

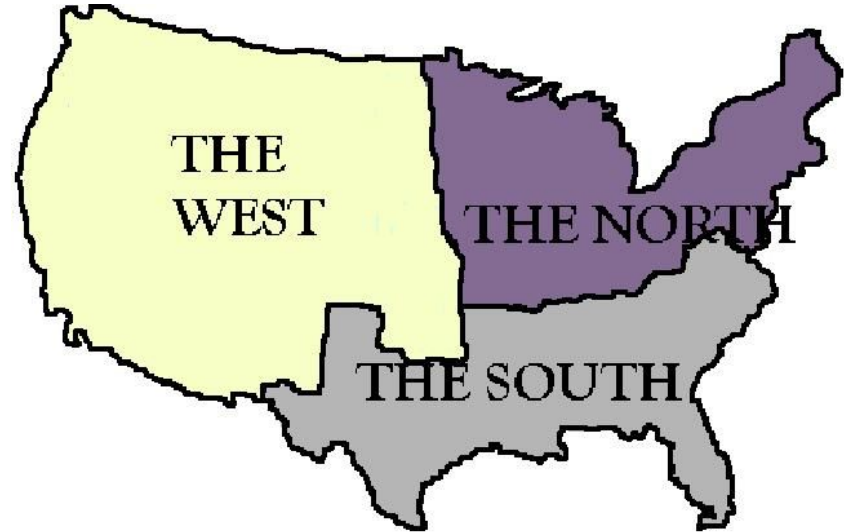
8.46 Analyze the physical obstacles to and the economic and political factors involved in building a network of roads, canals and railroads , including Henry Clay's American System.

United States in 1815

Nationalism

vs.

Sectionalism



Northern Economy Strengths

1. The north had just experienced an Industrial Revolution and was producing manufactured goods.
2. New methods of transportation that brought goods to and from the manufacturing north.
3. A new, national currency that enabled the north to trade with the south and west.

Northern Economy Weaknesses

1. Poor soil
2. Low crop production
3. Few livestock

Southern Economy Strengths

1. Good and rich soil for plantation farming.
2. Increased slavery, increased productivity.
3. Use of the Mississippi River for transportation of goods between the north and south economies.

Southern Economy

Weaknesses

1. No factories for manufacturing goods.
2. Heavy, intense labor (aka slaves) needed to run the plantations smoothly in the south

Western Economy Strengths

1. Cheap fertile land for farming.
2. Rich mineral deposits (silver and gold)
3. Lumber and ranching make money for those in south west

Western Economy Weaknesses

1. Relied on immigrants and migrants to start new farms from scratch
2. Issues with Native Americans over land

American System Introduction

In 1815, President James Madison presented a plan to Congress that would help unite the different regions of the United States. President Madison wanted to create a self-sufficient country that would maintain a stable economy, and develop a united country.

Three major points of the American System:

1. Establishing a protective tariff
2. Resurrecting the national bank
3. Developing transportation systems

American System Definition

House Speaker, Henry Clay, coined the term “American System” in 1815, after President Madison created a plan to unite the Northern and Southern economies.

American System: Step One

STEP 1: A tariff (a tax on imported goods)

1. Made European goods more expensive
2. Encouraged Americans to buy cheaper products made in America
3. Made the country money, used for national improvements

American System: Step One

- 1816- President James Madison proposes a tariff that would tax all imported foreign goods.
- The proposed tariff would help the American manufacturing economy become more competitive with the European markets, because the imposed tariff would offset the prices of foreign/domestic goods.
- The north liked the tariff because it would improve their economy and increase total profits.
- The south and west disliked the tariff because they would have to pay more for the same products.

American System: Step Two

Step 2: A National Bank

1. Stabilize/strengthen the currency (money)
2. Control banks from taking risks with people's money

American System: Step Two

- 1816- The Second Bank of the United States was approved for a 20-year term by the Congress.
- The bank charter would establish a national, guaranteed currency that would improve national and regional trading of goods and services.
- The national bank idea had been revived from the presidency of George Washington and had become vastly popular among all regions of the country.
- 1816- James Monroe is elected US President.
- Begins a new presidency, “Era of Good Feelings!”

American System: Step Three

Step 3: Transportation

1. Build many more roads, canals, and railways
2. Paid for by the money made from the tariff

American System: Step Three

- 1807- Robert Fulton's Clermont (a steamboat) makes its maiden voyage, 150 miles from New York City to Albany.
- 1811- Construction of the National Road begins between Cumberland, MD and Vandalia, IL.
- 1825- Erie Canal opens a 363-mile waterway that connects the Hudson River to Lake Erie.
- 1825- First steam locomotive was used to transport goods across different regions of the country.
- 1838- National Road opens to the public, tolls are required to help offset construction costs.