

Capital accumulation

Business



The Transportation Revolution (1800-1840) was one of the most important periods concerning the rise in urban growth and commerce, especially technological developments and inventions, such as the Canal system, steamboats, and railroads. In the 1900s, waterborne transportation became one of the most efficient and economical links in the Mississippi-Ohio River and Atlantic seaboard; naturally commercial interest and dependency were invested in the canals. This was illustrated by the creation of “ Clinton’s Ditch,” or the Erie Canal, which provided more extensive connections between the US and foreign markets, such as Europe. Furthermore, the railroads were also another reliable source of conveyance of large quantities of goods, merchandises, and people.

The factory system was probably one of the most distinctive transitions that marked the settlement of the Industrial Revolution, in which it replaced the precedent arrangement of apprentices and skilled artisans in favor of more applicable amateurish labor. Generally, the income of most rural communities streamed from the collective of family members, usually farming or simple shops, while the younger male members worked as unpaid apprentices. However, the number of artisans and apprentices dwelled in numbers, as these factories employed child and women labor. The factories themselves revolutionized markets, by enhancing their machine-made products and providing more supply to demand, capitalizing the social order. While the financial success of the northern states had been marked by profits in the international trading boom of 1790-1807, America was going to be marked by a risk-taking independent resolve.

The capitalization of community businesses allowed for merchants a wider range of control over the development and production of home-based materials. Many families gained opulence in the Great Shipping Boom (1790-1897), illustrating the strength of family connections. Due to the Embargo Act that was made previously, all foreign trade was banned, thus resolving American industry to operate intra-nationally. Before factories and machines, common workers participated in the Putting-out system, also referred to as the workshop system and the domestic system, in which goods were manifested at home. The distinctions set by the new outing-out system, included labor under the direction of a merchant and a division of labor. In that way, the then current system resembled a domestic factory line, in which specific tasks were assigned to individual persons, instead of single artisan creating the entire product.

This method increased the power of merchant capitalist, while also employing a larger percentage of people and increased production rates.