

Nationalism and Sectionalism

Lesson 1

Regional Economies

Key Terms and People

Eli Whitney Inventor of interchangeable parts and the cotton gin

interchangeable parts Standardized parts that can be used in place of one another

mass production The production of goods in large amounts

Industrial Revolution A change in the making of goods as machines replaced hand tools and large factories replaced small workshops

cotton gin Eli Whitney's invention for cleaning cotton

Henry Clay Speaker of the House of Representatives and political leader from Kentucky

American System Unification plan for economic development that Clay promoted

National Road A federally funded road, stretching from Cumberland, Maryland, to Vandalia, Illinois

Erie Canal Canal that connected the Great Lakes with the Atlantic Ocean

Tariff of 1816 A protective tariff designed to help American industries

Before You Read

In the last lesson you learned about President Madison's administration and the War of 1812. In this lesson you will learn about the different economies that developed in various sections of the country.

As You Read

Use a chart to identify the economic systems of the North and the South.

ANOTHER REVOLUTION AFFECTS AMERICA

How did the Industrial Revolution change New England?

America's government had transformed greatly by 1800, and other changes had taken place in America as well. For example, the production of goods moved from small workshops to large factories that used machines. This change was partly due to **Eli Whitney**,

who in 1798 found a new way to make goods with **interchangeable parts**. These standardized parts can be used in place of one another. Power-driven machinery and many laborers made **mass production** possible in factories. Mass production is the production of goods in large amounts.

These changes in manufacturing led to an **Industrial Revolution**, which was the name given to the massive changes—

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to both the economy and society—caused by the growth of the factory system.

Industrialization in America took place primarily in the New England states. The War of 1812, the Embargo Act of 1807, and the fact that farming was difficult made people willing to manufacture goods. The New England town of Lowell, Massachusetts, became a major manufacturing center. Thousands of young women went to work in factories there.

1. How did the Industrial Revolution change New England?

TWO ECONOMIC SYSTEMS DEVELOP

How did agriculture differ in the North and South?

By 1800 what little farming there was in the North was changing. Farmers had family farms and raised livestock and crops for their families. What they didn't use they sold and spent the money on goods made in northern factories. Due to manufacturing, the North did not depend on slave labor.

However, the South was completely different because the South's economy had long been based on agriculture. In 1793 Eli Whitney helped to further promote agriculture by inventing the **cotton gin**, a machine that helped to clean the cotton and increased cotton production in the South. This led to the establishment of large cotton plantations.

Larger plantations called for more workers. As a result, the number of slaves in the South nearly doubled from 700,000 to 1,200,000 by the mid-1800s.

2. How did the agricultural systems in the North and South differ?

CLAY PROPOSES THE AMERICAN SYSTEM

What was the American System?

The North and South appeared to be growing apart, so the nation's leaders focused on ensuring that the country stayed unified. In 1815 President Madison presented a unification plan to Congress with three major parts. They were to establish protective tariffs, to strengthen the national bank, and to promote the development of national transportation systems. The plan received support from many members of Congress, including Speaker of the House **Henry Clay**, who referred to it as the **American System**.

The federal government began improving the nation's transportation network. In 1811 the government began building the **National Road** to carry settlers west and to improve trade. The National Road extended from Cumberland, Maryland, to Vandalia, Illinois. States also continued to improve their own transportation systems. For example, New York built the **Erie Canal**, which connected the Great Lakes with the Atlantic Ocean.

As part of the plan, President Madison proposed the **Tariff of 1816**. The tariff would increase the cost of foreign-made goods and would make American goods more attractive because they would cost less.

Most people in the industrial North supported the tariff; however, people in the South and the West opposed it because they resented the government's

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attempts to make inexpensive foreign goods more expensive. After much debate, the three regions approved the tariff.

People from all regions supported strengthening the national bank because a national bank would provide a national currency. In 1816 Congress voted to set up the Second Bank of the United States.

3. How did the American System help strengthen the nation's sense of unity?

Fill out the chart by identifying the economic systems of the North and the South.

ECONOMIC SYSTEMS OF THE NORTH AND SOUTH	
North's Economic System	South's Economic System
1. What were the two areas that the economy of the North was based on?	2. What was the South's economy based on?
3. What were the main elements of the North's agricultural system?	4. What were the main elements of the South's agricultural system?
5. What were the main elements of the North's manufacturing system?	