

Creation of National Market Economy

Describe these components of Henry Clay's "American System"

- National bank
 - Located in Philadelphia (north)
 - Hamilton's national bank w/ new charter (20 years, thru 1836)
 - Regulate economy
- Protective tariff (1816)
 - Protects U.S. industry, hurts farmers b/c tariffs on exports to other countries
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- Bonus Bill
 - Proposed by John C. Calhoun... fund for internal improvements (roads, bridges, harbor etc.)
 - Federal gov't to pay
- What were President Madison's reasons for vetoing the Bonus Bill?
 - Thinks it unconstitutional; not job of Fed. Gov't, job of Local Gov't (Madison was in favor of it though)
- Discuss the increased cotton trade & the role of the cotton gin
 - Growing cotton market, Eli Whitney invents Cotton Engine
 - Cotton production ↑; int'l trade
 - GDP ↑; demand for slavery ↑
- Henry Clay
 - American system – his campaign
- American system
 - Clay's long term economic vision (adaption of Hamilton's plan for the future)
 - Divisive issue, pro/con depends on location
 - Promotes nationalism, causes discussion/debate,

How did decisions of the Supreme Court impact business and the economy?

- *Fletcher v. Peck* (1810)
 - Fraudulent land sales in Georgia (Yazoo)
 - Supreme court can declare state laws unconstitutional
 - Contracts are binding & legal
- *Sturges v. Crowninshield* (1819)
 - Laws cannot be made retroactive; states can make bankruptcy laws if they don't conflict with federal laws
- *Dartmouth College v. Woodward* (1819)
 - New Hampshire to alter Dartmouth's charter; college trustees to become self-perpetuating board
 - New Hampshire replaced board & named new government; orig. trustees sued
 - Marshall declared that the state cannot affect private contracts if legal
 - Strengthened rights of contracts; cannot alter contracts
- *McCulloch v. Maryland* (1819)
 - Maryland attempted to tax National Bank
 - Marshall declared that the constitution and federal laws are supreme. they cannot be controlled by states
 - "necessary and proper" means it must be legitimate, within scope of constitution, and appropriate
- *Gibbons v. Ogden* (1824)
 - Congress is the supreme power for regulation of commerce over states
 - state may regulate if doesn't conflict with federal one
- What were general incorporation laws?
 - Allows a corporation to be formed without a charter from a legislature

Explain the impact of the transportation revolution on American nationalism

- Canal boom
 - Connection of bodies of water; aids transportation
 - 3000 mi of canals dug
 - Makes shipping quicker; reduces price of goods
- Erie canal (1817)
 - Hudson river with Lake Erie
 - New York transportation, shipping
- Costs of canals
 - American gov't does not fund the canals
 - State gov't, private orgs. Pay for it
- Steamboats
 - Allows traffic against current; faster; cheaper
- "Floating palaces" (p. 350)
 - Floating gambling boats; make people spend money on things they don't need; begins leisure industry for middle class
- Railroad's growth
 - Early 1820s, faster, cheaper more reliable
 - Gov't gave loans, grants to companies; lowered taxes on steel
 - Canal business ↓; through Indians;
- Explain the impact of this change on the agricultural economy
 - Added to exports, cheaper to make, improved the economy
 - Changed diets, agri products available to everyone

Discuss the impact of these issues on American society:

- Federal land rush
 - Promoted national economy, transportation, communication
 - Promotes western expansion, low cost to land
- Squatters
 - Took land that wasn't theirs; people already living on land to be survived
- "right of preemption"
 - Legalized squatters, won't kick them off it
 - Still needed to pay for it
- Land speculation
 - Extended line of credit for land to 4 years
 - Made it easy for land speculators to buy a large amt. of land & sell it off themselves
- Mobility
 - Westward movement, physical mobility
 - Social mobility: easier to climb social ladder
 - Time of opportunity
- Urbanization
 - Growth of cities because of factories (16-17% urbanization)
 - Near large bodies of water (steamboats)

Factory system in America

- Eli Whitney & interchangeable parts
 - Each person made one part
 - Faster process
 - Specialized labor
 - Decreased quality
- Morse's telegraph
 - Allows for faster
- Factory system in America:
- Typical employees
 - Overworked, women/children, underpaid
 - Unconnected from family
- Factory town
 - Dirty, dense, dependent on factory for survival
- Typical work day & "mill girl"
 - 13 hrs; young women who worked for low wages
- Impact of the decline of paternalism
 - Focus less on family values, more on making money
 - No longer sole father figure → whole family raises child

Explain how events in the west impacted the coming sectional crisis

- Sectional balance in the Senate
- Missouri's request for statehood as a slave state
 - Missouri wants to be a slave state; would tip balance in favor of slave states
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- Tallmadge amendment
 - Ban slavery in Missouri; 1st time ban on slavery was proposed
- Henry Clay's Missouri Compromise
 - Missouri admitted as slave state, Maine admitted as free state
 - 36° 30' north = free; south = slave
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- Jefferson's reaction
 - This is the beginning of a major issue; will need to deal with this later

Discuss the economic boom and bust cycle

- Impact of the boom-bust cycle on Benjamin Remington Panic of 1819

Assess the impact of this new industrialism on America's social structure

- Growth of the social pyramid
- Realities of social mobility
- Impact of wealth and money on the American character

Briefly summarize the market economy on these cities:

- Kingston, New York
- Sugar Creek, Illinois

Move into the industrial system

- Artisan system
- Role of the “factory clock”
- Shoe industry in Lynn, MA
- Cost-cutting methods
- Impact on Lynn’s population

Describe the initial rise of labor unions in America

- National Trades’ Union
 - Orig. illegal, setup so everyone has same benefits
 - Protection of their rights
- Radical rhetoric v. moderate reforms
- Difficulties for the labor movement
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- *Commonwealth v. Hunt in Massachusetts (1840)*
 - Ruled that unions are not illegal
- Explain the impact of the factory system on the decline of women’s traditional work
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