Post-civil war industrial expansion

Business

Technological growth and innovation has always been a key focus of the United States.

The late 1860s, after the American Civil War, marked the beginning of a momentous industrial expansion that would continue past the end of the century. The newfound emphasis on the concept of Manifest Destiny, the belief that Americans had a divine right to expand westward, spurred the development of many drastic transformations, including the rise of boomtowns, growth of the steel industry, and invention of the telephone and light bulb. Thus, it is clear that these years brought significant changes, many of which were positive. However, there has been a long-lasting controversy as to whether or not this expansion improved the economy of the U. S.

as a whole. While the economy grew on a global scale, the nation's wealth was concentrated in the hands of an elite minority while the remainder of the nation, comprised of common laborers in the north and southern farmers stuck in an agricultural time, suffered economically. This Reconstruction created an economic divide which, to this day, has yet to be successfully bridged. Due to the lack of progress in the South and increase in economic inequality that came with big businesses in the North, the post-Civil War Industrial Expansion was at best ineffective and at worst detrimental, to the U. S.

economy and relationship between the North and South. After the Civil War, far too little of the decimated southern land was restored, since the U. S. government believed it was the responsibility of southern states and individuals to rebuild the south, rather than the Union's obligation. Even the more lenient presidents, such as President Lincoln, did not supply sufficient assistance to the southern states.

This lack of assistance was partially triggered by the single-minded focus on industrial expansion in the north as well; it caused the already weak southern economy to plummet due to high taxes, mounting debt, and government corruption. Since almost all of the war was fought in Confederate territory, there was over one billion dollars worth in property loss in the south, primarily composed of privately owned land. There was widespread destruction of farm animals, factories, and machinery, and property was worth 30 percent less than it was before the war. Additionally, many southern white Americans had invested in Confederate bonds, now worthless since the Union was victorious and the Confederate government was discarded. The rebuilding of the south was a gradual and arduous process, particularly hard on the economy, as the cost of this destruction caused both taxes and government debts to increase. Furthermore, since the northern states now controlled Congress, decisions pertaining to economic and industrial growth continually favored the north.

For example, the first transcontinental railroad built in America supposedly spanned the entire nation, but in reality covered all the land from the east to west coasts in the north, excluding the southern portion of the United States. Thus, half the country was given no opportunity to improve its poor economic state. Both blacks and whites in the southern United States struggled economically during the transition from slavery to emancipation. Without funding from the U. S.

government, which was focused on industrial expansion in the north, the southern state governments were unable to improve the southern economy through urbanization and people were forced to find other methods to make a living. The sharecropping system that developed in the southern United States during the Reconstruction eliminated the potential for economic advancement for blacks, as well as some poor white farmers. The system functioned on the basis that sharecroppers, generally former slaves, would work on the landowner's land and in exchange would get to keep one-third of the crop. For white landowners, the abolition of slavery was disastrous and they also suffered economically during this time. Without slaves, they no longer had anyone to work their land; so, many were forced to give up their farms and houses. Desperate to keep their property, former slave-owners tried to convince their former slaves to become share croppers, thus further promoting a system that greatly hindered economic improvement.

One former slave, Silvy Granville, shared his experience with the sharecropping system, saying, " When Mrs. Rhett [his former owner] told us that we were free we were in the middle of a crop. We agreed to help her make that crop for one third of the crop. When that was harvested we desired to come back here." While it was an improvement over slavery, sharecropping inhibited the economic growth of the South by keeping a large amount of the population in a perpetual state of poverty. Hence, the focus on industrial expansion was clearly detrimental to the southern economy, as southerners were forced to rely on the economically inhibiting system of sharecropping.

The industrial expansion was economically detrimental to black and white women in the both the north and south, especially widows. Over six hundred thousand soldiers died during the Civil War, either in combat or by disease, and while not all of them were married, many were, creating an unprecedented number of widows, both black and white, in the U. S. All of the money in the expanding north was put into development of industry and monopolies, rather than assisting widowed women struggling economically. Additionally, this further strained the relationship between the northern and southern United States, which was already weak because of the Civil War.

There were very few programs put in place to provide aid, and the few that did exist did not have the resources or capabilities to help a significant amount of people. Thus, many women lived unemployed and in poverty, trying to raise their children without the help of a husband, or even having to care for their husbands as well, since many men were injured or killed in the Civil War. One widowed woman, Luvenia Smith, shared her living conditions, saying, “ When my husband died he owned no land and no other valuable property except a few horses. These the white folks took away for debt. I was left destitute with no one bound for my support.

“ Even women who owned some land were not much better off, as generally the land was worth very little and had a large amount of debt, often too large to pay off in the remainder of their lifetime. According to Sophronia Latham, “ There is a farm of about 35 acres worth $1, 500 to $2, 000 per acre with a mortgage on it amounting to about $34, 200. There are other debts against the estate amounting to about $500.” Furthermore, during this time the fight for women’s rights, including economic and political equality was occurring and women still did not have the right to earn, inherit, and hold property. Thus, even if widowed women had property or homes, the land was under their husbands' names and they could not inherit it, so they and their children were left in poverty.

In the north, a small group of people controlled an enormous percentage of the nation's wealth, while the rest remained poor laborers. At this time, over forty percent of the nation's wealth was owned by the top one percent. This economic inequality was directly caused by the industrialization and growth of big businesses in the north. " Robber barons" including Andrew Carnegie, J. P. Morgan, Cornelius Vanderbilt, and John D.

Rockefeller, created trusts by buying smaller companies, eventually holding a monopoly on the steel, finance, railroad, and oil industries, respectively. While this may have increased the United State's economic status on a global scale, within America, it simply lead to great economic inequality. A small elite group controlled the nation's wealth, while the common people labored in factories with often dangerous, unsanitary conditions, excessively long hours, and small wages. The common people rarely had the opportunity to rise above the economic status they were born into, as they children had to drop out of school early to work. Even when labor unions protested and rallied for higher wages, the wealthy elite was untouched economically because factory owners, generally only a step above common laborers, were the ones supplying the wages. As Henry George said in his book, Progress and Poverty, " In factories where labor saving machinery has reached its most wonderful development, little children are at work; amid the greatest accumulations of wealth, men die of starvation.

” Even when America appeared to be economically strong due to the industrial growth, that same industrial growth was the cause of the economic inequality that has plagued the nation ever since the Civil War. In addition to the economic inequality, the north also suffered from a five-year long depression during the time of the Reconstruction. During the eight years immediately after the Civil War, the entire country prospered economically, with northern industry owners and bankers wealthy from the war and southern cotton exports successfully improving the southern economy. Furthermore, in the north, the railroad industry and westward expansion were growing at a rapid pace, and the economy grew along with them. In the decade following the Civil War, over seven million dollars was invested in railroad projects throughout the country.

This period of success and optimism was known as “ railroad mania” and it delayed the depression that was inevitable after the war and the high demand for production of materials, which accompanied it. Moreover, this period of time actually heightened the intensity of the subsequent depression by bringing up investment rates. By the start of 1873, signs of danger and the impending depression began arising; smaller banks began having trouble paying their interests even through money from new investments. By autumn of that same year, many New York City residents found that they were unable to withdraw money they had invested and one of the most trusted and established national banks, Jay Cooke and Company, failed. This is what triggered the Panic of 1873, which marked the start of the depression and was characterized by bank runs, or people desperately trying to withdraw money from banks before they failed, and inflation of the U.

S. currency. During this time, even railroad expansion was temporarily halted, also causing a decline in the steel and iron industries. Furthermore, stocks on Wall Street dropped in value and factories were worth significantly less than in previous years. Although it eventually recovered from this period of depression, the northern United States suffered economically for many years during the post-Civil War Industrial Expansion.

It could be argued that growth of big businesses was beneficial to the country’s economy because the United States became the “ world’s premier food producer,” as well as expanding the steel, oil, railroad, and finance industries, among others. One could say that the big business owners were great captains of industry, entrepreneurs who led the nation into an era of prosperity and industrial growth through their hard work. According to Andrew Carnegie, President of Carnegie Steel and one of these aforementioned monopoly owners, “…wealth passing through the hands of the few, can be made a much more potent force for the evaluation of our race than if it had been distributed in small sums to the people themselves.” However, this point can be easily refuted for several reasons. First, due to the formation of these monopolies, smaller businesses were forced to shut down, causing many people to face unemployment.

Moreover, since the nation’s wealth and power were situated in the hands of a few, the remainder of the northern citizens were common laborers, working long hours in horrific factory conditions for very little pay. Without satisfactory education, workers had no way of moving up the social ladder. Additionally, these few wealthy men did nothing for the southern economy, which was in desperate need of repair after the Civil War. Lacking the resources or leadership to join the urbanization of the north, the south remained agricultural; without slavery, the economy got progressively worse with many people, former slaves and former slave-owners alike, in permanent states of poverty. In addition to these economic problems, the harmony between the northern and southern U.

S. was diminished by the North’s failure to assist the southern states. It is clear that although statistically the nation’s economy did grow, overall, the industrialization during the Reconstruction, up until the turn of the 19th century, was not beneficial to the United States economy. In the south, the lack of government assistance due to the emphasis on industrial growth in the north led to a decline in the already poor economy. All people—blacks and whites, women and men, upper class and lower class, former slaves and former slave-owners—suffered economically during this time period. Although the north was seemingly doing well economically, in actuality, the economic gap between the handful of rich men and remainder of the population was steadily increasing.

In other words, “ the rich became richer and the poor became poorer.” Thus, the industrial expansion after the Civil War was detrimental to the United States as a whole, both in terms of unity and the economy.