

VISUAL 19.1

DID THE U.S. CIVIL WAR CAUSE INDUSTRIALIZATION?

Many individuals believe that the Civil War brought unprecedented economic growth to industry. Stimulated by increased demand for wartime goods, many industrialists charged ahead to produce the goods and services. Production of iron and steel, for example, expanded.

Taking the Civil War as one example, how does war seem to affect a nation's economy? Does war foster economic growth or retard growth?

VISUAL 19.2

BENEFITS AND COSTS OF THE U.S. CIVIL WAR

BENEFITS

- End of slavery
- Protection of the Constitutional structure of the United States
- Increased industrial production of war-related goods
- Higher military employment

COSTS OF THE U.S. CIVIL WAR

- Human death and disablement
- Destruction of capital (tools, factories, farms and equipment)
- Loss of livestock
- Reconstruction
- Economic decline in the South
- Uncompensated loss of capital investment in slaves
- Inflation
- Production inefficiencies
- Decreased production in civilian goods and services
- Loss of the rights of states to secede or claim independence from the Union when in disagreement with the President or Congress.