United States History Essay, Research Paper

“From 1790 to the 1870?s, state and national governments intervened in the American economy mainly to aid private economic interests and promote economic growth. Between 1890 and 1929, however, government intervention was designed primarily to curb and regulate private economic activity in the public interest.”

Assess the validity of this statement, discussing for each of these periods at least TWO major areas of public economic policy.

The statement is essentially true, in the time of 1790 to 1870?s private business was at its peak, government and state did little to control or usually was in favor of big business. Laissez-faire was the common policy towards regulations and business dealings in general. However form 1890 and 1929 the attitudes changed, more people were concerned with the well being or the people, concerned with the ever growing power of big businesses; government and state started to regulate them in the very ways that the previous time period.

I. 1790-1870

a. regulation

1. many businesses were free to do as they pleased

i. Carnegie Steel

ii. RR

2. monopolies were established

i. multimillion dollar industries were formed

a. Standard Oil

b. Carnegie Steel

ii. little done to regulate these “big businesses”

a. not until Sherman Anti-trust Act was there an attempt made to

regulate monopolies

1. even that didn?t have teeth

3. with the monopolies prices can be fixed, nothing was done to stop this until the late

1800?s

4. laissez-faire policies were favored at the time

b. business in general

1. conducted in the way the top 1% saw fit

i. Andrew Carnegie

ii. John D. Rockefeller

iii. J.P. Morgan

2. big business prospered while the small business owners were left to the mercy of the big guys

3. economy was based on the few people that had all the money

i. this resulted in many poor, few rich

ii. yet again government/state didn?t do a thing till after the late 1800?s

4. strikes and unions illegal at the time

II. 1890 – 1929

a. regulation

1. Acts begin to show their teeth

i. Sherman Anti-Trust Act

ii. Interstate Commerce Act

2. Monopolies started to be broken up

i. “Trust Busters”

a. Teddy Roosevelt

b. Woodrow Wilson

ii. regulation of business more strict

3. People start to realize the evils of a laissez-faire economy

i. no one but big business would profit

4. old styles of thing are soon taken over by a new thinking

i. all people are important

ii. economy which was mainly directed towards the few wealth was now being directed towards the majority, not the minority

b. business in General

1. unions legal

i. AFL

2. per capita income rose from $450 to $567

3. even presidents view changed with the election of Roosevelt

i. ” President was steward of the people”

ii. Hepburn Act

a. regulated RR

b. moved to rid laissez-faire

4. Corrupt business tactics reformed

i. Pure Food and Drug Act

a. to control the unscrupulous tactics of the big businesses and to help the conditions of life.

5. important people are more concerned with the poverty of the country

i. presidents

a. Taft

b. Wilson

ii. some rich

iii. writers

6. policies changed towards rich being all important to a more conscious moralistic view of the people being important

In conclusion I believe that the economic policies during 1790 to 1870 were in fact set up to aid private interests of the few wealthy in the U.S. because of the ever prevalent growing wealth in individuals such as Rockefeller and Carnegie. Monopolies and securities grew without restraint in this time period. Things fundamental to the peoples needs were neglected, such as unions and price regulations Whereas in the 1890 to 1929 policies and views were shifted to a more central focus on the public interests and monopolies were starting to be toppled by “trust busters” and laws and regulations set against them such as the Sherman Anti-trust act and the Interstate Commerce Act which were first made effective with president Roosevelt.