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THE ECONOMIC HISTORY

OF

THE UNITED STATES

BY

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THIRD EDITION
NEW IMPRESSION

中山大學圖書館

LONGMANS, GREEN AND CO.

FOURTH AVENUE & 30TH STREET, NEW YORK

PRAIRIE AVENUE & 25TH STREET, CHICAGO

LONDON, BOMBAY, CALCUTTA, AND MADRAS

1918

March 21, 1947
58241

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First Edition, November, 1907
Reprinted, March, 1908; June, 1909; September, 1910
Second Edition, revised and enlarged, August, 1912
Reprinted, February, 1913
Reprinted, July, 1914
Third Edition, with revision, June, 1915
Reprinted, June, 1916
Reprinted, April, 1917
Reprinted, May, 1918

330.873
B63
(3)

LONGMANS' COMMERCIAL TEXT-BOOKS

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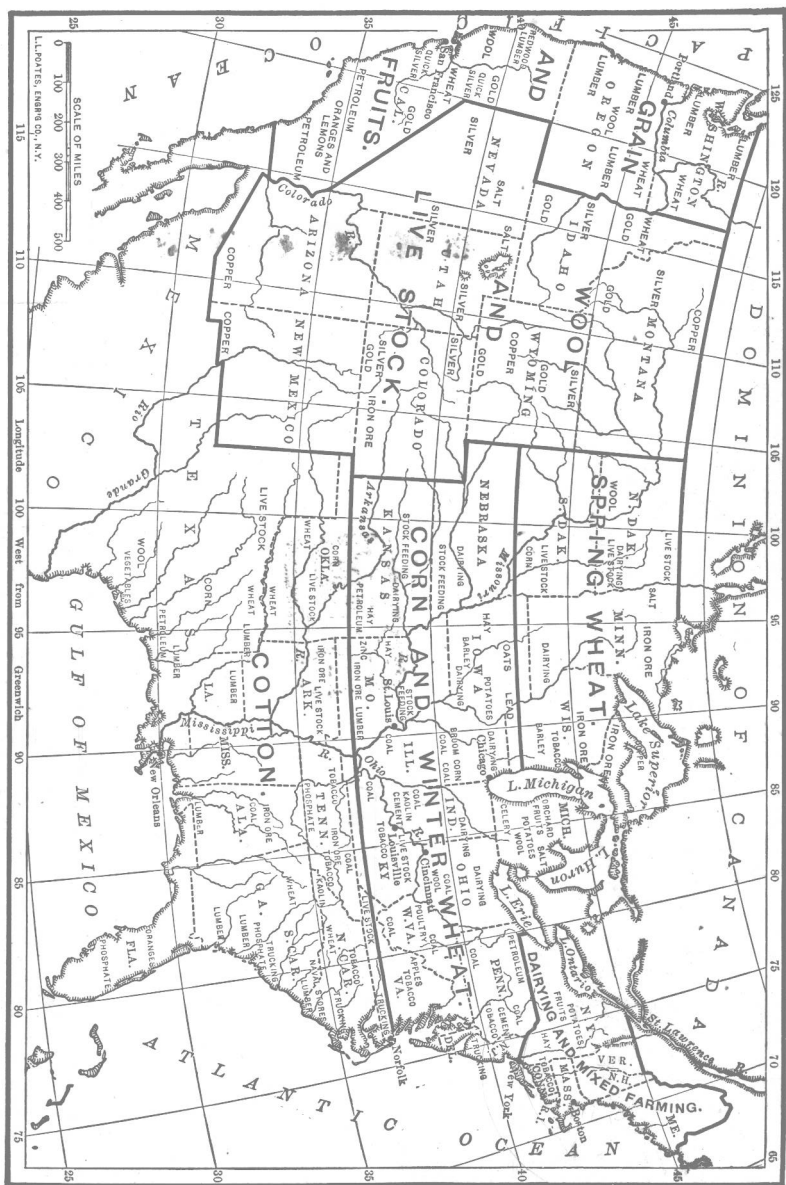
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THE ECONOMIC HISTORY
OF THE UNITED STATES

ERNEST LUDLOW BOGART, PH.D.



REGIONAL DISTRIBUTION OF PRODUCTS IN THE UNITED STATES

To
S. M. B.

PREFACE

THE purpose of this book is not to rehearse the events common to political and constitutional histories of the United States, but rather to emphasize the points neglected by them. The keynote of all American history, from whatever standpoint it may be written, is found in the efforts of a virile and energetic people to appropriate and develop the wonderful natural resources of a new continent and there to realize their ideals of liberty and government. The economic history of the United States is largely the story of the achievements of a people working under free competition, untrammelled by custom, tradition, or political limitations, and whose changing conditions of environment constantly compelled new adaptations and promoted ingenuity and energy of character. The history of this economic struggle is not one whit less interesting or dramatic than the political history of the same period, while it is absolutely essential to a thorough understanding of the latter.

When this book was put into manuscript, this story had nowhere been told in connected form, and it was to supply this lack that it was written. Beginning with the explorations and settlements that led to the colonization of the continent, there is traced the growth of industry, agriculture, commerce, transportation, population, and labor, from the simple, isolated agricultural communities of the colonies to the complex industrial and commercial society of to-day. In each period the important events are emphasized, and the attempt is made to bring out clearly their causal relations. While the chronological order of presentation has been followed in general, related chapters are so grouped that the thread of

the narrative is broken as little as possible. Owing to the inaccessibility of many of the data upon which the reasoning and conclusions are based, as well as the lack of any other single volume covering just the same ground, it has been thought desirable to state clearly though concisely the chief facts involved. Where the statistical form of presentation was possible, they have been condensed into a statistical table. The endeavor has been made, however, to keep the facts subordinate and to interrupt as little as possible the continuity of the narrative.

The book has been written for high-school as well as college students. An effort has been made to adapt the subject matter to students of both grades by the addition of a number of Suggestive Topics and Questions, with Selected References at the end of each chapter, which can be used for further research at the discretion of the teacher. The full titles of all references given for this purpose can easily be found in the finding list or bibliography at the end of the book. The chapter bibliographies contain a few only of the most useful and accessible references; those marked with a double asterisk were found especially serviceable by the writer, and those with a single asterisk only slightly less so.

My acknowledgments and thanks are due to many friends for aid and encouragement during the preparation of this volume. But greatest of all are my obligations to my wife, whose assistance and sympathy have greatly lightened the task of writing this book in every stage of its preparation.

ERNEST LUDLOW BOGART.

PREFACE TO THE SECOND EDITION

THE rapid march of economic progress, the industrial changes of the past half decade, the publication of several important books on special phases of the subject, and the taking of a new census seemed to make revision of this work desirable. It has accordingly been thoroughly rewritten and revised, and, as far as possible, statements of fact and statistics have been brought down to date; in so doing the book has been considerably enlarged. Above all things the difficult aim of making the subject teachable to young students has been kept in view.

The topics of currency and labor have been more adequately treated and new chapters added on these topics. The important subject of conservation, which has commanded such a large share of attention since the publication of the first edition, also receives due recognition. Scarcely a chapter has escaped revision, which in many cases has been drastic; in fact, the book may almost be regarded as new.

In revising the work the author has endeavored to take advantage of the kindly criticisms accorded the volume when it first appeared, and also of various suggestions that have since been offered by teachers who have made class use of it. But he is especially indebted to the following for extremely valuable criticisms on those portions of the work in which they are specialists: Professor W. L. Fleming, of Louisiana State University; Professor A. B. Hart, of Harvard University; Professor A. H. Sanford, of the State Normal School, La Crosse, Wisconsin; and his colleagues, Professors E. R. Dewsnup, S. Litman, and M. H. Robinson, of the University of Illinois. For all errors of fact or conclusion yet remaining the author alone must be held responsible.

E. L. B.

UNIVERSITY OF ILLINOIS

August, 1912

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INTRODUCTION

CHAPTER I

THE LAND AND ITS RESOURCES

1. **The conditions of economic development.** — The main conditions of the industrial growth of any country consist of two factors — the character of the people and the natural resources. Only when the gifts of nature are bountiful and are intelligently utilized by man can a nation attain to the highest degree of strength and prosperity. The presence of rich natural resources alone has not been sufficient to secure the development of a weak, ease-loving race like the Latin-American, nor has mere growth in numbers, as in China or India, been enough to make the nation wealthy and strong. On the other hand, even a bold, vigorous race like the Scandinavian has not been able to make great advance in an inhospitable country like Iceland. In the territory now included in the United States, a virile, energetic people found extraordinary opportunities for industrial development, and devoted themselves to the exploitation of the natural resources with wonderful success. The keynote of the national history of the United States is to be found in this work of winning a continent from nature and subduing it to the uses of man. A truly gigantic task, it has absorbed the main energies of the American people from the beginning, and has been approached in significance only by the struggle to preserve the Union. Inevitably it has left its impress on the character and ambitions of the people. For this reason, says Woodrow Wilson, "the history of the country and the ambitions of its people have been deemed both sordid and mean, inspired by nothing

better than a desire for the gross comforts of material abundance; and it has been pronounced grotesque that mere bigness and wealth should be put forward as the most prominent grounds for the boast of greatness. The obvious fact is that for the creation of the nation the conquest of her proper territory from nature was first necessary; and this task, which is hardly yet completed, has been idealized in the popular mind. A bold race has derived inspiration from the size, the difficulty, the danger of the task. Expansion has meant nationalization; nationalization has meant strength and elevation of view."

2. The character of the people. — Combining the best characteristics of many of the best stocks of Europe, the American people have yet developed some distinctive traits. They are characterized by qualities of nervous energy, intelligence, independence in thought and method, boldness in initiative, and perseverance in enterprise. The absorption in material pursuits and the over-emphasis of the value of material success, in part the result of inheritance and selection, has been largely developed as a result of the industrial environment. Partly as a result of these same forces and partly inherited, a peculiar aptitude in the invention and use of labor-saving machinery has been noted by all writers as a special characteristic of the American. Equally quick in devising original methods or adapting the ideas of others, he has applied machine methods to every line of production. Called into being at first by necessity, American ingenuity has been fostered and developed, and has found probably its best application in the invention of complicated tools.

3. Area of the United States. — The second great factor in the development of the country has been its material advantages. These purely physical foundations of greatness consist of expanse of territory, abundance of minerals, metals, and forest products, and extent of seacoast. In the first of these respects the United States has always been rich. By the treaty of Paris, 1783, the new nation came into possession of an immense domain of 827,844 square miles. Since that