were rushed in preparations of an invasion of Italy. The Allied forces landed in Sicily in July, 1943 and advanced to the Italian

mainland. The Italian government surrendered and the German troops in Italy retreated to the northern mountains. In June 1944 the American and British forces landed on the Northern and southern coasts of France and began a two pronged offensive. The two expeditions soon joined and drove the Germans out of France and Belgium. The German forces struck back in the Battle of the Bulge in Belgium but were over whelmed. Russia in the mean time drove the Germans from her territory and occupied Rumania, Bulgaria, Hungary and Poland. While the British and American forces attacked Germany from the west, the Russian army advanced to Berlin from the east. The defences of the Axis Powers collapsed. Mussolini was captured and executed. Hitler was believed to have committed suicide. The German Government headed by Doenitz surrendered to the victorious enemy. The United States, Great Britain, France and Russia divided Germany into four zones of occupation. The American held possession of a part of Berlin and most of southern Germany east of the Rhine, until these areas were integrated with the other non-communist zones to form West Germany.

In the East the Japanese occupied the Pacific Islands, held by the Americans, and forced Mac Arthur, the Commander of American forces, to evacuate the Philippines and fleet to Australia. However, after gaining two major victories on the Japanese navy in 1942 the United States launched a powerful offensive the troops landed on the island of Guadalcanal in the Solomon's. By October 1944 they advanced to the Philippines. After the recon quest of the Philippines, the Americans occupied two Jima and Okinawa in the course of desperate battles. On August 6, 1945, the U.S. war planes launched an atomic blast of Hiroshima and on 9 Nagasaki, destroying most of the population of these cities. Russia too declared a treacherous war on Japan. Confronted with more of ordeal, the Japanese surrendered unconditionally in August. The Army of occupation under the command of Mac Arthur moved into the islands, disarmed the forces, executed the leaders and instituted an oppressive sway.

**Behind the Lines:** Determined to lead the country to victory. Congress voted large grants for the expansion of the army, navy and air force. Between 1940 and 1945 the federal government spent 310 billion dollars. To raise the money taxes were increased and war bonds were sold. The Selective Service Act required the registration of all men between twenty one and thirty five years for military service. Subsequently all men, between eighteen and forty five were called for enlistment.

A Council of National Defence administered the distribution of raw materials, supervised production, controlled the prices and handled labour problems. After the American entry into war, these functions were entrusted with the War Production Board. It was assisted by specialised agencies - the Federal Loan Agency which

provided funds. War Man – Power Commission which allocated labour and the War Shipping Administration which supervised the building of bulk carriers. Organised labour extended its support and strove hard to avert labour unrest. Railways continued to operate under private control but the federal authorities regulated their working> in 1944 the war production of the United States and the British Empire reached four times that of the Axis – Powers. Restrictions upon civil rights were imposed, but not so rigorously as they were during World War I. However the Japanese settlers were persecuted and were shut in concentration camps. The great demand for commodities caused high prices, scarcity of labour and shortage of raw materials. Therefore all essential items were rationed and price ceilings were imposed.

**Debacle in Diplomacy:** In 1941 Roosevelt and Churchill met in Newfoundland and issued the Atlantic Charter, setting the war aims. In 1943 Roosevelt, Churchill and Stalin met in conferences at Moscow, Cairo and Teheran. At Moscow they decided to open a second front against Germany and to organise an international organisation after the end of the war. The Cairo Conference pledged to continue fighting till the Japanese were expelled from China. At Teheran they formulated a strategy for opening the second front, as decided at Moscow and Russia promised continued cooperation to the United States and Britain even after the war was over. In 1943 and 1944 the delegates of the Allied Powers held a series of conferences to consider the possible post war problems. They decided to create a relief and rehabilitation administration to promote post – war reconstruction and an international bank for reconstruction and development to help stabilization of monetary system. The Dumbarton Oaks Conference made proposals for forming a United Nations Charter.

The Yalta Conference held in 1945 was the most significant of the war time conferences and a major defeat for U.S. interests. It announced that a meeting of the United Nations would be held at San Francisco on 25 the April 1945 to create a world organisation for peace, Roosevelt gave his secret consent that Russia might have three votes in the United Nations Assembly, veto power in the Security Council, territorial concessions in eastern Poland, dominance over Manchuria, annexation of southern Sakhalin and the Kuriles from Japan and retention of Outer Mongolia as a satellite. In return for these concessions, Russia agreed to declare war on Japan and to organise democratic governments for Poland and Yugoslavia. The Conference also decided to divide defeated Germany into four military zones, one each under the United States, Russia, Britain and France, Roosevelt died in 1945.

The Yalta Conference represented a major debacle for American diplomacy. China fought on the side of the Allied Powers, but for persuading Russia to declared war on Japan, Roosevelt betrayed her by assigning her territories of Outer Mongolia and Manchuria to the Soviet without her consent. Japan reached a stage of collapse

and Russia aid was not really in need. The vast concessions granted to the Soviets upset the balance of power in East Europe and East Asia in favour of Russia. Added to these, Yalta indirectly helped the spread of communism. IT weakened the administration of Chiang Kaishek and strengthened the forces of communism . Stalin not only annexed Estonia, Lithuania and Latvia with Russia but also organised communist to governments in Poland, Hungary and East Germany. IN 1945 another conference was held at Potsdam. Represented by President Truman, it decided to divide Berlin into four zones one each to be held the United States, Britain Russia and France and announced the objectives of Allied occupation of Germany. They included disarmament, destruction of Nazi Party , removal of industrial equipment and creation of democratic form of government.

In fact the United State greatly contributed to the victory of the Allied powers as well as to the spread of communism. She went to the aid of the Allied Powers at a critical juncture, supplied the major needs of the Allies, and much of the man power needed to fight Germany and Italy in the West and Japan in the East. However it cannot be denied that wanton destruction of the population of two Asiatic cities by nuclear blast represented an extension of American savagery, already perpetrated in different areas of the world. The war time conferences resulted in the settlement of certain post war problems and the creation of the United Nations organisation. In the mean time they created new problems, particularly inn relation with Russia and China. The vast concessions conceded to the Soviets greatly helped in the expansion of communism in Asia as well as in Europe.

### **Pan American Movement**

The inter - American Movement or the Pan American Movement gained wider acceptance during the world war period. It aimed at promoting the participation of all Free states of the American continents indifferent forms of co-operation economic, cultural and political. The movement had its origin in the early days of independence. In 1820 Henry Clay outlined a plan for the organisation of a freedom league of American states. Four years later, Jose Rebello, the Brazilian envoy, suggested to President Monroe the need to organise a concert of American powers to sustain their independence. The Panama Congress, convened in 1826 by Simon Bolivar, one of the liberators of Latin America, initiated a movement for American union. However several factors like political instability, national rivalry. European intrigues and suspicion against the Untied States prevented the formations of a league of American states. It was only after the dawn of the twentieth century that the movement gained real acceptance with the powers.

**Blaine and Early Attempts:** James Blaine, who served as Secretary of State under Presidents, Garfield and Harrison, took the lead in bringing the American nations

together. Because of frequent wars among the Latin American countries and the barriers erected against international trade, Blaine found it necessary to form some kind of union to maintain peace and promote commerce. At his suggestion, President Garfield sent invitations to the states to meet at Washington for seeking a way for averting the horrors of war. However before any reply could be received Garfield was assassinated and Blaine was forced to quit office. The replies received subsequently indicated that many of the countries welcomed the move. Yet Frederick Frelinghuysen who succeeded Blaine as Secretary of State for fear that the American states would find an opportunity to condemn the intrigues and other irregularities associated with the foreign policy of the United States, cancelled the invitations.

The idea of a conference of the American powers again engaged the serious attention of the United States in 1888, when Blaine returned as Secretary of State, now under President Harrison. At his invitation eighteen countries met at Washington in 1889. This was the first international conference of American states, held in the United States. Many resolutions were passed but few received ratification of the countries. However the most significant achievement of the conference was establishment of the Bureau of American Republics, subsequently called the Pan American Union with its headquarters at Washington. The immediate result of this conference was not much encouraging, yet to Blaine went the credit of making inter-Americanism a policy of the United States.

In Search of Co-operation: Between 1900 and 1933 the powers held a series of conferences. The second conference held at Mexico City in 1901 decided to reorganise and strengthen the Bureau of American Republics. The conference that met at Rio de Janeiro in 1906 did not accomplish anything substantial. The subsequent conference that was held at Buenos Aires in 1910 decided to issue a monthly Bulletin of the Pan American Union for acquainting the people with the work of the organisation. The next meeting that was held at Santiago, was a failure on account of the differences between the United States and other countries over the leadership of the Pan American Union. The Latin American states refused to accept the United States as the leader of the Pan American and her sole responsibility for the Monroe Doctrine.

In fact the aggressive policy, pursued by the United State during this period, presented a threat to Pan Americanism. Presidents Theodore Roosevelt wielded the big stick, engineered a revolution in Panama, adopted the Platt Amendment and enforced the Roosevelt Corollary. These high handed proceedings roused the Latin American suspicions about the expansionist designs of the Yankees. President Taft formulated dollar diplomacy while President Wilson sent forces to the states of Central America.



However, because of mounting tension abroad the United States found it necessary to correct the situation. President Hoover conducted a tour of the Latin American countries and endeavoured to cultivate their good will and to promote cordial relations. The Clark Memorandum, accepted by the United States in 1930, rejected the Roosevelt Corollary. In 1933 Secretary of State, Stimson announced that the Monroe Doctrine was directed against Europe and not against Latin America. These steps, initiated at the instance of Hoover, were well received in Latin America. In fact he prepared the ground for the good neighbour policy that was associated with the administration of F.D. Roosevelt.

Under President Roosevelt the United States made a determined bid to remove ill will and promote co-operation with Latin America. As a liberal, he decided to respect the national interest of nearby countries. The increasing opposition to American expansionism, the barriers against international trade, internal conflicts in Latin America and the threatening situations created by the dictators in Europe and Asia demanded changes in traditional approach. In 1933 the President announced the determination of his administration to follow a good neighbour policy, which in effect meant respect for the rights of other countries. Accordingly, the United States discarded the Platt Amendment, ended the financial control over Haiti and the Dominican Republic and agreed to respect the sovereignty of Panama. These measures went a long way in allaying the suspicions of the Latin's. In 1936 the Buenos Aires Conference decided for mutual consultation in the event of violation of the rights of any American country by other powers and the settlement of all disputes through arbitration. In 1938 the Declaration of Lima affirmed the principles of collective security, continental solidarity, and mutual protection of territorial integrity and disapproval of aggression. These conferences contributed considerably to the understanding among the American powers and enabled them to maintain a semblance of unity during World War II.

The ninth Inter-American Conference that met at Bogota in 1948 was of particular importance. It signed the Charter of the Organisation of American States, which gave a legal form to the vaguely organised Pan-American system. The Charter provided for the pacific settlement of disputes, collective security and co-operation. It also created the different organs of the Organisation of American States, which included the Inter American Conference, the Council of American States and the Pan American Union. The Tenth conference that was convened at Caracas in 1954 adopted a declaration of solidarity of American states against international communism.

**The Pan American Union:** The Pan American Union with headquarters at Washington is the central and permanent organ of the organisation of American States, in which every member state is represented by an ambassador, It has its own

Secretary General and Assistant Secretary General, appointed by the Council for ten year – terms. The Organisation of American States created specialised agencies too. They are the Inter –American Economic and Social Council, Inter American Council of Jurists and Inter American Cultural Council. These agencies seek to promote inter American co-operation in different areas of interest.

Inspired by President Kennedy’s ideal of alliance for progress, the Inter – American economic and Social Conference, which met in Uruguay in 1961 adopted a Declaration to the Peoples of American on the Alliance for Progress for promoting better life for all peoples of the two continents. With this end in view they decided to strengthen democratic institutions, to accelerate economic development and to implement cultural programmes. The United States offered her assistance to the other countries in translating these ideals into practice, through the progress made in this direction remained unimpressive.

In fact the United states as well as Latin America took identical interest in the promotion of inter American co-operation. In spite of this, Pan –Americanism had a chequered history and at times it seemed that it was heading towards collapse. The American machinations and the Latin American suspicions presented formidable odds to the to the realisation of inter-American co-operation. American interventionism and inter –Americanism remained irreconcilable. However some of the hurdles were removed, when the United States agreed to leave the Monroe Doctrine as a continental responsibility and to abandon the policy of intervention. In view of the military might of the United States and the failure of Latin American countries to emerge as powerful nations, understanding and co-operation as between equals continued to remain a far cry. There was much substance in what the Chinese representative, Huang Hua, declared in Security Council in 1973. ‘Particularly since the beginning of this century, U.S. imperialism under the sign board of ‘Pan Americanism’ has subjected Latin American countries to aggression and enslavement plunging the Latin American people into continued dire misery”.

## UNIT – V

### DILEMMA OF ENTANGLEMENT

In 1945 on the death of President F.D. Roosevelt, Harry S. Truman succeeded him. He was the destroyer of Hiroshima and Nagasaki, yet the people elected him to hold a regular term. In 1952 General Eisenhower, as the candidate of the Republican Party, captured the presidency. On his retirement after two terms, the Democrats returned to power with John F. Kennedy as President. In 1963 he was assassinated. This tragedy elevated Vice-President, Lyndon B. Johnson to the principal executive. He too held a regular term subsequently. The Democrats entertained a legitimate hope to retain the presidency in the election of 1968 with Robert Kennedy, brother of John Kennedy as its candidate but he fell a victim to an assassin. Thereupon Richard Nixon of the Republican Party won the presidency. At the end of the first term in office, he was re-elected but was compelled to resign over the Watergate Issue.

In August 1974 Vice President Gerald Ford was sworn in as the 38<sup>th</sup> President of the United States. The administration of these presidents witnessed significant changes in the domestic and international scene. The demands of the war-time period and needs of the backward countries led to vast expansion of agricultural and industrial production. The advance in science and invention of nuclear energy greatly contributed to technological progress and military might. In the mean time the western countries, which drew their strength and arrogance from the exploitation of the colonies in Asia and Africa, lost their eminence. Colonies asserted their independence but the struggle of the new governments with their own people over the possession and distribution of wealth left them distracted and weak. A combination of factors presented challenges as well as opportunities to the United States.

Yet the age was by and large one of uncertainty and bewilderment, Liberalism and conservatism alternated with the coming in and going out of presidents. If progressivism reached its climax under Kennedy, it headed towards an anti-climax under Nixon. The United States assumed an interventionist role, bequeathed by crumbling imperialism. Russia too assumed a similar posture. This trend left the United States in a state of cold war with Russia and confrontation role, bequeathed by crumbling imperialism. Russia too assumed a similar posture. This trend left the United States in a state of cold war with Russia and confrontation with the forces of nationalism in Latin American, Africa and Asia. The international situation had become so complex that neither could the Americans overwhelm the odds that they invited.

### TRUMAN AND KOREAN WAR

President Truman remained in power from 1945 to 1952. A Democrat from Missouri, he was elected to the Senate in 1934 and to the vice presidency in 1944.

Upon the death of Roosevelt in office, he became President, A close follower of Roosevelt's policy; he sought to continue the New Deal and to conciliate Russia. But the difficulties appeared formidable. The post war – country did not welcome continued progressivism and the consequent expansion of federal control. There came a conservative reaction under Republican leadership. The transition from war to peace demanded changes – social, political and economic. Soviet Russia seemed determined to extend the sphere of her influence, for which she wanted a disorganised Europe. This awakened the administration to the perils ahead. In his attempt to check the rising tide of international communism he not only did formulate aid –programmes but did fight a major war in Korea.

**Reaction against New Deal:** The implementation of the New Deal legislations and the conduct of war were attended with the imposition of vexatious controls upon the life of the people. At the end of war, the inhabitants rallied to the Republican Party for the recovery of their rights. In the congressional election of 1946 the Republicans wrested control of both the houses of Congress. President Truman announced his determination to continue the social welfare legislation and consequent imposition of governmental regulation, but the Congress dominated by the Republicans proceeded to liquidate the agencies of the New Deal and social control. Thus it rejected funds for the working of the national Resources Planning Board, turned over the Employment Service to State governments, cut down allotments made for the Interior and Agriculture Departments and ter-reduction in war time taxes and gave relief to the tax payers. These measures gave a welcome end to the New Deal.

Having achieved these, the Republicans decided to deprive the labour of the gains it wrested during the new Deal and World War periods so as to strengthen the capitalistic order. In 1947 Congress enacted the Taft-Hartley Act and carried it over Truman's veto. This law defined the unfair labour practices of the trade unions and banned jurisdictional strikes, sympathetic strikes, secondary boycotts and contribution to political parties. The unions were required to abide by a sixty day cooling off period before launching a strike so as to give opportunity to the authorities to seek a settlement of disputes. The union leaders were directed to swear that they were not communists. Only those unions which submitted financial accounts and declared that their officers did not belong to or support any organisation that advocated the overthrow of government by force, could have their cases heard by the Labour Board. The closed shops or unions which forbade the employment of non-union workers were outlawed. And the employers were permitted to sue the unions for broken contracts and seek damages. Because of these restrictions, the labour condemned the law as a slave Bill. Despite this, the workers received wage increases and pension benefits. A National Housing Act provided for the allotment of federal funds for slum clearance

and house building for low income groups. An Agricultural Act extended price support to farm products.

The Reorganisation Act of 1946 improved the working and procedure of Congress. The Bureaus and agencies were consolidated and Congressmen were given more of financial privileges. The Twenty Second Amendment to the constitution (1951) restricted the term of the president to two. A new Department of defence and another for Air Force were created. Because of the development of atomic energy, Congress set up an Atomic Energy Commission and a Joint Congressional Committee on Atomic Energy.

**Post war Settlements:** In 1945 Truman, Stalin and Attlee met in a conference at Potsdam near Berlin to consider the post war issues. They decided to entrust the administration of defeated Germany to an Allied Control Council and to settle peace treaties with the defeated powers. A council of the foreign ministers of Britain, France, Russia and the United States called a peace conference at Paris in 1946 and concluded peace treaties with Italy, Hungary, Bulgaria, Rumania and Finland. These settlements took away territories from these countries, imposed upon them heavy war indemnity and deprived them of their war machine. However, differences with Russia prevented conclusion of peace treaties with Japan and Germany.

The United States played an effective role in bringing about the trial and execution of war criminals and military occupation of Japan and Germany. As the Allied Control Council could not agree on the administration of Germany due to ideological differences, the United States, France and Britain in 1946 united their three zones into a single territorial unit called Trizonia. Russia retained the independent control of the eastern zone. However, the location of west Berlin in the communist held East Germany created problems in the context of the Cold war. In 1948 Russia ordered a blockade of Berlin but the Allies faced the situation squarely and arranged for an airlift of supplies to the city. In the next year the Allied powers agreed to discuss the issue and the blockade was lifted. The people of the three Allied zones, as agreed by their conquerors, decided to reorganise Trizonia into a federal democratic republic with provision to admit states from the Russian zone. In 1949 the Federal Republic of Germany with Bonn as capital was created. Russia organised her occupation zone into a Democratic Germany under communist rule. These developments divided Germany into two states and left her reunification at the mercy of big power politics.

**Rejection of Isolationism:** After the end of World War II, the United States made no attempt to retreat to isolationism. With seven percent of the world's population but

thirty percent of its estimated income, the country found it no difficult a task to emerge as arbiter of destiny of the international community. She controlled the Atlantic as well as the Pacific and influenced the developments else where. In accordance with her new status, the country accepted the United Nations Organisation, wrote off the loans given to the Allied Powers for economic recovery and allotted huge amounts for promoting the reconstruction of the war –torn and backward countries.

The Russian communism and its concept of world revolution presented a powerful challenge to American expansionism and its capitalistic order. Russia not only annexed the Baltic States and set up communist governments in Eastern Europe but also supported revolutionary movements in other regions. It appeared that both Greece and Turkey would fall to communism and Russia would extend her influence to the Mediterranean. Therefore in 1947 in his address to Congress Truman demanded extension of American aid to any country, whose freedom and independence were threatened through aggression from within or without In response to what was called Truman Doctrine Congress voted forty crores of dollars for furnishing arms and provisions to Greece and Turkey and assisting them with naval and military commissions . These enabled the two countries to reorganise their armed forces and thwart communist threat.

This was followed by the Marshall Plan or European Recovery Programme. IN 1947 George Marshall secretary of State, declared that if the countries of Europe would reach an agreement on their needs to cover the cost of reconstruction, the United States would extend her aid for implementation of the programme. He also made it clear that it was not directed against any country or doctrine but against hunger, poverty, desperation and chaos. The European countries welcomed this announcement. However, Foreign Minister Molotov of U.S.S.R. suggested that instead of collective aid, individual help with each nation as a unit should be granted, for he feared that the United States would use a combined plan for organising Europe under her control. As this suggestion proved unacceptable, Russ withdrew her support to the plan, nevertheless, sixteen European countries joined together to draw up plans for recovery and the United States furnished funds for implementation. Recovery was slow yet the lure of money induced the people to reject communist overtures. In fact both the Truman Doctrine and the Marshall Plan were related programmes, aimed at safeguarding American interests in Europe and as such they represented a part of the strategy of containing Russia. Rightly, the Soviet considered them as manoeuvres intended for gaining advantages in the Cold War.

In 1948 Congress authorized Truman to initiate steps for promoting collective security with the co-operation of friendly powers. Accordingly, the President opened negotiations with countries, which were opposed to communism, leading to the settlements of the North Atlantic Treaty in 1948 and creation of the North Atlantic Treaty Organisation in 1950. The twelve nations, which joined this defensive alliance, pledged to maintain the security of Northern Atlantic region threat to the security of all. Apart from these, Congress made appropriations to assist the backward countries with scientific and technological data so as to render them less vulnerable to communist influence. So effective were these ventures, that Russia found it risky to extend her influence to the west.

**The Korean War: 1850:** The Korean War that broke out on 25 June, 1950 marked a violent confrontation between the American bloc and the Soviet bloc and an extension of the Cold War into a hot war. The hostilities began, when the troops of the Soviet backed North Korea crossed the 38<sup>th</sup> parallel and attacked the American backed South Korea. At the instance of the United States, the United Nations organisation condemned the aggression and called upon North Korea to withdraw her forces. But as North Korea rejected the call, the Security Council authorised military action and permitted the United States to organise a united command of the United Nations' forces in Korea.

Truman appointed General Mac Arthur in command of the operations. Yet the communist offensive continued unabated and the South Korean forces were pushed to Pusan in the extreme south. With the arrival of reinforcements the American forces launched a counter – offensive, drove the North Koreans back across the border and occupied their capital Pyongyang. It appeared that the communist forces were defeated, but China came to the rescue of North Korea and threw into the arena her powerful army. Encountered by a major offensive by the Chinese, the Americans retreated. There followed a stage of attack and counter – attack and advance and retreat until the war reached a stalemate, with the line of battle settled just north of the old boundary.

The two sides opened a negotiation in their bid to seek settlement. For more than a year they talked in vain, for no agreement could be reached over the issue of repatriation of prisoners of war. The communists demanded the return of all prisoners irrespective of individual desires. The United States did not agree for fear that those who rejected communism would be killed as traitors, but insisted upon voluntary repatriation. The alignment of boundary between two Koreas too caused differences. Dissatisfied with the talks, Mac Arthur demanded authority to reinvade North Korea and carry the war to China. For fear that it would lead the country to a major war;

Truman removed Mac Arthur from command. As no settlement could be found, the United States broke off the negotiations. However, after the death of Stalin in 1953, Malenkov, who became Premier, accepted a Chinese proposal that all prisoners who insisted on repatriation should be returned, while others should be handed over to a neutral country. Accordingly in July 1953 after Eisenhower assumed the presidency, the United States, China and North Korea signed a cease fire and accepted a settlement on prisoners. Korea remained divided as before.

Despite the localised character of the Korean War, it had a powerful impact upon the country. As it threatened the possibility of a major war, wartime atmosphere together with its armament production and political restriction returned to the land. The war convinced the Americans of the necessity of strengthening the defences against international communism. Therefore it appeared essential to transform Japan into an ally. Accordingly a peace conference was convened at San Francisco and a treaty with Japan was signed in 1951, recognising the sovereignty of Japan over her home islands. Another treaty permitted the United States to retain bases and troops in Japan under pretension of safeguarding Japanese security. This arrangement was strengthened by a mutual defence pact signed by the United States with Japan, New Zealand and Australia. These settlements made Japan the centre of American defence system against Asian communism. At the same time Congress adopted measures to counter the growth of communism inside the country. The Mc Carran Internal Security Act of 1950 required the communist front organisation to register with the Attorney General and forbade the foreign communists from entering the country. Senator Joseph Mc Carthy led a crusade against communism, leading to the imposition of rigid restrictions upon all suspects. Mc Carthyism meant suppression of civil liberties. The protracted war apparently without purpose, and the treatment meted out to the popular general, Mac Arthur made the Democratic regime unpopular. This led to the return of the Republicans to power. Finally, the role of China in Korean war so much hardened the American attitude towards her that recognition was postponed an admission to the United Nations was checked for long.

### **EISENHOWER AND POLICY OF CONTAINMENT**

In 1952, when the presidential election approached, the popularity of the Democrats had reached a low ebb. The Korean War, war – time controls, New Deal restrictions, McCarthyism and corruption accounted for this trend. While the Democratic Party nominated Adlai Stevenson as its candidate, the Republican Party turned to the popular general, Eisenhower. The general promised to safeguard liberty against creeping socialisation and to bring the Korean War to an honourable end. He was elected to the presidency and his running mate Richard Nixon to the vice



presidency. As he owed his victory to the powerful support of big business, he appointed influential leaders of business community as members of his cabinet. In the succeeding election Eisenhower was re-elected.

**Internal Administration:** The Administration of Eisenhower was a period of economic boom. Private enterprise came in for favourable treatment, production continued to expand, workers received higher wages and price controls disappeared. The old age and retirement benefits were not only increased but were given wider application. Large amounts were allotted for undertaking house and road building programmes. Alaska and Hawaii were admitted as states into the Unions. However, the increased farm production created large surpluses leading to the downward trend in prices. This affected the standard of living of the peasants. The Agricultural Act of 1956 sought to give relief to the cultivators. It introduced the soil bank to pay compensation to the farmers for removing marginal lands from cultivation and raised the price support to farm produce. The Landrum Griffin Act of 1959 required labour unions to report their membership and finances to the government and banned secondary boycotts and picketing. As a true democrat, Eisenhower promoted civil liberties and sought to undo racial segregation.

**Dulles and Policy of Containment:** During the post war period communism made rapid stride; it gained ascendancy in China, Korea and Indo-China. The Soviets organised communist governments in the countries of Eastern Europe. In 1947 the reds seized control of Hungary and in 1948 Czechoslovakia. The Soviet blockade of Berlin and the Chinese intervention in Korea caused grave apprehension about the designs of international communism. At the suggestion of President Eisenhower a summit conference with Russia was held at Geneva in 1950, but no settlement could be found on the issues of German unification, disarmament and atomic control. Annoyed at this, several leaders demanded the liberation of Eastern European countries from Soviet domination through force of arms and assistance to Chiang Kai shek to invade mainland China. But the Republicans were reluctant to allot funds and the isolationists were not prepared to allow the country to embark upon another war. As no alternative presented itself, Dulles decided to rely upon a policy of "containment" of communism. In accordance with this policy the administration interfered in Guatemala and entered into entangling alliances with amenable powers of Europe and Asia.

Much because of opposition to Yankee expansionism and exploitation, large sections of people in Latin America turned to communism, a Red Indian republic of Central America, had been dominated by the Americans for long. In 1954 a pro-communist government came to power and seized the assets of the American United Fruit Company, which had been playing the game of making and unmaking rulers in

pursuit of its scheme of exploitation. Washington protested against inadequate compensation given to this giant company but Guatemala ignored. At the same time it was believed that Russia supplied arms to Guatemala. Dulles condemned Russia infiltration into America as a violation of Monroe Doctrine, airlifted arms to Central America to equip an army of mercenaries and engineered an invasion of the state. The pro-red regime collapsed and the state again passed into the orbit of American influence.

In South East Asia Dulles decided to contain spread of communism through a parallel North Atlantic Treaty Organisation, called the South East Asia Treaty Organisation. At his initiative, Zealand the Philippines, Thailand and Pakistan met in a conference at Manila in 1954 and signed a defence pact. It provided for consultation on mutual defence in the event of any external aggression or internal subversion. However the SEATO proved no effective an alliance system as the NATO did. It was at the most a consultative agreement with some moral commitment. Eager to gain material benefits, most of the members agreed to join the system but in reality they of vulnerable areas, the United States signed a mutual defence pact with Taiwan to check the expansion of Chinese communism. The neutral countries like India refused to have anything to do with these defence pacts.

Now it seemed that the Middle East exposed to Russian infiltration. Beneath the sands of the Arab world lay the largest deposits of oil. The western powers were concerned at the possibility of Russian expansion southwards to gain control of the oil fields and to reach the warm waters of the Indian Ocean. In a bid to prevent it there was formed the Middle East Treaty Organisation (METO), other wise called Baghdad Pact. In 1954 in response to the suggestion of the United States five powers – Britain, Turkey, Iraq, Iran and Pakistan sent their delegates to Baghdad and signed a defence pact. The United States associated herself with its working. Thus Russia was confronted with a bloc of powers with their territory extending from the Mediterranean to the Himalayas. However it represented an alliance of dictators, who sought to remain in power with the aid of dollar and arms, supplied by the United States.

In 1956 following the nationalisation of the Suez Canal Company by President Nasser, Great Britain, France and Israel invaded Egypt. The administration feared that Russia would intervene on behalf of Egypt and the U.N.O. would collapse. There upon Eisenhower extended his support to the United Nations to arrange a cease fire compel the invaders to evacuate Egypt. The success of American diplomacy averted a possible show down with Russia. In 1957 the President announced the Eisenhower Doctrine. It provided for the extension of American economic aid and military support upon request to any country of the Middle East against the threat of communism. Egypt and Syria denounced it, while other countries refused to seek and American aid.

The fall of the royal house of Iraq, break away of Bangladesh from Pakistan and conflict between Greece and Turkey dealt a serious blow to the Baghdad Pact.

### **KENNEDY ADMINISTRATION (1961 – 1963)**

In the Presidential election of 1960 the Democrats defeated the Republicans. John F. Kennedy, a Senator from Massachusetts and candidate of the Democratic Party, denounced Eisenhower's 'high-interest, right money policy' and charged that the Republicans deprived the country of its military supremacy and allowed Russia to dominate the international scene. As Kennedy was a Catholic of Irish decent, the Protestant clergymen questioned his independence from Vatican, but they failed in making religion a serious issue. Kennedy won the presidency with a narrow margin, defeating his Republican rival, Richard Nixon. The President appointed Dean Rusk as Secretary of state and his own brother, Robert Kennedy, as Attorney General.

**The Kennedy Programme:** Noted for his dynamism. Liberal outlook and enthusiasm for reform, Kennedy gave executive leadership to Congress in the formulation of a series of social welfare legislations. Progressivism, associated with Theodore Roosevelt, Woodrow Wilson and Franklin D. Roosevelt again found a powerful exponent in the new President. 'New Frontier' as he called his programme, endeavoured to seek a way out of paradox of poverty and surplus, ignorance and enlightenment. Because of his initiative laws were enacted for the benefit of workers and peasants and steps were taken in defence of the civil rights of the blacks and the remnant Indians. Economic recovery national defence and foreign aid received special attention.

The President wanted to extend the benefits of social security to more people, unemployment compensation for longer periods, and increased wages to labour. In 1961 Congress gave its approval to several of his suggestions. Thus an act was enacted to extend employment benefits. The Food for Peace Programme provided for the distribution of farm surpluses to the needy peoples throughout the world. An Agricultural Act stipulated a cut in the area of wheat cultivation and granted larger subsidy to the peasants so as to help them maintain a high standard of living. The President employed the army to promote integration in the schools of the South, as Eisenhower did. The administration formulated a scheme aimed at providing funds to the schools for construction of buildings and medical care of the persons above the age of sixty five. These were calculated to extend social benefits to more people but Congress refused it s support because of the opposition of interested groups and the medical association, which were afraid of losing the privileges that they enjoyed.

Nevertheless the welfare measures caused increased tax burden to the people and greater expenditure for the government.

**Forward Policy:** In foreign affairs Kennedy followed policy He adopted a rigid attitude towards the communist powers, despite his declaration to seek peaceful settlement of disputes. In April 1961 he approved a plan for the invasion of Cuba to overthrow the procommunist government of President Fidel Castro. In fact the plan had been first formulated during the last months of the administration of Eisenhower by the Civil Intelligence Agency, notorious for its international spying and intrigue, The Cuban exiles and refugees were trained and equipped in the American bases, located in Florida and Guatemala, and sent out for the invasion of the island.

The Expedition reached the Bay of Pigs but was beaten off. The people did not rise in rebellion as it was expected and the invasion ended in disaster. Most of the invading party were killed or captured. The international community condemned the American aggression on Cuba. The Soviet Premier Nikita Krushchev embraced the opportunity to rush missiles and bombers to this highly strategic island. But Kennedy was firm and decided to see the Russians out. As he instituted a close blockade, threat of a nuclear war loomed large. This so much alarmed the Soviets that they withdrew all offensive weapons from Cuba. In the context of the Cold war this was considered a major victory for the United States. Yet in the process Russia saved a leftist regime.

President Kennedy endeavoured to strengthen the economic structure of the non-communist world. He outlined a ten year plan of economic development and social progress. The American countries, meeting in Uruguay in 1961, adopted a declaration called the Alliance for Progress aimed at promoting investment of capital for a better life for the people. Despite the fanfare that attended the declaration, the implementation of the programme was tardy. Several of the dictators who accepted the declaration were thrown out of power during the period that followed. Huge amounts were diverted in support of economic progress of the under developed nations like India but these countries instead of taking advantage of it. Turned more dependent and clamoured for more loans to clear the old loans. Kennedy supported the united Nations Organisation in an effort to end the secession of Katanga from Congo. In October 1962 China launched aggression on India across the Himalayan frontiers and pushed the ill equipped Indian army to the plains of Assam. The President offered American support but China surprised the powers by enhanced the prestige of the United States, but his dynamic career was cut short by an assassin on 22 November 1963.

**Vietnam Debacle:** The Viet –cong dominated the political thinking of the next two presidents, Johnson and Nixon. The people of Vietnam harmed the Americans in no way; on the other hand they endeavoured to attain political liberation of their land from colonial domination and national unity against alien machinations. Yet the Americans sent their armies to this little state, bombarded the cities from sea, air and land, dropped hundreds of tons of bombs every day and slaughtered the old, the young and the infant indiscriminately. When the Yankees believe that American is for the American, the Asiatic are entitled to consider that Asia is for the Asiatics. When they believe in their national unity, other peoples too are entitled to do so. But their global politics have imparted the impression that they are not prepared to accept this reciprocity and to leave the other peoples free.

The Vietnam tragedy had its origin in the American decision to go to the aid of the crumbling colonialism of the French in South East Asia. While the communist powers viewed the possession of this territory as of importance for the promotion of world revolution. The Americans considered it a strategic necessity not only to defend the white racist Australia against any possible Asiatic advance but also to maintain their communication from the Pacific Ocean to the Indian Ocean. Also U.S.A. was haunted by the domino theory, that if one country would fall to communism, other in the region would follow in a row of dominoes. In consequence the Vietnamese fell victims to power politics. Despite the massive aid furnished by the United States to the enemy, the inhabitants continued their heroic struggle and French imperialism headed towards total collapse. In their attempt to extricate themselves from the anomaly, the French in 1940 persuaded Emperor Bao Dai to organise a government with Saigon as capital. On the other hand, the Communists led by their talented leader, Ho-Chi-Minh established a government with Hanoi as capital. This divided the country into two opposing camps –the pro-red North Vietnam and the an tired South Vietnam. The conference of powers held at Geneva in 1954 accepted the 17<sup>th</sup> parallel as the boundary of the two areas and provided for the holding of election through out Vietnam for ascertaining the will of the people – whether they favoured reunification of the country, However, Dinh Diem, the new ruler of South Vietnam, for fear of reunification of the country under communists leadership and backed by the United States, repudiated the settlement, Driven to disappointment at this attitude, the pro-communist Viet – cong organised a parallel administration in this region. President Kennedy, eager to strengthen the anticommunist forces, sent military missions to train the forces of South Vietnam. Yet this had no perceptible impact. Dissatisfied with the leadership of Diem, the Pro- American interests with the possible approval of President Kennedy conspired and murdered him in 1963. Subsequently Their was elected to the presidency in South Vietnam.

President Lyndon B. Johnson found the situation in Vietnam rapidly moving against American interest. Aid funds went to misuse, desertions from the forces of South Vietnam increased and the Saigon regime moved towards collapse. Determined to prepare the ground for military intervention in defence of the tottering regime, Johnson sent the American destroyers to the North Vietnamese territorial water in the Gulf of Tonkin and provoked a conflict with the communist gun-boats in 1964. The period that followed witnessed a steady escalation of war. Ground forces were sent to Vietnam to fight the communist and the air force and navy were directed to bomb and destroy the North Vietnamese bases and harbours, causing incalculable loss of life. The communist powers of the North did not commit their forces in support of Hanoi. It was left to the Viet –cong to bear the brunt of resistance. The tragedy of Vietnam startled the conscience of Asia, yet the United States continued the art of destruction with unabated fury.

In January 1968 the Viet – cong patriots launched the Tet offensive. They gained a remarkable victory but it proved momentary in March 1968 Johnson announced a halt to the bombardment of North Vietnam beyond the 20<sup>th</sup> parallel. Subsequently the warring parties agreed to discuss the issues and met in a conference at Paris in May 1968. North Vietnam demanded the evacuation of the alien forces from Vietnam but as aggressors were not prepared to accept it, no progress was made. As the war continued, the Americans were convinced that Vietnam represented a major failure of their foreign policy. Though six lakhs of American troops were committed to the war in support of the South Vietnamese army of seven lakhs, the rising tide of nationalism could not be curbed. As a last resort, Johnson called upon Ho-Chi –Minh, President of North Vietnam, to seek a settlement through negotiation.

Despite the Vietnam debacle, Johnson endeavoured to follow at home the liberal traditions, championed by Kennedy. Architect of the concept of “great society”, he aimed at the liberation of the less fortunate sections of the society from a state of inequality, ignorance and backwardness. In his memories, The Vantage Point he wrote “I knew that as President and as a man, I would use every ounce of strength I possessed to gain justice for the Black American”. True to this declaration he enforced a far reaching piece of civil rights legislation favour of the blacks. Also he launched a programme aimed at providing medical care for the aged, massive aid for education and a crusade against poverty and backwardness. The country maintained its leadership in scientific advancement and the American astronauts landed on the moon. Like Lincoln and F.D. Roosevelt, Lyndon Johnson is regarded as one of those presidents, who are considered the “best and the worst”. For, like the other two, he advocated civil rights and sought peace through war.

## CIVIL RIGHTS MOVEMENT

Civil Rights movement aimed at securing equal civil rights with the whites for the blacks and other coloureds of the country. It made significant gains during the administration of Eisenhower, Kennedy and Johnson. For, these presidents extended their sympathy for the discriminated minorities and sought to rectify their grievances through executive and legislative measures.

The population of the country consisted of whites who traced their descent from Europe, blacks from Africa, Chicanos from Mexico, Indians from native tribes and Asians, mostly from China and Japan. Among the whites the most dominant were the white Anglo-Saxon Protestants (WASP). By 1980 the Afro – Americans with a population of 26.5 million formed 11.7 percent, the Chicanos with 14.6 million 6.4 percent and the Indians with 1.4 million 0.6 percent of the total population. With low income, poor or no education and high mortality rate and being discriminated against whites, they lived mostly in the ghettos. The Indians lived in some 200 reservations, with the highest infant mortality and ten times of the national unemployment ratio. The Asiatic, mostly Chinese and Japanese, lived in what were called China towns and little Tokyoes. From India there came an influx of the Sikhs, but it was called as tide of the turbans and beards.

The coloureds were subjected to the worst forms of discrimination. Therefore after the Civil War. Congress enacted the 14<sup>th</sup> Amendment to ensure equal protection for all citizens before law and the 15<sup>th</sup> Amendment to prevent the states from denying votes on account of race, colour or previous condition of servitude. In 1875 Congress passed legislation guaranteeing to the blacks equal access to hotels, restaurants and public accommodations. But in *Plessy Vs. Ferguson* (1896) Supreme Court ruled that separate facilities for blacks did not violate constitutional equality of races. As a result several states enacted what were called Jim Crow Law legalising segregation. The coloureds were subjected to different forms of discrimination, denied of votes through intimidation or literacy tests, required to work for longer hours for poor wages, forced to live in segregated areas and made to sit in separate sections of hotels. Victims of social barriers and ill treatment, the blacks showed no interest in working hard or saving money. While the Negroes surrendered to despair, the white racists displayed an arrogance of the rudest form.

However, a number of leaders and associations worked for the eradication of social evils. Among them were blacks as well as whites. Black leaders particularly Franklin Frazier saw a terrible waste of human life in immorality, delinquency and broken homes caused by social prejudices and barriers. Gunnar Myrdal, a Swedish

scholar, found the Negro problem as an anachronism in the context of the American ideals of liberty and equality. IN 1909 the National Association for the Advancement of Coloured People (NAACP) was formed. Its programme included voting rights for the blacks. Equitable treatment before, law, equal opportunity to work, end to segregated public facilities, abolition of race based pay scales and equal access to trade unions. Wali Fard founded the Nation of Islam, which condemned all whites as devils and enemies of blacks. Stokely Carmichael and Rap Brown introduced the slogan “black power”. In 1943 there was organised Congress of Racial Equality (CORE). It demanded removal of segregation in hotels, transport and other public places and relied on non-violent direct action as a method of struggle.

The movement for civil rights was marked by court battles, ghetto riots and non-violent direct action. It gained a great victory in 1944, when the Supreme Court in *Smith Vs. All Wright* banned segregated dining cars in trains in the South and segregated education at the Universities of Oklahoma and Texas. In 1954 the Supreme Court in a significant move on *Brown V. Board of Education of Topeka* declared all racial segregation in public schools as unconstitutional. Encouraged by these decisions, the NAACP sued five school boards and secured an order from the Supreme Court that separate educational facilities were inherently unequal. But the whites through the Ku Klux Klan and white Citizens Council resorted to violence and kept the black students away from white schools . This excited black reaction which led to militancy, sit in demonstrations, freedom rides in bus terminals and boycott. In 1955 – 56 Martin Luther King Jr. Organised a 381 day boycott of the transportation system of Montgomery in Alabama. This forced the city administration to desegregate its buses.

Enlightened presidents appeared sympathetic to the demand for equal rights to all citizens. As the black support was found essential for efforts, F.D. Roosevelt in 1941 signed an order to end discrimination in employment. President Truman issued an order ending segregation in armed forces. President Eisenhower enacted the Civil Rights Acts of 1957 and 1960 – the first law created a civil Rights Commission to investigate into instances of denial of votes on ground of colour, race or religion and the second law provided for the punishment of the people, who violated the rulings of the Commission. This was followed by rallies and freedom rides for more of equality. In 1963 Martin Luther King Jr. Led a mass rally of more than 150,000 people to Washington . Under Kennedy and Johnson the administration launched a broad based legislative programme aimed at ending racial segregation and material poverty. Kennedys sweeping programme for civil rights was bottled up in Congress. However, a wave of sympathy for the assassinated President enabled Johnson to enact the Civil Rights Act of 1964, the Voting Rights Act 1965 and the Civil Rights Act 1968. These



acts removed discrimination in voting, employment and public accommodation on ground of sex on race. As a result of these measures the coloureds found it possible to vote, to seek election, to get jobs and to obtain public accommodation much on an equal basis with whites.

Having achieved these, by 1967 the Civil Rights Movement declined. Internal conflict among black organisations, the black criticism of American foreign policy and white reaction affected the movement. The whites who opposed extension of civil rights to the coloureds rallied under the Republican Party, leading to the election of Richard Nixon to the presidency. Nixon and Ford opposed federal support to civil rights and curbed black militancy. Many of the liberals appeared content with the progress made so long in the movement. Though racial prejudice could not be eradicated completely.

### **TO NEW WORLD ORDER**

The United States extricated herself from much of the embar assents, created by post war entanglements during the administration of Nixon and Ford. This was not so much because of a deliberate policy as it was because of historical process. Vietnam and Cambodia asserted their independence and in consequence intervention in South East Asia ended in failure. The South East Asia Treaty Organisation too disintegrated. the communists consolidated their influence in China. The situation in Iran, Afghanistan and Guatemala turned against the interests of U.S.A. The strategic Arms Limitation Talk (SALT) initiated a process of peace, but progress in the direction of disarmament appeared unreal. The legacy of the New Deal created obnoxious restrictions and promoted inflation. These harsh realities led the county to rely upon a policy, based upon self interest.

### **VIETNAM DEBACLE**

In the election of 1968 the Republicans returned to power with Richard Nixon as President. Widely considered as a conservative, he believed in strong arm methods. Accordingly he instituted a close blockade of North Vietnam relied on intensive bombing and extended the war to Cambodia. But finding this policy ineffective, he in May 1969 announced a phased withdrawal of American forces from Vietnam. In a bid to conciliate China and Russia he paid a visit to these countries .This prepared the ground for the replacement of Taiwan by China at the United nations and Conclusion of a Vietnam settlement at Paris in 1973. The terms of the settlement provided for an internationally supervised cease fire in Vietnam and evacuation of American forces form Indo-China. The longest war in U.A. history, the Vietnam War lasted for eleven

years and left one lakh American and twenty lakh Vietnamese killed. The American employed against this state an army of six lakhs men, 600 war planes and a formidable fleet and dropped seven million tons of bombs and shells – more than three times the quantity employed in World War II in pursuit of their diabolic art of slaughter and destruction. Yet Nixon did not learn the lesson of history. In 1971 when the people of Bangladesh launched a liberation struggle, he committed American arms and money to the military junta of Pakistan for the massacre of patriots further as reported in the New York Times, he directed the Civil Intelligence Agency to support the opposition faction in their struggle against the leftist regime in Chile. President Allende of Chile was killed and administration was taken over by the army. Determined to exploit the naval weakness of India, he in 1974 acquired lease of Diego Garcia in Indian Ocean for development for this island into a military base.

At home his policy marked a reaction against Johnson's concept of great society, Though controls were lifted, he gave no consideration to the enlargement of civil rights, extension of educational programme and implementation of foreign aid. Yet his policy was directed towards giving relief from inflation, unemployment and deterioration in balance of payments and towards strengthening the financial system. This greatly contributed to the promotion of economic health of the country.

The fall of Nixon was more sudden his rise. In the election of 1972 he contested against the Democratic candidate McGovern for the presidency and emerged successful. However, the press and the parties accused Nixon of having misused his powers for gaining advantage in the re-election and having gathered information through secret devices about the proceedings of the opposition Democratic Party at its headquarters at Watergate Building in Washington D.C. As the storm momentum and as impeachment appeared certain, the President decided to bow out and resigned. This was the first resignation by a President in the 200 year history of the country. The Nixon episode symbolised a manifestation of the inherent strength of the democratic system.

On the resignation of Richard Nixon, Vice President Gerald Ford was sworn in as the 38<sup>th</sup> President in August, 1974. A man of common sense and expert in finance, he initiated measures for the re-organisation of the monetary system. Though he advocated a better deal for women, they made repeated but futile attempts to take his life out. In Indo-china the communists resumed their offensive, gaining complete control of South Vietnam and Cambodia. President Then of South Vietnam and Marshall Lon Nol of Cambodia fled their states. Taking advantage of this situation, the president closed a tragic chapter in history and asserted that the role of the United

States in Vietnam was over. This greatly weakened the American alliance system South East Asia.

In the presidential election of 1976 Jimmy Carter of the Democratic Party defeated Gerald Ford of the Republican Party. A liberal dedicated himself to endeavoured to follow a moralistic policy and dedicated himself to the cause of basic rights of human beings, Accordingly, he with drew economic and military aid form countries where human rights were violated and where strategic interests were not involved. While this was done in case of Argentina, Uruguay and Ethiopia, it was not done in case of South Korea. In 1977 two treaties were signed with Panama. By the first treaty Panama was to gain a share of the administration of and income from the administat5ion of and income from the Canal. The second treaty provided for the control and operation of the Canal by Panama from 2000 A.D. However, the United States was to share permanently the right to defend the Canal and use it for transit of ships. In the Middle East the Arab powers fought a major war against Israel. Due to the efforts of Washington, Egypt and Israel settle a peace treaty in 1978. A significant development was the normalisation of relations with China. For three decades after the communist take over, U.S.A. and China were in a state of confrontation. The two powers fought a major war in Korea. Because of American machinations, China was kept out of the U.N.O. However, as the Communists consolidated their authority, it appeared illogical to deny China her legitimate status. U.S.A. saw the possibility of isolating china from the soviet camp and promoting trade with that country. Accordingly on March on March, 1, 1979 the two powers established diplomatic relations. As a result Taiwan ceased to have diplomatic states. In the context of Russo-Chinese clashes, China moved closer to the United States.

Two developments in particular posed threats to the global interests of U.S.A. They were the fall of monarchy in Iran and the Russian intervention in Afghanistan. Washington looked upon the Shah of Iran as a dependable ally, exploited oil resources and supplied military hardware in the name of defence. However, in the October Revolution of 1972 the Shah fled the country and Ayatollah Khomeini came to power. In protest against the asylum given to the shah the Iranians captured the American embassy at Teheran and held 49 Americans as hostages. Carter moved the warships to the Persian Gulf, but his inability to work out the release of hostages tarnished his image. It was only after holding the hostages in captivity for 444 days that Iran released them. This episode coincided with Russian intervention in Afghanistan. A non-aligned country, it served as a barrier to Russian expansion to the Indian Ocean. But in 1979 Russia moved her army to Afghanistan and set up a pro-Soviet government. This intervention brought the Russian presence dangerously closer to the oil rich Persian Gulf. In the context of the reverses that American arms and diplomacy

suffered in Vietnam, Cambodia and Guatemala, the Carter administration decided to check the threatening advance made by Russia. The result was the Carter Doctrine. It declared the Persian Gulf as an area of “vital interests of the United States” and announced the determination of U.S.A. to defend it by all necessary means including forces of arms. In support of this Doctrine the president strengthened military presence in the Indian Ocean and created the Rapid Deployment Force capable of dealing with any situation in any trouble spot. This represented a hardening of the attitude of the administration. Huge farm surpluses and consequent fall in prices and decline in standard of living made the peasants critical. Keen competition from Japan affected steel industry while Arab oil embargo caused shortage of fuel, As a result, people turned against the Democratic Party.

### **REAGAN AND REALISM**

As the presidential election of 1979 drew near, the Democratic Party nominated Jimmy Carter and the Republican Party Ronald Reagan as their respective candidates. In the election campaign Reagan depicted Carter as an advocate of controls and criticised him as soft towards the enemies of the nation. Also, he pointed out that the administration neglected parity in nuclear war heads and missiles with Russia. Then hostages issue and the Afghan question too discredited the Democrats. As a result, Reagan won the presidential election with overwhelming majority. People wanted not moralism but realism.

**A Fair Society:** A radio announcer and cine actor, Reagan began his political career as a Democrat and then turned a Republican. After serving two terms as Governor of California, he sought nomination of the Republican Party against Ford but missed it narrowly. He remarked: “It is just one battle in a long war”, while Senator R.S. Schweiker asserted: “the country has missed the best leader it had for many decades”. In 1980 he avenged this set-back and won the election. More than a conservative, Reagan was realist, for he had definite ideas to tackle the situations created by internal and external developments. At home he aimed at the realisation of what he called a ‘Fair Society’. It is essential to correct the dangerous increase in government spending, as it contributed to a sluggish economic growth. This could be done by holding the line on federal spending, checking fraud and waste, saving on defence account and reducing deficit financing. Secondly, the country should maintain technological leadership. This demanded improvement of the content of education particularly in science and mathematics, family saving as well as federal credits in support of education. Thirdly, permanent jobs should be generated by extending employment opportunities. This required incentives to employers, assignments for displaced workers, training for unskilled people and expansion of international trade

which offered one fifth of the employment potential. Fourthly, women though were not in minority, were to receive equal justice. There should be no discrimination with men either before law or in wages. Above all, the individual must have his freedom. For, he declared rightly: our strength lies in our values – free election, free press, freedom of the individual and rejection of arbitrary power of the state. The future belongs not to governments and ideologies that oppress their people but to democratic systems of self government, which encourage individual initiative and guarantee personal freedom. Keeping in view the examples of South Korea, Taiwan and Singapore, which made progress by leaps and bounds. And the contrast with the outputs in collective farm and state farm in Russia he held out to backward countries – claiming as developing but languishing in the third world that private enterprise was the way to progress. The administration pointed out that the government “is often an obstacle to development and that donor countries would have to go directly to the people: Guided by these convictions, he entertained belief that if the third world countries, suffer it was because of their system. Nevertheless as the strength of U.S.A. was linked to world economy, he supported free trade and economic health of other countries too.

The policy that he adopted to translate these principles into reality yielded results. Thus he curbed inflation, effected tax relief to the people, multiplied employment opportunities and promoted educational, industrial and commercial progress. The value of dollar rose to a new high in the monetary system of the world. However, there were victims too. Among the affected were foreign aid programme and contribution to international development Association. Reagan felt that the UNESCO exhibited hostility towards free market and free press, which were considered as the two basic institutions of free society. On this ground he announced the withdrawal of U.S.A. from this international agency. Reagan’s administration made the average American feel proud of him and confident of a better future.

Peace With Freedom: In his external relations Reagan adopted a policy based upon international peace and individual freedom. Yet this was subordinated to tragic considerations. As a result the peace that he wanted to realise was that though strength and the freedom that he recognised was that for allied countries and like minded democracies. In his words the foreign policy of U.S.A. was based upon ‘realism, strength, Full partnership and consultations with our allies and constructive negotiation with potential adversaries ‘.

Accordingly, the President reversed the decision of Carter against the production of neutron war heads. This represented a revival of armament race with Russia. More funds were allotted for strengthening the Rapid Deployment Force and the Indian Ocean the allied countries, whether they supported or suppressed human

rights came in for favoured treatment. Among them were Egypt, Saudi Arabia, Taiwan, South Africa, Argentina, Brazil and Chile. In 1981 the United States entered into a five year arms aid programme with Pakistan. This was calculated to caution Russia as well as India and to counter Soviet presence in Afghanistan.

Regan gave due importance to friendly relations with the countries of West Europe. He extended military support to Great Britain in the war against Argentina over the Falklands. This made him a suspect in Latin America. In the island of Granada a military junta killed Prime Minister Maurice Bishop and set up Marxist government. It was feared that Russia and Cuba would establish their influence and convert the island into a base of their operation. Therefore in October 1983 Regan sent forces under the cover of protecting "American life and property". The leftist government was overthrown, an interim government was formed and after the objectives were realised, the army was withdrawn. The Non Aligned countries led by India criticised the American intervention, but Regan dismissed it as that of Soviet client states with the no commitment to the principles on non-alignment. In 1984 the International Jury, headed by Francis Boyle, found Regan's foreign policy guilty of war crimes against peace and human rights. Yet in the presidential election of 1984 Regan defeated the Democratic candidate. Walter Mandate. He won 49 out of 50 states with 525 electoral votes – the highest in history, surpassing F.D. Roosevelt 523 votes in the election of 1936. But Democrats retained control of the House and reduced Republican majority in Senate. Yet his victory provided continuity to the policy of realism.

After his re-election Regan with his usual perseverance has pursued his policy on the progress of the third world countries. While he welcomed relaxation of controls and opposed oppressive taxation, he wanted to see them self reliant with less of aid from his country. He stated in October 1986 that high taxes made the people less free to work, save invest. His resentment to socialism had its own logic. For, it was the earliest system in history but being found unsuited to meet the needs of the growing population and craving for individual freedom, it was rejected and replaced by economic democracy. Despite rigorous controls, socialism today is not a success story. IT was found unworkable without a strong admixture of capitalism and yet it caused recurring scarcity instead of continuous boom even in vast and rich countries. While the realism of Regan was understandable, what had baffled conviction were his opposition to meaningful sanction against apartheid in south Africa, support to racism in Sri Lanka against oppressed Tamils, alliance with dictatorships, whether it was of monarch or military junta or of proletariat, aid to rebel Contras of Nicaragua against the leftist government and refusal to compromise on star wars research. These have caused apparitions. In October 1986 Congress over –rode a presidential veta and forced the President to accept sanctions against South Africa. Still there remained more of imbalances to be corrected through checks and balances in the American constitutional.