

# US HISTORY

Paper 2016

QNO4

## 1) INTRODUCTION

Urban life during the first two stages of Industrial Revolution was impacted greatly in the US like many other countries. During the 1st stage, which started from the end of the 17<sup>th</sup> century to the mid of the 19<sup>th</sup> century, manufacturing of the products shifted from businesses from the home-based industries to the machine-aided production in factories which were driven by water whereas during the second stage, there was seen an increase in the production through steam engines, an increase in effective and efficient transportation means, lighting, communication means, building of skyscrapers etc. which drew attention of the inhabitants of the countryside to move to urban areas for the pursuit of livelihoods. So, the cities began to grow rapidly and started sprawling, compared to the preindustrial era.

## 2) Urban life preindustrialization:

During preindustrial era, there was no significant expansion of the cities like during industrial era due to the paucity

of technology and advanced instrument/machines which can foster their growth.

Similarly, there was no means of transportation and sources of livelihoods.

### 3) First Stage of Industrial Revolution:

During the first stage, a remarkable transformation in the production of the goods was seen. In this stage, people started to move towards the cities because of greater opportunities of livelihoods there.

During this phase, an increase in the production of goods through the power of water can be observed. But there was a limitation of production to the northeast areas only because these areas were close to the rivers and seaports, to carry out shipment of the goods easily as there was not any other viable source of transportation at that time.

#### a) Growth of the cities was slow;

During this phase, people faced difficulty for residence. There were not enough apartments to cater to the rising demands of the immigrants. Moreover, they had to set the residence

near the urban centres to get to their work quickly. So the cities didn't grow at that pace as during the 2nd phase.

b) Transportation means were not advanced and modernized;

When people moved to the cities, another issue they were encountered with, was transportation. There were no effective and efficient means of transportation.

So, a lot of time was wasted/dissipated for the laborers to get to their work in urban centers.

c) Scarcity of means of communication.

Another problem faced by the laborers was the non availability of means of communication to get to know about the employments and for the consumers to order their products readily. Although there was telegraph invented by Samuel F. B. Morse but it was not as that efficient as desired by the people.

4) 2<sup>nd</sup> Stage of Industrialization:

During the second stage which initiated after the civil war and in the mid - 1800s, there was seen a massive increase in production, demand, means of transportation, communication tools,

Sky scrapers as compared to the first stage of revolution. 14 million laborers /countrymen moved to the cities for acquiring jobs and livelihoods. As this era was seen after the civil war, the country expanded greatly and so the cities also. During it, there was seen the connection of the cities transcontinental through railroad which made it easier to transport goods, raw materials and people etc. Also the accommodation problem of the immigrants was resolved. Due to the invention of light bulbs, factories increased their operating time. They were now operating 24 hours a day and seven days a week.

a) Invention of the electric trolley:

To make transportation easier, electric trolleys were invented with the same system like omnibus, but one modification that it was powered by electricity rather than horses. Another advantage of them, was that they could run throughout the day and night as compared to the omnibuses whose horses had to stop and rest. As cities became more

populous like New York, these trolleys were made underground because these could not run efficiently and smoothly during the pedestrians crowd. Similarly, as population became more large in cities, trolley lines were also elevated by the city planners to avoid this challenge of creating L-trains or elevated trains as early as 1868 in New York City, and quickly spreading to Boston in 1887 and Chicago in 1892.

b) Building of the skyscrapers:

Another issue faced by the city planners, during this stage was that cities were already sprawled enough and there was no further available space to spread. So, engineers started to design the skyscrapers in order to accommodate and provide residence to the large exodus of the people migrating from the countryside.

c) Invention of the electric elevators:

It's invention further made life easy.

In 1889, the Otis Elevator Company, led by Inventor Japnes Otis installed the first electric elevator. This began the skyscraper craze, allowing developer in eastern cities to build market prestigious

real estate in the hearts of crowded eastern metropolises. Its invention also reduced the time dissipated while climbing the stairs to get to the apartments. So, people were very much contented and satisfied with industrial revolution urbanization and urban life was flourishing fastly.

#### d) Invention of electric lights and AC.

Electric lights were invented and within no greater time, became common in houses and factories. The development of the AC system by the Westinghouse Electric & Manufacturing Company, allowed lights and other factory equipments to operate from long distances. The invention of the bulb permitted operations to run 24 hours a day, seven days a week. This increase in production, required additional workers, and this demand brought more people to cities.

#### e) Critical Analysis:-

So, industrialization brought many job opportunities, which were not present during the preindustrial era. First stage was less advanced as compared to the second stage. Second stages revolutions

the urban life in US, with many innovations and became one of the magnet to drew attention of the people to acquire jobs at handsome ~~salaries~~/wages. It became a source of job creation, rise of standard of living, etc.

#### 6) Conclusion:

In the nutshell, it can be said that it raised the living conditions of people, created many job opportunities, led to the expansion of the cities, enhanced the quality of life of the people and later on led towards better health, sanitation & facilities etc.

## 1) INTRODUCTION:

Ronald Reagan was the 40th US President who served from Dec 1981 to Dec 1989. It is said that when he assumed the office, the US was in more stagflation, along with the combination of double-digit economic contractions, and double digit inflation. He adopted the Economic Recovery Plan to set the US out of this economic depression which was the largest since the Great Depression. Some of the measures taken by him to fix the economic problems of US were to reduce govt spending, deregulate the federal tax rates, reduce the inflation by controlling the growth of money supply etc. So, here are the challenges faced by him and the steps to defuse them.

### 2) Challenges faced by Ronald Reagan

#### (a) Unemployment:-

Before assuming office, the unemployment was standing at 8.5% in 1981.

#### b) GDP:-

GDP of the US was plunging. Its condition was not <sup>as</sup> good as it should be.

### Q) The double-digit inflation:-

When he assumed office, US was stranded in the combination of double-digit economic contractions and double-digit inflation. It was said that this was due to the no constraints on the growth of money supply growth and free-floating economy.

### Q) Steps taken by the Reagan's Administration

To bring the US economy on track, Ronald Reagan used Supply-side theory which states that the tax cuts encourage economic expansion which broaden the tax base over years. The increased revenue from stronger economy helps to offset the revenue lost. Here is the detail of the steps taken by him:-

#### a) Reagonomics and tax cuts:-

During 1981, the unemployment was 8.5% which increased to 10.8% by end of 1982.

Congress cut the tax rates from 70% to 50%. This cut in taxes spurred the economic growth during the next several years. By 1983, the

Growth was 4.6%, and unemployment was 8.3%. In 1984, the growth rate was 7.2% and unemployment fell to 7.3%, and in 1985, the growth rate was 4.2% and unemployment fell to 7%. In 1986, the growth was 3.5%, which was good, but the unemployment was 5.6%, which was still greater than natural rate of unemployment. So, in order to bring it down, he further cut the taxes to 38.5%. This reduction yielded the same growth 3.5%, but unemployment rate was fell to 5.7%. In 1988, he further reduced the tax rates, which resulted in the growth of 5.2%, and unemployment to the level of 5.3%.

### c) Reconomics and Spending cuts:

By campaigning on the reduction of Govt spending, this step wasn't prove as much successful as did the tax cuts. He cut the domestic spending but increased the govt defence spending in a move to attain peace through spending against Communism and the USSR. He

increased the defence spending from \$35.1Bn to His defense spending in 1981 was \$154Bn whereas in 1989, the spending was \$295Bn.

c) Reaganomics and Deregulation:

He was applauded for continuing to eliminate Nixon-era price controls. They constrained the economy free market equilibrium by controlling the money supply. He removed controls on oil and gas, cable television and long distance phone calls. He also removed control on Interstate bus service and ocean shipping etc.

d) Reaganomics and Monetary Policy:

In 1980, Paul Volker Federal Reserve System chairman increased the federal fund to 20%. It was claimed that previous government's policy of growth of money supply has contributed in rising inflation. To support that previous program growth rate of the money supply was reduced. This growth reduction complemented the Federal Reserve's policy of raising interest rates to reduce borrowing

and spending.

#### 4) Critical Analysis:-

The Ronald Reagan's administration was somewhat successful to an extent to bring the economy to its track and revive it. These are the views held by his advocates. But some who are dissidents of him criticize that his policies didn't revive the economy as they have a strong stance to prove it. Despite his ~~excuse~~ campaigning to reduce the govt spending, it increased and in addition to this, he increased the national debt of the US from \$98 during the last years of Carter's administration to \$2.9 trill during the last term of his presidency.

#### 5) Conclusion:-

In the nutshell, it can be said that there exists mixed views about his administration's capability / efforts to avert the economic crisis of the US as his ~~measures~~

Q NO 5:-

### 1) Introduction :-

After the Civil War in America, slavery was abolished in all forms, and the African Americans were declared as equal citizens to the Whites. Abraham Lincoln issued the "Emancipation Proclamation" which went into effect in 1865. But unfortunately, the African Americans were still deprived of their basic rights, education, voting rights etc. The institution of slavery had prevented them from their basic rights.

Jim Crow law was all about segregation.

So Civil Rights Movements was started between the 1950s and 1960s to ensure basic rights, voting rights, education to the African Americans. The American Government also initiated landmark steps and legislations to guarantee and implement the African Americans rights, which were being robbed off despite passing of laws.

### 2) Factors which led to the Civil Rights Movement:-

#### (a) Racial discrimination and prejudice.

Even after eradication of slavery in the Southern states, the African Americans were not considered equal and there was White Supremacy prevalent / pervasive in

the Southern stated. Like the Jim Crow Law which meant that African Americans would continue to live the life of misery and poverty as they were used to live before Civil War. This law was also prevalent in buses where the whites were given the first row seats and the blacks were assigned last row seats. And this condition led to the murder of Rosa Parks (an African American girl going to home after being exhausted from work, sat on the last row seats and when a white American asked her towards to move back row seats, she refused to do so).

b) Disintegration in Public Schools:

African Americans were not allowed to majority attend to the Whites Schools. They were said that they should get admission in black public schools. There was no leniency towards their admission in public schools.

c) Voting Rights were not entitled:

Another area where African Americans faced apartheid was that they were not entitled to voting rights even

after many acts that were passed in order to bestow them the rights to vote.

In the Southern states, in order to ensure their non-participation in voting process, they were conducted with literacy tests, which were very confusing, misleading and impossible to pass.

### 3) Steps taken by the State and the Courts

In order to end social segregation, ensure their voting rights, integration into public schools, to eliminate white supremacy, many governments and the court took landmark steps.

#### a) Civil Rights Act of 1957:-

Eisenhower on observing inequality towards African Americans, ordered Congress to consider Civil Rights Legislation - He

on Sep 9, 1957 passed the Civil Rights

Act of 1957 into a law. It was first the most major civil rights legislation

since Reconstruction. Although it had little teeth and ineffective, but it

paved the way for more powerful legislation in the future.

#### b) Eisenhower's Administration Response to

## the Little Rock Nine:

On 3 Sep, 1957, Arkansas governor Orval ordered the National Guard to prevent African Americans from entering and attending the White Public School. Eisenhower administration took strict action against this humiliating act. On the orders of federal court, National Guard was removed on Sep 20. by Orval. On 25 Sep, 1957, Eisenhower dispatched 101st Airborne Division to the Southern States where he observed non-compliance with the orders. For next few months, black students were sent to schools under armed supervision.

## c) Civil Rights Act of 1964:

Lyndon Johnson completed Kennedy's dream of preventing discrimination at public accommodations and passed a law in July 1964 which was called the Civil Rights Act of 1964. The provisions of the Act are as follows:-

### (i) End of segregation at public accommodations:

According to this act, segregation was ended at the public accommodations like courthouses, hotels, parks, restaurants etc.

It was ordered that no denial of service delivery was acceptable to the blacks and other minorities because of their skin tone.

### (ii) Establishment of Equal Employment

#### Opportunity Councils:

Employment security was ensured at all public accommodations and Equal Employment Opportunity Council was authorized to file lawsuits by aggrieved workers.

### (iii) Forbidding the utilization of federal funds against apartheid :-

Under this Act, the utilization of federal funds against African Americans was forbidden, the Office of Education was elevated to assist in desegregation in schools.

It was a remarkable initiative taken by the President Luther King termed it as the "Second Emancipation".

### d) 24<sup>th</sup> Amendment and Voting Rights Act of 1965:

Even though passing many laws, many African Americans were still robbed off their voting rights. Lyndon passed the Voting Rights Act of 1965 on Aug 6, 1965 to end discriminatory poll taxes, literacy tests and all other tests which

were aimed to avoid Black participation  
in Voting process in the Southern States.

### e) Brown Decision and NAACP:

In 1954, Supreme court decision Brown  
Vs. Board of Education of Topeka, Kansas  
ushered in a new era for civil rights  
struggle. It was aimed to make sure  
integration of blacks in public schools.

After 10 years of Brown decision, fewer  
schools showed ten percent compliance  
to order but majority of the  
schools demonstrated zero percent  
compliance.

### 4) Critical Analysis:

Even though passing many acts and  
amendments, segregation in the Southern  
states could not be abolished. Gover-  
nment and court took many steps  
to end <sup>discrimination</sup> segregation but it could not  
achieve hundred percent compliance <sup>to</sup>  
the orders.

### 5) Conclusion:

On the nutshell, many factors like the  
social apartheid, non-inclusivity in  
education, voting rights etc. encted  
Blacks to start Civil Rights Movement

to struggle for their rights. Even the state and court took notice of the segregation and passed many laws and amendments in the favor of this movement. These acts and amendments to some extent helped them to pursue their basic rights.



Q No 3:-

### Introduction:

Great Depression was the worst economic crisis experienced by America. It ranged from 1929 to 1939. It resulted in changes in economic institutions, macroeconomic policies etc. During the 1933, the lowest point of Depression, millions of people were unemployed and half of the banks failed. There were many causes for it like the stock market crash, over production of industry and agriculture, inequitable wealth distribution, industry mechanization, banking panics, high tariffs and shrinking international trade, etc. The effects of great depression on US included unemployment, loss of

life savings, rise in crime rates,  
loss of peoples' confidence in Capitalism,  
increase in tax rates, Loss of GNP,  
etc.

## 2) Causes of Great Depression:-

Following are the causes of the worst experienced crisis in the history of U.S.

### (a) Mechanization of Industry:-

Industries switched to automation to increase their production in order to earn high profit margins. But the consumer consumption of the products declined due to the . Further, mechanization of industry also caused great number of employed people to lose their jobs , which further aggravated the Great Depression.

### (b) Over-Production of Industry and Agriculture:-

Industries and agriculture increased their production rates in order to sell their products at high margins- This resulted in demand and supply crisis because the demand of the products was reduced due to low purchasing power . This pice led to cutting

down production and  
of the prices reduced revenues  
which ultimately resulted in employees  
being laid off. Similarly, in agriculture,  
the price of farm land fell from \$67  
per acre in 1920 to \$31 in 1930.  
The average annual income of an American  
family was \$750, but that of  
farm families was \$273 in 1929. This  
problem in agriculture sector had a  
large impact on economy because 30%  
of Americans still lived on farms.

### c) Stock Market Crash:-

The decade of the 1920s was prosperous  
although it didn't produce an economic  
boom. Prices remained constant throughout  
the decade, but there were mild  
recessions in 1924 and 1927. The most  
obvious effect was seen in stock market.  
Stock market prices rose more than  
fourfold from the low in 1920s to the  
highest in 1929. The Federal Reserve  
raised the interest rates to contain  
these prices. But the effect was that  
these increased interest rates reduced  
the production of construction and  
automobile units. So, this caused Great

Depression -

d) Inequitable Wealth Distribution:

The 'roaring twenties' increased the wealth of the wealthy in an inequitable manner. Only 0.1% of Americans were earning the same income as that of 42%. By 1929, 78% of the total American income was in the hands of only 0.8%. This situation caused the already depressed people to move further below the poverty line.

e) Banking Panics:-

Banking Panics refers to a situation when depositors lose confidence in the solvency of banks and demand <sup>that</sup> their deposits must be returned in cash. The banks hold only a fraction of deposits in cash, must liquidate loans in order to raise cash. This hasty liquidation can cause the banks to fail. The same did happen. ~~total~~ By 1933, one-fifth of the bank failed which came into existence in 1930. This situation further aggravated the economic crisis and caused Great Depression.

### f) Decline in International Trade:

The agriculture sector increased its production in order to increase its revenue by decreasing foreign competition (The Smoot-Hawley Tariff) but the world adopted protectionist trade policies which reduced the international trade, and further aggravating the economic crisis.

### 3) Effects of Great Depression:

The Great Depression had deep effects on the economy as well as on other areas which are listed below:-

#### a) Unemployment:-

The Great Depression raised unemployment in US because of lay-offs of the employees by the companies in case of short of demand of products.

From 1929 to 1933, unemployment increased from 3% to 25%.

#### b) Loss of life savings:-

The Great Depression like other effects caused the people to lose their life savings. More than 11,000 out of 25,000 banks closed, causing the people to lose their life savings.

### c) Rise in crime rates:

The Great Depression caused many unemployed to resort to petty theft to put food on the table. Women adopted prostitution to pay the bills.

### d) Loss of GNP:

America faced a decline in its Gross National Production (which is a measurement of how many products and services are produced throughout the year in the country). It was declined by 33% from 1929 to 1933.

### e) Increase in tax rates:

It caused the increase in tax rates. The top tax rate was reduced to 25% by 1927 which caused the depression.

By 1933, rate was increased to 63% and by 1936 to 79%. In 1945, the top tax rate was incredible 91%, which hovered at 88% until 1963, during which it was dropped to 70%. The current top tax rate is 35%.

### f) Loss of Confidence in Communism:

It was so much worse that people were willing to forego their freedom to secure economic security. People

started losing confidence in capitalism. They started to favor Communism because of its classless property and planned economy. Furthermore, one more tempting thing was, that there was no depression in Soviet Union at that time.

#### 4) Critical Analysis:

It was the worst crisis ever faced by US. It caused unemployment, tax rate increase, exacerbating crime rates, loss of life savings etc.

#### 5) Conclusion:

In the nutshell, it can be said that it was caused by many factors and it created deep economic problems for the US.