Chapter 10: The Market Revolution, 1815 - 1824

Overview
Following the War of 1812, the American economy was altered from an economy partly dependent on imports from Europe to an economy that evolved into an empire of internal commerce. In 1817 James Monroe replaced James Madison as president of the U.S. The Republicans continued policies begun in Jefferson’s administration. With a new generation of leaders the Republican Party came to embrace the principles of government activism and the development of large-scale domestic manufacturing. Despite all of the promises that characterized the United States, discrepancies loomed: the survival of slavery, treatment of the Indians, the deterioration of some urban areas, and a mania for speculation. The nation was not just growing through the addition of land, but population shifts brought about new states to the Union and when Missouri petitioned for statehood in 1819, the issue of slavery was thrust on the national agenda. Thomas Jefferson wrote that the issue awakened him “like a firebell in the night.” That the Missouri question coincided with the nation’s worst financial crisis awakened anxieties in many Americans. By the 1820’s Americans recognized a rough regional specialization: plantation-style export agriculture in the south, a north built on business and trade, and a frontier west. The regions were interdependent but in time their differences would become more obvious, more important, and increasingly more incompatible.

Key Topics The information in chapter 10 introduces your students to the following key topics:
- Tensions between regionalism and nationalism in the republic
- The expansion of plantation slavery in the South
- The growth of wage labor and cities in the North
- Transcontinental politics in the United States
- The growth of National Republicanism

Chapter Outline
Cincinnati: Queen of the West
New Lands, New Markets
- Westward to the Mississippi
- The Transportation Revolution
- The Waltham System of Manufacturing

Feature: How The Lived and Where They Worked: Lowell, Massachusetts
A New Nationalism
- The Political Economy of National Republicanism
- The United States in the Americas
- Judicial Nationalism

Firebells in the Night
- The Panic of 1819
- The Missouri Compromise

The Political Economy of Regionalism
- Cities, Markets, and Commercial Farms in the North
- Planters, Yeomen, and Slaves in the South
- The River and the West

Conclusion

Annotated chapter outline
Cincinnati: Queen of the West: Cincinnati symbolizes the growth of the American economy and industry following the end of the War of 1812. Consumers had money to spend, shopkeepers had merchandise to sell, and jobs were plentiful. Cincinnati’s location on the Ohio River placed it on a new trade route west to the Mississippi River and the Mississippi south to the Gulf of Mexico. The city looked west for opportunity as did many
Americans. Cincinnati prospered and in the economic collapse of 1819, it suffered like other cities in the United States. Cincinnati also symbolizes the republic between 1815 and 1830: national self-sufficiency and the promise of personal opportunity. The growth of internal markets reinforced a pattern of regional economic specialization. However, the regions had different requirements.

New Lands, New Markets: Following the War of 1812, the American economy was altered from an economy partly dependent on imports from Europe to an economy that evolved into an empire of internal commerce.

Westward to the Mississippi: The biggest market of all was in land, and the sale of land represented a steady stream of revenue for the national government. However, the problem of obtaining Indian lands so it could be sold to settlers became the paramount question of American policy. The government had a history of successfully reducing Indian land holdings and despite promises to the contrary, the federal government continued to take Indian lands. Acquiring land, the national government devised policies to facilitate the sale of land so that it could have revenue from its asset. The Congress reduced the minimum number of acres it would sell from 640 acres to 320 acres, it reduced the price per acre from $2.00 to $1.64 and it allowed for payments over time. At the same time, wealthy investors were also allowed to buy large tracts of land for resale. Americans moved west in droves and the population of western states grew and western states were admitted to the Union in rapid succession. Migration was remarkably heterogeneous: American Indian refugees, slaves who were being forcibly relocated, as well as white people for whom life “back home” offered no opportunity.

The Transportation Revolution: Westward migration and the expansion of the economy demanded unproved means of getting goods to market and to consumers. Toll-roads, generally a locally financed affair, made a poor investment. Road construction also meant bridge construction and bridges usually turned a better profit than roads. More important was the development and improvement of steam engines to power boats. Steam powered boats made use of the “interstate highways” of the Ohio, Wabash, and other rivers, especially the Mississippi River. The economies of these regions developed and expanded. Owners and operators made profits from steam boats. But there were potentially prosperous areas where steamboat travel was not possible. The answer to this problem could be solved by linking water routes by canals. The Erie Canal, paid for with state money, was a risky gamble that not only paid handsome profits but also reduced the cost of transportation dramatically—stimulating more development.

The Waltham System of Manufacturing: By 1814 mechanics and investors had laid the groundwork for industrial manufacturing in America. The first full application of improved practices to manufacturing came to fruition after the War of 1812 through the efforts of Francis Cabot Lowell who opened the first fully mechanized textile mill in the United States in Waltham, Massachusetts. Much of the Waltham mills was revolutionary: the scale of its capitalization was impressive as was the way in which labor was organized. The company devised a residential system and hired mostly young women. Not only was work changed but the workers were also changed. For most of the girl workers, this was the first time they had their own money and controlled how it was spent. Social independence soon followed. Long term changes were also evident: girls who worked in the textile mills married later, to marry urban men, and to live in town. For an example of how the Lowell girls lived and worked see “How they lived and how they worked.”

Was the “market revolution” really a revolution? Was it a phenomenon of local markets, regional markets, national markets—or all three? List five factors after 1800 that encouraged the growth of markets 1815-1824.

A New Nationalism: In 1817 James Monroe replaced James Madison as president of the U.S. The Republicans continued policies begun in Jefferson’s administration. With a new generation of leaders the Republican Party came to embrace the principles of government activism and the development of large-scale domestic manufacturing.

The Political Economy of National Republicanism: A new generation of politicians began to influence the Republican party. The Republicans did not share Jefferson’s fears of a strong central government, instead they believed that an activist central state might be the nation’s best protection against localism and dangerous fragmentation. Henry Clay (Kentucky), John C. Calhoun (South Carolina), and Daniel Webster and John Quincy Adams (Massachusetts) began to dominate the party. Although there were differences of opinion within the party, Calhoun called on Americans to endorse a policy of “prosperity and greatness”. The Republicans, trying to represent the nation’s regional concerns devised the American Plan for the South and West, the plan called for a
national subsidy to improve transportation; in the northeast it supported a protective tariff to safeguard industry and a new national bank to keep currency and credit stable. The Congressional bills dealing with the tariff and the bank fared better than transportation subsidies. The transportation subsidy was troublesome. Not only did it ask congressmen to support plans beneficial to regions other than their own but also many, including Presidents Madison and Monroe, questioned the constitutionality of the bill.

The United States in the Americas: By 1819, the U.S. asserted territorial claims that stretched to the Pacific and it claimed diplomatic sovereignty that extended to the hemisphere. In the Rush-Bagot Treaty of 1817 the U.S. and Great Britain agreed to limit military forces on the Great Lakes, establishing the precedent of an unfortified border. In the Convention of 1818 the two nations agreed to a border along the forty-ninth parallel to the Rocky Mountains. The following year, the U.S. and Spain negotiated clear borders to the southern part of the Louisiana Purchase and the U.S. acquired Florida. The U.S. gave up a claim to Texas and Spain gave up its claim to Oregon. The Transcontinental Treaty expressed an important shift in the nation’s international identity, it saw for itself a right to extend across the continent. Changes in European power had ramifications for the U.S. and the western hemisphere. Spain was rapidly losing control of its American empire due to successful independence movements but that did not mean that other European nations would not try to acquire them. To warn off all European nations, including Great Britain, President Monroe issued a statement recognizing the new republics and proclaiming that the U.S. had a special relation with all parts of North America and South America. He said that the U.S. would consider any European attempt to “extend their system to any portion of this hemisphere as dangerous to our peace and safety”. The Monroe Doctrine proclaimed that the western hemisphere was closed to any more external colonization. In the Transcontinental Treaty and the Monroe Doctrine the U.S. asserted a new peer relation to the European nations as well as the adjudicator of the North and South American interests.

Judicial Nationalism: In three landmark decisions, the Supreme Court legitimated the National Republican vision of an America of expansive economic growth and strong, activist central government. In Dartmouth v. Woodward (1819) the court reinforced the principle that the rights of the people were best protected through the rights of contract. The court reaffirmed in McCulloch v. Maryland (1819) that the federal government was superior to the states and that the states did not have the power to tax the creations of the federal government. In Gibbons v. Oden (1824), the question was, who controlled river ways? Was it the state or the federal government and which government had the right to grant licenses to the river way. Consistent with its previous rulings, the Marshall Court found in favor of the federal government. These cases support ideas fundamental to the nation’s economic expansion but clearly supported the rights of property-owners over those of working people.

In what ways did the development of regions and the development of a new sense of nationalism complement each other? In what ways did they conflict with each other?

Firebells in the Night: Despite all of the promises that characterized the United States, discrepancies loomed: the survival of slavery, treatment of the Indians, the deterioration of some urban areas, and a mania for speculation. The nation was not just growing through the addition of land, but population shifts brought about new states to the Union and when Missouri petitioned for statehood in 1819, the issue of slavery was thrust on the national agenda. Thomas Jefferson wrote that the issue awakened him “like a firebell in the night”. That the Missouri question coincided with the nation’s worst financial crisis awakened anxieties in many Americans.

The Panic of 1819: In 1819, Americans faced one of the less desirable aspects of the market revolution: economic depression, or as they were called during the nineteenth century, panics. The Panic of 1819 was the result of speculation and reckless banking practices. A crisis on the national level in the Second Bank of the United States (rechartered in 1816) moved quickly to state banks. As credit dried up and the value of paper money plummeted, the nation was thrown into a sharp depression and commodity prices crashed. The panic was felt not just on the east coast but also in the south and west and it highlighted persisting weaknesses and inequalities in the market economy. For Americans with money to invest, there were profits to be made, but for most Americans this proved impossible. Speculation (and profits) in manufacturing or in land was open to the few with money.

The Missouri Compromise: When Missouri petitioned for statehood in 1819 Americans learned first-hand that land in the west had the potential to tear the nation apart. Missouri’s admission as a slave state threatened the division of power between slave and free states. If Missouri was admitted the number of free state and slave state senators would be unequal. Missouri was also the first new state carved out of the Louisiana Purchase and its admission would set a precedent for future states. With Missouri, the question was the extension of slavery into western territories. Instead of dying out, slavery was expanding. Northern state and southern politicians were not
yielding in their beliefs. Each area voted along geographical lines and a compromise was finally bothered when Maine, a free state, petitioned for statehood. With Maine’s admission as a free state the balance in the senate was maintained. In order to deal with the issue in other states carved out of the Louisiana Purchase, slavery would be allowed in the Arkansas Territory to the south but prohibited for the rest of the Louisiana Purchase. The Missouri Compromise barely passed in March, 1820.

Were the years between 1815 and 1824 an “Era of Good Feeling”?

The Political Economy of Regionalism: By the 1820’s Americans recognized a rough regional specialization: plantation-style export agriculture in the south, a north built on business and trade, and a frontier west. The regions were interdependent but in time their differences would become more obvious, more important, and increasingly more incompatible.

Cities, Markets, and Commercial Farms in the Northeast: The northeast by 1820 was characterized by an interconnected web of cities, towns, villages, and farms. Americans there were united by the density of cash markets, the importance of wage labor, and the steady spread of urban institutions. Immigrants from Europe added to the native work force in the cities and the farmlands in Michigan and Wisconsin Territories. A reliance on cash exchange and wages changed the society and culture of the northeast and it changed families. The republican virtue of community obligation was changed to focus instead on individual achievement, especially as measured in cash terms. Cities offered opportunities and an increased number of social organizations. But beneath the glitter were troubling signs related to changes in the nature of labor and proof of material differences between workers and the wealthy.

Planters, Yeoman, and Slaves in the South: In contrast to the north, the south was rural, agricultural, and dominated by a plantation system of cash crops. The south was also a region with its own internal contrasts. Despite the well-protected image of plantation agriculture, with its miniature village settlement pattern, most southern farmers lived on small poor farms of several hundred acres. These “yeoman” farmers worked their own land and if they used slave labor, the slaves belonged to someone else. Below the yeoman farmer were poor underclass tenant farmers and wage earners. Plantation owners owned the majority of the south’s slaves—as many as three-quarters of all slaves lived on plantations. The crop produced would determine the number of slaves on a plantation. Between white and black southerners the contrasts were present. Predictably, white plantation owners were oblivious to the realities and complexities of life in the African-American communities that surrounded them. Blacks on the other hand, maintained some control over limited aspects of their personal lives that probably went unrecognized by owners.

The River and the West: The Trans-Appalachian west was not a uniform region with a single culture of perfectly homogeneous interests nor was it static nor stable. In fact, “the west” was never a fixed place. As more settlers moved into unsettled areas the imaginary line between settled and unsettled shifted, generally further west. The west overlapped both the south and northeast and reflected their economics and cultures. However, “the west” as a concept came to symbolize opportunity and freedom and its magnetism drew Americans. Americans in the northeast who moved west did so along the same latitude so the west north of the Ohio River was made up of family farming, small manufacturing and wage labor. In contrast, south of the Ohio River slavery and export farming were the norm. Westerners were united in several respects, especially legislation regarding federal land policies and credit. Settlement across the Trans-Appalachian west was not uniform. Population was relatively sparse except for Ohio and Indiana and in settlements along the Ohio and Mississippi Rivers and their tributaries. In spite of their rugged frontier qualities, Cincinnati, Louisville, St. Louis, Memphis, and New Orleans were at the same time cosmopolitan. But the west, with its promises of opportunity and freedom, drew settlers whose lives would be characterized by hard work, mean living conditions, and, for many, failure.

Consider what was gained and/or lost for each of the following groups by the spread of internal markets: a farming family in western Massachusetts, a laboring-class family in New York, a wealthy merchant family in Philadelphia, a slave family in Virginia.

Feature: How They Lived and Where They Worked: Lowell, Massachusetts: Sarah Hodgson moved to the textile mill town Lowell, Massachusetts in 1803. She was sixteen years old and looked forward to earning her own money -- a dollar a week. Compared to the farm work she left behind Sarah must have enjoyed the schedule: 12 hours a day, 6 days a week, 309 days per year. Compared to life on the farm, Sarah enjoyed living in town where she attended church and shopped.
**Conclusion:** The “Era of Good Feeling” (1815-1824) was characterized by political consolidation, diplomatic success, and rapid economic growth. Underneath the good times however were Jefferson’s “firebells” -- if one chose to hear them.

- In what ways did the new, nationalist Republicans represent an extension of Jeffersonian Republicanism?
- In what ways did the two political philosophies differ?

**Making links to other ideas** Using the maps and websites, in addition to your prepared lectures and other assignments, can give you more resources to enable your students to see that history is much more than memorizing names and dates. You will find that the websites are even more comprehensive and adaptable than described and because they have been collected here in one volume you have a world of information no further away than the click of your mouse. If you are new to the web’s opportunities, you will be pleasantly surprised at the breadth and depth of the information available in these sites.

Map 01: Compare the information in the two maps. What information are these maps conveying? In what ways did the market economy contribute to these changes?

Map 02: Using the map, describe the transportation revolution east of the Mississippi River. In what ways did the transportation revolution contribute to the economic revolution?

Map 03: Describe the physical boundaries of the United States in 1819 as well as the treaties and purchases that created those boundaries.

**Web connections and resources** Consider using these websites to supplement your students’ reading and analytical skills. The sites were chosen because of their relevance to the material in the chapter -- not just to mirror it but to provide additional materials and perspectives. Questions from the student study guide have been included so that you can use or amend them to your own needs. Your students may find it insightful for you to guide them through the site as you help them develop research strategies.


Having survived its own creation, the United States developed or discovered its own national identity, with its own heritage and peculiarities. The U. S. was no longer a colony of England or Spain, and indeed had uneasy relations with Canada and Mexico, which maintained colonial ties to Europe. Technically, the U. S. reached from the Pacific to the Atlantic, but who really knew what lay between? The uncertainty led to distinctive forms and subjects in popular art that reveal American worldviews. What do those images tell you about how Americans saw themselves -- and others?

“History of the Erie Canal” http://www.history.rochester.edu/canal

In the era of great internal improvements, see how the opening of the canal had an impact on New York and the country. The site contains a chronology of the building of the canal, the evolution of boats used, biographical sketches of key players in the canal’s history, and a link to search primary documents about the canal.

1. In what ways did the Erie Canal change the lives and economic futures of those living in the region?
2. What technological problems had to be overcome before the canal could be started and finished?

“The Great Migration to the Mississippi Territory” http://mshistory.k12.ms.us/features/feature9/migrate.html

Through this site, trace the great migration of whites and slaves to the West through this feature story in Mississippi History Now.

1. What were the borders of the Mississippi Territory? What were the primary settlements? Why did Americans move there?
2. In what ways did the Panic of 1819 effect the development of the Mississippi Territory?

“The Five Points Site” http://r2.gsa.gov/fivept/fphome.htm

Through this site, which utilizes both urban archeology and history, learn about the famous nineteenth-century New York neighborhood that was home to working-class Irish immigrants.
1. What is “Five Points?” Who lived there? Why was this site excavated? What can archaeological evidence tell us about the past? Is archaeological evidence more or less reliable than conventional historical evidence or is it as important? Explain your answer.

Analytical reading Your students may need more experience analyzing a short reading passage so that he or she can determine its component parts. They may need help identifying primary and supporting information as well as the author’s analysis. The analytical reading passages and the questions from the student study guide have been duplicated in the instructor’s manual for your use. Your students may need direction and encouragement in using them.

If Sarah was intimidated, she did not say so in her letters. Instead, she soon reported confidently to her parents that she had “gone into the mill and like [it] very well.” She learned to operate one of the power looms, proudly earning a dollar a week—as much as her sister earned as a teacher. The work regimen was severe—12 hours a day, from bell to bell, 6 days a week, 309 days a year—but not longer or harder than the dawn-to-dusk routine of the farm. And in return for hard work she had the pleasures of earning and keeping (and, when she liked, spending) her own money. In the early days of Lowell, too, the work pace retained a certain casualness, reminiscent of country life. Operatives told stories, teased one another, made up riddles and puzzles, and took turns tending each other's looms, while one of them read aloud. They lived together in company-owned boardinghouses, where the female operatives developed strong and lasting friendships.

Still, independence was not an unabated pleasure. City life, even small-city life, sometimes brought unsettling experiences. Sarah was surprised to learn that the Lowell Baptists charged a pew fee, which she could not afford. Equally confusing, when she attended a Methodist service with her friend Wealthy, she discovered that she liked it! Disconcerted, Sarah rushed off a letter to her mother, asking that she “write to me what to do wether it is best to go to the Baptist or to the Methodist.”

As time passed and competition grew in the textile industry, the freedom that Sarah enjoyed as an operative became rare. The pace of work increased. Operatives were assigned to more looms (a management tactic called the “stretch-out”) running at a faster pace (the “speed-up”), and the company offered bonuses to supervisors who could drive their workers to higher levels of production. The first American industrial labor force, in the 1830s Lowell women would become among the first American workers to walk off the job in large-scale strikes. Some 800 women “turned out” in 1834 and as many as 2000 did so in 1836. By that time, Lowell had ceased to be a place where young, rural women could go to test their independence and had become, instead, “the oppressing hand of avarice” of the industrial elite.

1. Why would Sarah’s letters be of interest to a historian?
2. Would the letters of 100 girls who worked at the mills tell you anything about their work and lives?
3. Why does Sarah anguish over changing churches? What do changes like this tell you about Sarah? Is her work experience changing her in any way?
4. What can you surmise caused the changes in operation at the textile mills referred to above?

Writing The questions or writing prompts from the student study guide have been duplicated here for your use. These writing topics make good lecture topics especially if you help your students see the development of the idea in lecture format before they refine the idea in their writing assignments.

1. Discuss the transformations brought about by the market revolution. What contributed to the economic changes and what were the results?
2. In what ways did the market revolution contribute to the development and entrenchment of regional economies?
3. Identify and describe the events surrounding the revision of the nation’s boundaries during this period.
4. Describe the issues in the Missouri Compromise. What compromises were made and by whom?
5. Discuss Thomas Jefferson’s comment that the Missouri issue awakened him “like a firebell in the night.”
6. In what ways did the Republican party reflect Americans’ mood at the time?
7. In the 1820s what did it mean to be an American?

**Lecture Strategies** Ultimately the lecture is where you impart, or profess, your knowledge for the benefit of your students. These strategies were designed around the textbook and if your classroom strategy is to use the organization of the text to organize your course content, these lecture ideas may prove helpful. However, if you lecture around themes please see the section entitled “Thematic Lecture Topics.” You may find that you are more comfortable with and your students are more responsive to a combination of the two. Consider, too, the projects suggested in the student study guide. If your students complete these before your lecture, their comprehension will surely be enhanced.

The market revolution. Your students may find that economic topics are not as boring as they may have thought. Help them see how the component parts -- textile industry and the transportation revolution -- came together to make the economy grow and develop. The Panic of 1819 then makes sense. If you start with the economy then westward migration makes sense, and that brings your students back, again, to slavery, the Missouri Comprmise, and sets the stage for those issues to come. Jefferson's "firebell in the night" is such a great metaphor for the material in this chapter.

**Penguin Classics**


Alexis de Tocqueville, Democracy in America, edited and abridged by Richard D. Heffner, New York: A Mentor Book, 1984. Perhaps the first ethnographic account of the early republic, de Tocqueville's study of America and Americans remains prophetic, insightful, and fresh. It offers much for discussion whether you assign written questions or use it to spark classroom discussion.

George Catlin, North American Indians, edited and with an introduction by Peter Matthiessen, New York: Penguin Books, 1989. From 1831 to 1837, George Catlin travels among the Plains Indians. Certainly one of the earliest writes to record what was already a quickly changing landscape. Catlin's work is not only interesting from a historical perspective but also from what Catlin's own perceptions tell us about his world.