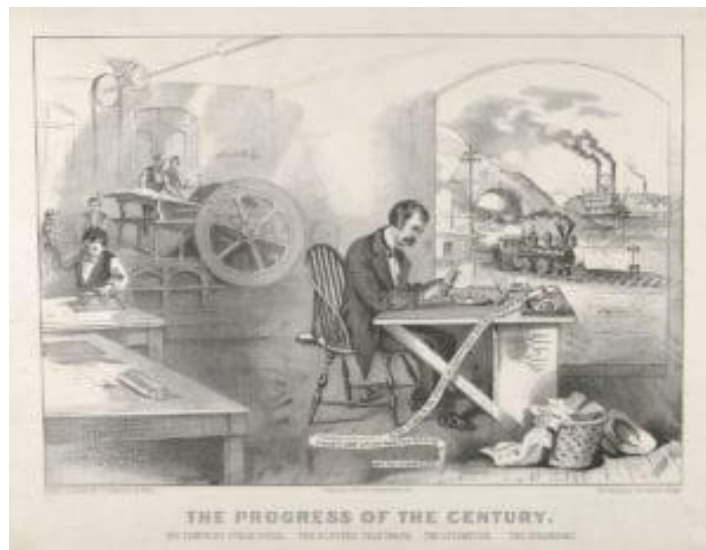


## The Market Revolution

**The development of a Market Revolution stimulated economic growth and American nationalism.**

Between 1790 and 1860, the era of the **Market Revolution** changed how people acted economically and how they reacted to social and cultural change. The “market” now determined the choices people had to make such as what to grow, what to make, where to sell and for how much money.

The Market Revolution was **national**, not local and regional, as crops grown in the Southwest and the West were now exchanged for manufactured goods made in the North. Southern cotton was now spun on the power looms in New England towns such as Lowell, Massachusetts. In order to complete these processes, inland transportation systems had to drastically improve. Canals, roads, steamboats, and later, railroads had to be built in order to link the agricultural regions to those of the cities.



Farming saw major changes during this time period, no longer were farms small and self-sufficient, but large-scale commercial farms were created. Improved agricultural technology such as the steel plow and the mechanical reaper (harvester) allowed more acres of land to be farmed, therefore requiring a greater demand for enslaved and free labor. In the South, single crop cultivation, especially cotton saw a dramatic rise in acreage. The Cotton Gin of Eli Whitney now made it possible for more cotton to be cleaned and sent to the factories than ever before.

In the Northern states, industrialization saw many new improvements in production which also increased the demand, except it was for free-labor, not enslaved people. Businesses now began to specialize and only make one or two types of products.

Even though this now created a national economy the country still had geographical production:

**The North focused on industrial goods**

**The West focused on grains and livestock**

**The South focused on plantations, especially cotton, most of which was exported to Europe.**

A national economy had now developed, aided in part by banks that willingly provided loans for future industries and safe places for the profits gained from the exchange of goods and services. **Limited Liability Corporations** were formed that meant that investors could not lose no more than the value of the stock that they owned. The **Marshall Court** (Supreme Court) helped the developments also by passing laws that expanded interstate commerce and protected the validity of contracts.

Unfortunately, the Market Economy also had some negative effects. There were times of growth and great profits, land speculations went from highs to lows and back again, and a result there were also financial losses that led to depressions or panics, such as the **Panic of 1839** and the **Panic of 1837**. During these times there were bankruptcies, bank failures, and high rates of unemployment.

### The Change from Household to Market Economies

	Household Economy	Market Economy
<b>Producers</b>	Households	Industries
<b>Labor</b>	Members of the household produce a variety of goods at home	Workers specialize in producing a particular product outside of the home. They exchange their labor for cash.
<b>Goods</b>	Goods are made primarily to be used within the household	Goods are now sold on the open market for a profit

The **American System**, developed by **Henry Clay** and approved by President John Quincy Adams was created to unify and link the North, South, and Western regions of the country. His plan consisted of three major components:-

1. Establish a national transportation system to aid trade and national defense
2. Create a protective tariff to encourage American manufacturing which would provide the funds for his transportation projects.
3. Create a second National Bank to provide the necessary funding required for these projects and extend lines of credit to farmers and industrialists.

A more detailed lesson on the American System can be found in the following link:-

[https://www.hursthistory.org/uploads/1/0/7/0/107013873/american\\_system.pdf](https://www.hursthistory.org/uploads/1/0/7/0/107013873/american_system.pdf)

### The First American Industrial Revolution

By the early 1800's, the industrial revolution that began in England had reached the United States. The factory system emerged in the North, especially New England, due to the abundant supplies of coal, iron ore, and rivers used for water-power. The New England town that is associated with the start of this revolution is **Lowell, Massachusetts**. The mills employed white, teenage girls as its labor force for the mills who lived in housing at the mills. (see the short YouTube video on this page).

The completion of the **Erie Canal** in 1825 now connected the Atlantic Ocean at New York City with the Great Lakes. As a result shipping costs dropped sharply. Populations in Upstate New York and New York City rose sharply. The growth of railroads, thanks to the steam engine, now linked New York to other major cities. **By 1840, New York City was the nation's major port** as well as its financial, commercial, and industrial center.

### Major Inventions of the Early 1800's

Invention	Year	Inventor	Effect
Power Loom	1784	Edmund Cartwright	Factory-produced cloth
Cotton Gin	1793	Eli Whitney	Mass-produced seedless cotton, increased demand for slave-labor
Interchangeable Parts	1798	Eli Whitney	Mass production of muskets
Cotton Spinning machine	1798	Samuel Slater	Factory-produced cotton fiber
Steamboat	1807	Robert Fulton	Cut travel and shipping times and costs
Iron-Bladed plow	1819	Jethro Wood	Plowing was faster and easier
Horse Streetcar	1820	John Stephenson	Improved public urban transportation
Steam Locomotive	1830	Peter Cooper	Faster travel and shipping, networks now connected the nation
McCormick Reaper	1831	Cyrus McCormick	Harvested grain faster and more easily, enabling grain to be mass produced
Steel-Bladed Plow	1837	John Deere	Plowed sod in the Great Plains without breaking the device. Caused an increase in westward migration
Telegraph	1844	Samuel Morse	Connected the nation's communications, improved business activities
Sewing Machine	1846	Elias Howe	Clothing and shoes made faster and cheaper in factories. Increased production in textile factories

The Market Revolution led to the growth of the cities. **By 1860, nine of the ten largest cities in America were in the North.** After 1840, immigrants made up the majority of the populations in some cities, but this only added to a gap between the rich and the poor, the upper class and the working class. Private companies provided sanitation and water only to those who could afford it, cities were unsafe, urban crime was rampant until most cities created police forces in the mid-1830's.

### Working Class Life

During the Industrial Revolution in the North, both men and women worked for a living. More women worked as servants, more men in factories. Working-class children under the age of ten often worked in the factories.

## Middle-Class Life in the North

By the 1830's there were more educational opportunities for women. Some even became teachers. Families had fewer children. Working-class children had to make some financial contribution to the family's income but middle-class children did not have to work. Middle-class parents supported the growing movement for public schools.

## Life for Free African Americans in the North

These group of people still faced extreme racism and legal restrictions. Public places still remained segregated. Hiring discrimination was common. African American women were more likely to find a job than men, usually as household maids or servants.

## Irish and German Immigration

American did not have enough domestic labor for the Market Revolution. Between 1845 and 1854 the supply of workers was greatly improved by over three million new immigrants, mostly from Ireland and Germany. The Irish settled in the Northeastern cities as they lacked to money to move west. Irish women replaced the farm girls who were forced to work in the factories. Twelve-hour days and a six-day workweek were common. Some Germans stayed in the cities but may moved west and became farmers and farmworkers.

## Nativism

**Irish and German Catholics** faced hostility from native-born white Protestants. They were seen as cheap labor and competition for their jobs. Nativism, or anti-immigrant feelings grew, especially in the cities. By the mid-1850's an anti-immigrant political party, the "**Know Nothings**" was formed. They campaigned to restrict immigration.



## Technology and Life in the South

Technological advancements improved cotton farming and also increased the demand for enslaved labor. The South remained agricultural due to its climate and topography. In the 18<sup>th</sup> century, rice, tobacco, and indigo were grown but by the end of the century, tobacco farming methods had worn out the soil. Cotton then took over, becoming the mainstay for the South.

### The Growth Cycle of “King Cotton”

- The South has good conditions for farming
- The South develops an economy based on farming and slavery
- The invention of the Cotton Gin makes manufacturing more profitable
- The Industrial Revolution leads to a growing textile industry that demands more cotton for cloth
- Cotton becomes the most valuable product in the South
- Rich landowners create large plantations, relying on slave labor

Between the 1830's and 1850's **both the price of land and the price of slaves doubled**. Plantation owners now borrowed more money to buy more land and more slaves in order to grow more cotton to make more money to simply compete with the other plantation owners. Plantation owners and their slaves began a westward migration looking for new land. The old cotton farming techniques had depleted the soil along the East Coast, now they moved inland into the southern Mississippi River valley and beyond.

**Cotton had become half of the nation's exports and two-thirds of the nation's economy** due to the links between the plantations and the textile factories in the North. **New Orleans, Savannah, Charleston, and Norfolk** grew rapidly as the port cities for the export of cotton.

A minority of the Southern free-white populations now dominated political, economic, and social life in the South. The men ruled the plantations while their wives and daughters took on the responsibility of caring, feeding, and clothing their families and in most cases, their slaves.

Some slaves refused to work for their masters and were badly punished but not killed as they were valuable property. After the **Nat Turner Revolt** in 1831, more restrictive slave laws limited movement and quality of life for the slaves. Slaves were not allowed to read or write. Slaves were **not** allowed to legally marry but those who had children made them work the fields in fear of the children being sold and being “sent down the river” to another plantation. Many slaves were given religious education by their owners, even though only verbally taught. This created a mixture of Protestant Christian and African elements, with music playing an important part of their worship services.

