In the early 1800s, the Jeffersonian dream of a nation of independent farmers remained strong in rural areas. As the 1800s progressed, an increasing number of Americans were swept up in economic changes of the Industrial Revolution. Political conflicts over tariffs, internal improvements, and the Bank of the U.S. reflected the importance to people's lives of a national economy that was rapidly growing and changing.

**Population Growth**

- Population growth was vital if the nation was to have both the laborers and the consumers required for industrial development.
- Between 1800 & 1825, the U.S. population doubled & in the next 25 years it doubled again to over 20 million people.
- A high birthrate accounted for most of this growth, but it was supplemented after 1830 by immigrants arriving from Europe, particularly from Great Britain and Germany.
- The nonwhite population (African American & Native Americans) grew despite the ban on the importation of slaves after 1808.
- As a percentage of the total population, however, nonwhites declined from almost 20% in 1790 to 15% in the 1850s.
- By the 1830s, almost 33% of the population lived west of the Alleghenies.
- At the same time, both old and new urban areas were growing rapidly.

**Transportation**

- Vital to the development of a national & an industrial economy was an efficient network of interconnecting roads & canals for moving people, raw materials, & manufactured goods.

- **Roads**
  - Pennsylvania’s Lancaster Turnpike, built in the 1790s, connected Philadelphia with the rich farmlands around Lancaster.
  - Its success stimulated the construction of other privately build & relatively short toll roads that by the mid-1820s connected most of the country’s major cities.
  - Despite the need for interstate roads, states' righters blocked the spending of federal funds on internal improvements.
  - Construction of highways that crossed state lines was therefore unusual.
  - One notable exception was the National (or Cumberland) Road, a paved highway and major route to the west extending more than a 1000 miles from Maryland to Illinois.
  - The National Road was begun in 1811 and completed in the 1850s, using both federal and state money, with the different states receiving ownership of segments of the highway.

- **Canals**
  - Completion of the Erie Canal in New York in 1825 was important in linking the economies of western farms & eastern cities.
  - The success of this canal in stimulating economic growth touched off a frenzy of canal-building in other states.
  - In little more than a decade, canals joined together all of the major lakes & rivers east of the Mississippi.
  - Improved transportation meant lower food prices in the East, more immigrants settling in the West, & stronger economic ties between the two sections.

- **Steamboats**
  - Mechanized, steam-powered travel began in 1807 with the voyage up the Hudson River of a steamboat by Robert Fulton.
  - Commercially operated steamboat lines soon made round-trip shipping on the nation's great rivers both faster & cheaper.

- **Railroads**
  - Even more rapid & reliable links between cities became possible with the building of the first U.S. railroad lines in the 1820s.
  - The early railroads were hampered at first by safety problems, but by the 1830s they were competing directly with canals as an alternative method for carrying passengers & freight.
  - Combined with other improvements in transportation (especially steamboats & canals), the railroad changed small western towns such as Cleveland, Cincinnati, Detroit, & Chicago into booming commercial centers of the expanding national economy.
Growth of Industry

- At the start of the 19th century, a manufacturing economy had barely begun in the U.S.
- By the mid-1800s, U.S. manufacturing surpassed agriculture in value, & by the century’s end, it was the world’s leader
- This rapid industrial growth was the result of a unique combination of factors:

1. Mechanical Inventions
   - Protected by patent laws, inventors looked forward to rewards if their ideas for new tools or machines proved practical
   - Eli Whitney was the most famous inventor whose long hours of tinkering in his workshops resulted in improved technology
   - Whitney invented the cotton gin in 1793 & devised a system for making rifles out of interchangeable parts during War of 1812
   - Interchangeable parts then became the basis for mass production methods in the new northern factories

2. Corporations for Raising Capital
   - In 1811, NY passed a law that made it easier for a business to incorporate & raise capital (money) by selling shares of stock
   - Other states soon imitated New York’s example as owners of a corporation risked only the money they invested in a venture
   - Changes in state corporation laws led to the raising of large sums of capital necessary for building factories, canals, & railroads

3. Factory System
   - When Samuel Slater emigrated from Britain, he took with him the British secrets for building cotton-spinning machines, and he put this knowledge to work by helping establish the first U.S. factory in 1791
   - Early in the 1800s, Jefferson’s Embargo Act & the War of 1812 stimulated domestic manufacturing, and the tariffs enacted by Republican congresses allowed the new factories to prosper
   - In the 1820s, New England emerged as the country’s leading manufacturing center due to the region’s abundant waterpower for driving the new machinery and good seaports for shipping goods
   - Also, the decline of New England’s maritime industry made capital available for manufacturing, while the decline of farming in the region yielded a ready labor supply
   - Other northern states with similar resources & problems (NY, NJ, & Penn.) followed New England’s lead
   - As the factory system expanded, it encouraged the growth of financial businesses such as banking and insurance

4. Labor
   - At first, finding workers for the mills & factories was a major problem, because factories had to compete with the lure of cheap land in the West
   - Textile mills in Lowell, Massachusetts, recruited young farm women & housed them in company dormitories
   - In the 1830s, the Lowell System was widely imitated
   - Many factories also made extensive use of child labor as children as young as seven left home to work in the new factories
   - Only toward the middle of the century did northern manufacturers begin to employ immigrants in large numbers

5. Unions
   - Trade (craft) unions were organized in major cities in the 1790s & increased in number as the factory system took hold
   - Many skilled workers (shoemakers & weavers, for example) had to seek employment in factories because their earlier practice of working in their own shops (the crafts system) could no longer compete with lower-priced, mass-produced goods
   - Long hours, low pay, & poor working conditions led to widespread discontent among factory workers
   - A main goal of the early unions was to reduce the workday to 10 hours
   - The obstacles to union success, however, were many like: (1) immigrant replacement workers, (2) state laws outlawing unions, (3) frequent economic depressions with high unemployment
Commercial Agriculture
- In the early 1800s, farming became more of a commercial enterprise & less a means of providing subsistence for the family
- This change to cash crops was brought about by a blend of factors such as:

  1. Cheap land & easy credit
     - Large areas of western land were made available at low prices by the federal government
     - State banks also made it easy to acquire land by providing farmers with loans at low interest rates

  2. Markets
     - Initially, western farmers were limited to sending their products down the Ohio & Mississippi Rivers to southern markets
     - The advent of canals and railroads opened new markets in the growing factory cities in the East

Cotton and the South
- Throughout the 19th century, the main cash crop in the South was cotton
- Eli Whitney’s invention of the cotton gin in 1793 transformed the agriculture of an entire region
- Now that they could easily separate the cotton fiber from the seeds, southern planters found cotton more profitable than tobacco and indigo, the leading crops of the colonial period
- They invested their capital in the purchase of slaves and new land in Alabama & Mississippi
- Southern planters shipped most of their cotton crop overseas for sale to British textile factories

Effects of the Market Revolution
- Specialization on the farm, the growth of cities, industrialization, & the development of modern capitalism meant the end of self-sufficient households and a growing interdependence among people
- All combined to bring about a revolution in the marketplace
- The farmers fed the workers in the cities, who in turn provided farm families with an array of mass-produced goods
- For most Americans, the standard of living increased
- At the same time, however, adapting to an impersonal, fast-changing economy presented challenges and problems

Women
- As American society became more urban & industrialized, the nature of work & family life changed for women, many of whom no longer worked next to their husbands on family farms
- Women seeking employment in a city were usually limited to two choices: domestic service or teaching
- Factory jobs, as in the Lowell System, were not common & the majority of working women were single
- If they married, they left their jobs and took up duties in the home
- In both urban and rural settings, women were gaining more control over their lives
- Marriages arranged by one’s parents were less common, & some women elected to have fewer children
- Nevertheless, legal & political restrictions on women (not being able to vote, for example) remained

Economic and Social Mobility
- Real wages improved for most urban workers in the early 1800s, but the gap between the wealthy & the very poor increased
- Social mobility (moving upward in income level & social status) did occur from one generation to the next
- Economic opportunities in the United States were greater than in Europe
- Extreme examples of poor, hard-working people becoming millionaires, however, were rare

Slavery
- At the outset of the early 1800s, there were many people throughout the U.S. who felt that slavery would gradually disappear
- Economically, it was becoming unfeasible due to both the exhausted soil of the coastal lands of Virginia & the Carolinas and the constitutional ban on the importation of slaves after 1808
- Hopes for a quiet end to slavery were ended by the rapid growth of the cotton industry
- As the arguments over the Missouri Compromise suggested, slavery was an issue that defied clear answers