**‘The open immigration policy was the reason why the American economy expanded so rapidly between 1890-1914’. Assess the validity of this view.**

Although the open immigration policy was the most influential factor explaining why the American economy expanded so rapidly between 1890 and 1914, the Progressive Era, it was not the only reason. GPD in 1914 was seven times what it was in 1865 and this increase is a result of multiple factors, and although spurred on by immigration and the open-door policy, technological advancements at the time, the rich industrialists and trade with expanding markets also played a key role. Yet, without the government’s immigration policy and the endless immigrant workforce that were able to benefit the economy, the expansion would not have been so swift.

The open immigration policy was the fundamental reason as to why American economy expanded so rapidly between 1890 and 1914. Immigration to the USA had many positive effects on the economy, for instance they provided a cheap, ‘endless’ labour supply who were willing to work for low wages, in what were, often horrible conditions. A lot of this work was focused on building the railroads or within the factories for other big businesses. The immigration was peaking at a million a year by 1900 from countries like China, Germany, Ireland and England, was influential in the completion of the transcontinental railroads, 20 years previously. This development meant that companies could prosper as they could travel to trade and expand their business during the Progressive Era. Immigrants continued to work for American industries such as the steel and car industries; it was the immigrants who contributed largely to the success of big businesses.

Another factor explaining why the American economy grew between 1890 and 1914 was the role of rich industrialists and their business methods. Despite the progressive presidents, most notably Roosevelt, attempting to regulate big business with acts such as the Hepburn Act (1906), and the enforcement of the Sherman Anti-Trust Act (1890), it did not halt their economic might and contribution. It was the oil industry in particular that was booming, so much so that in 1916, Rockefeller achieved the status of a billionaire. Furthermore, in 1901, Carnegie sold his steel business in 1901 to JP Morgan, who was already in control of a massive banking regime, ‘JP Morgan & Co’. Whilst big business continued their unscrupulous methods whilst making immense amounts of money, the American economy was feeding off of the wealth generated. Yet despite the rich industrialists being the face of the money-making machines, it was immigrants who enabled them to make the profit, working long hours for little pay. Therefore, big business would not have been successful if it was not for the open-door immigration policy that provided a workforce.

Additionally, technological advancements could explain why the American economy grew so rapidly between 1890 and 1914. Prior to 1890, America had seen inventions such as the telephone, the Bessemer converter, the electric light bulb and more introduced. The industrial and communications revolutions meant that after 1890, businessmen could thrive in the impact that these inventions had on industry. Processes were more efficient and productive than ever, which generated larger profits than ever. However, during the Progressive Era, it was the introduction of the assembly line that transformed the American Economy. In 1913, Henry Ford adopted it for Ford Motors and revolutionised the way in which his cars could be produced. A process that once took 12 hours, was now completed in less than 2 and a half. A car could now be produced once ever 3 minutes. Inventions such as the assembly line, meant that manufacturing became cheap and production was at an all time high. If companies were making more, they could pay their workers more, and if the workers were paid more, they could spend more. This cycle is a significant reason the American economy could rapidly expand, however, the workforce that used the assembly line, controlled the Bessemer converters and were the consumers of America, were immigrants or the children of immigrants. In 1910, a third of the country were immigrants and a further third were the children of immigrants, Henry Ford himself was the son of an Irish immigrant. Therefore, if it wasn’t for open door immigration, and the arrival of entrepreneurs, the American economy wouldn’t have expanded at the rate it did.

Finally, trading and expanding markets during the Progressive era explain why there was such a rapid increase in the American economy. Part of Hay’s open-door policy was free trade with China and countries alike. In addition to this, America were expanding their markets in The Pacific and Latin America. Trade markets, naval bases and new territories gave America more opportunity to make money. The growth of American Imperialism in the Progressive Era brought America a sea of new markets and territory to build naval bases. America’s control over their ‘little brown brothers’ and the ‘savages’ across the world gave them power, such as the Philippines and Hawaii. Ultimately power means money and much of this income came from the expanding markets that came from an expanding empire. Whilst this is a key reason as to why the American economy expanded so rapidly, immigration remains the most significant reason. This is because new markets and new territory brought an increase of inward and outward immigration to and from America. The inwards immigration expanded the workforce whilst the outwards immigration expands America’s influence around the world. Furthermore, within the USA immigrants helped complete Westward expansion, developing farmland in the Mid-West, the development of bonanza farms and agribusiness and even those who needed to shift from rural to urban, increase the domestic consumers helped fuel and expand the economy rapidly.

Overall, immigration and the open-door policy is the underlying reason that the American economy expanded so rapidly from 1890 to 1914. It is not the only reason however; it was immigration that provided a cheap labour supply that could work for low wages and keep the consumer spending cycle going. The big businesses that boomed in America were held up by their immigrant workforce as well as the immigrants who became the consumers themselves.