The Emergence of Modern America

What fueled the modern industrial economy?
During the period from the Civil War to World War I, the United States underwent an economic transformation that involved a developing industrial economy, the expansion of big business, the growth of large-scale agriculture, and the rise of national labor unions and industrial conflict.
Technological change spurred growth of industry primarily in northern cities.
Investors would buy stock in companies, then earn dividends when profits were made. This would give the corporation capital with which to operate and expand. Investors could only lose the amount of money they put into the company (limited liability).
Inventions/Innovations: Bessemer steel process

• This was a quicker and cheaper way to make steel.
• Railroads were the largest users of steel by the end of the 19th century.
• Steel was a primary resource used for America’s industrialization!
Inventions/Innovations: Light bulb/ electricity

Both developed by Thomas Edison

Electricity as a source of power and light allowed for American lives to change at work and at play.

Edison founded the first electric company.
Inventions/Innovations: 

Telephone

Invented by Alexander Graham Bell

This improved communication.

This even helped women to find work as switchboard operators— a much better job than a factory worker!
Inventions/Innovations: Airplane

Invented by the Wright Brothers
First flight at Kitty Hawk, 1904
The use of planes has grown considerably over the last century!
Inventions/Innovations: Assembly line manufacturing

Innovation by **Henry Ford** as a way to make his automobile more cheaply. He increased production by moving the product along an electric conveyor belt! Ford boasted that consumers could even get the Model T in any color they wanted, as long as it was black. His assembly line made autos affordable for the average family.
Andrew Carnegie (steel); a true immigrant to riches story, he made his fortune reducing the cost of producing steel. Later in life, Carnegie became a respected philanthropist—believing the wealthy should “give back” to the community.

J.P. Morgan (finance); earned his first wealth in banking business, then later created US Steel Corporation when he bought Carnegie’s company.
John D. Rockefeller (oil); created the Standard Oil Company and increased wealth through vertical integration of resources as well as advertising. Like Carnegie, he became a respected philanthropist.

Cornelius Vanderbilt (railroads); became a tycoon as he acquired vast amounts of railroad tracks and forced smaller companies out of business by charging lower fares in areas of competition.
Reasons for economic transformation

- Government policies of laissez-faire ("hands-off") capitalism and special considerations (e.g., land grants to railroad builders)
- The increasing labor supply (from immigration and migration from farms) in the cities
- America’s possession of a wealth of natural resources and navigable rivers
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