

CHAPTER 7 Section 1 (pages 212–218)

Regional Economies Create Differences

BEFORE YOU READ

In the last section, you learned about President Madison’s administration and the War of 1812.

In this section, you will learn about the different economies that developed in various sections of the country.

AS YOU READ

Use the chart to take notes on the different economies that developed in the North, the West, and the South.

TERMS AND NAMES

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 making of goods in large amounts

Industrial Revolution A change in the making of goods from small workshops to large factories that used machines

cotton gin Eli Whitney’s invention for cleaning cotton

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

American System Clay’s plan for economic development

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

THE NORTH	THE WEST	THE SOUTH
<i>manufacturing</i>		

Another Revolution Affects America; Two Economic Systems Develop (pages 212–216)

How did agriculture differ in the North and South?

America’s government had transformed greatly by 1800. By then, other changes had taken place in America as well. The production of goods, for

example, moved from small workshops to large factories that used machines. This change was partly due to **Eli Whitney**. In 1798, Whitney found a new way to make goods by using **interchangeable parts**. These are *standardized* parts that can be used in place of one another. In factories, power-driven machinery and many laborers made **mass production** possible. This is the production of goods in large amounts.

These changes in manufacturing brought about an **Industrial Revolution**. This was the name given to the massive changes—to both the economy and society—that resulted from the the growth of the factory system.

Industrialization in America took place primarily in the New England states. Farming was difficult in New England. As a result, people were willing to manufacture goods.

What farming there was in the North was changing by 1800. Farmers began to raise livestock and crops for sale. Farmers then used the cash to buy goods made in Northern factories. As a result, a market economy developed. This is an economy in which manufacturing and agriculture support the growth of each other. Due to manufacturing, the North did not depend on slave labor.

The South was an entirely different story. The South's economy had long been based on agriculture. In 1793, Eli Whitney helped to further promote agriculture by inventing the **cotton gin**. The machine helped to clean the cotton and increased cotton production, which 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.

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

Clay Proposes the American System (pages 216–218)

What was the American System?

The North and South appeared to be growing apart.

As a result, the nation's leaders focused on making sure the country stayed unified. In 1815, President Madison presented a unification plan to Congress. It called for establishing protective tariffs. It also called for strengthening the national bank. In addition, the plan *promoted* the development of national transportation systems. The plan received support from many members of Congress, including Speaker of the House **Henry Clay**. He called the plan the **American System**.

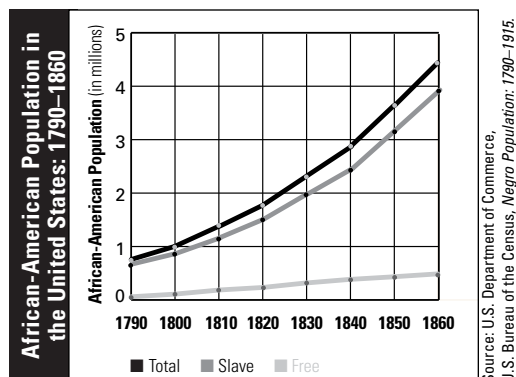
The federal government also began improving the nation's transportation network. In 1811, the government began building the **National Road** to carry settlers west. The road extended from Cumberland, Maryland to Vandalia, Illinois. In the meantime, states continued to improve their own transportation systems. New York, for example, built the **Erie Canal**. The canal 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 thus make American goods more attractive.

Most people in the industrial North supported the tariff. But people in the South and the West opposed it. They resented the government's 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. A national bank would provide a national currency. In 1816, Congress voted to set up the Second Bank of the United States.

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



Skillbuilder

Use the graph to answer the questions.

1. In what year was the difference between enslaved African Americans and free African Americans the greatest?

2. Why do you think the number of slaves increased rapidly after 1790?