The Factors Affecting American Economy From 1800 – 1860: Which Were Most Important And Why   William Heegaard Sometime in High School

The United States' economy was stimulated by many factors between 1800 and 1860. Despite the financial panic of 1837, national economic growth continued to occur up to the beginning of the Civil War. The five most influential components of the boosted economic position were technological advances, immigration, internal improvements, investment and government aid. Although immigration, internal improvements, investment and government aid played key roles in improving the American economy, technological advances were most important because they revolutionized the financial system and increased profits for all sections of the United States. Technological improvements were the greatest influence in the economic growth of America because they providing cheaper, more efficient options to accomplish otherwise tedious tasks. An excellent example of this is Eli Whitney's cotton gin. The cotton gin allowed a quick and efficient method for producing cotton, a product of high demand, and over all "stimulated the economy in the rest of the nation." The northern states cared for the transportation and indemnity of the product, while the western section provided food for the increasing number of salves in the south. In turn, this advance in technology boosted the nation's economy as a whole, and by 1860, over 4 million pounds were being exported annually, compared to nearly nothing in 1800. Other inventions, like the sewing machine, steel plow, and mechanical mower-reaper also boosted the financial position by creating simpler and less time-consuming ways to carry out extremely grueling work. The sewing machine in particular integrated women into the laboring class, which in turn spurred the economy by including more people in the work force, and a higher number of products on the market. The transportation revolution also influenced America's economic condition. The invention of the railroad "greatly stimulated manufacturing, mining, travel, and commerce in general." Providing fast transportation with simple construction, the railroad catered to all sections of the United States. Northern manufacturers turned out parts for tracks and engines, while the west and south took advantage of its efficient transportation, shipping cotton and food stuffs to the coast for exportation. All in all, technological advances influenced the economy more profoundly than any other component of the era. In addition to technology, immigration and investment affected the economy by bringing in new hands to the ever-growing work force and supporting the new factories and inventions with financing from sponsors. Though not as influential as technology, these two factors did much to aid the expanding economy of America. Immigrants during this era came primarily from two European countries: Ireland and Germany. These migrants, numbering over 400,000 per year by 1854, both helped and hurt American economy. Irish immigrants fled their homeland, and arrived in America dirt poor, willing to take low income, hard labor or factory jobs. Many Irish men "were pushed into pick-and-shovel drudgery on canals and railroads," which positively affected the economic position by inexpensively creating infrastructures for transportation. Others took jobs at mills, pushing out the women as they were willing to work for less pay. By "1860 Irish immigrants alone made up more than 50 percent of the labor force in the New England mills," increasing the unemployment rate among American citizens. German refugee's also left their native country, but most had money to immigrate west and start up farms. All immigration during this era had a negative influence on the employment aspect of the economy, but positively affected the production aspect. Investment helped spur the economy by providing financial aid for new inventions, technological advances and methods of transportation. Rich entrepreneurs backed the inventors of the time, allowing for new ideas and in turn more efficient methods of completing tasks. The Erie Canal, finished in 1825, was built without federal aid, and "was an immediate financial success." Although not as influential the technological advances of the era, immigration and investment greatly affected the economy of the United States. Government aid and internal improvements also played an important role in stimulating America's economic position. Although technology was much more stimulatory, the expansion of roads and canals provided an effective and economical infrastructure for transportation. Although the enterprises were mainly private, the federal and state government supported these industries by buying large quantities of stock in the companies. And subsequently, the nation profited. Canals, roads and railroads transported food stuffs from the inner states to the coast for exportation, while also moving manufactured and imported goods inland from the northern factories and coastal cities. Government aid further helped America's economic condition through granting charters to various manufacturing companies and inventions. The charters helped improve the economy by supporting new ideas and companies that created simpler methods of completing laborious tasks and improved modes of transportation. Though the technological advances outweighed the influence of the aid provided by the government, the government investments and internal improvements made throughout the country positively affected the financial position of the United States, linking the sections together in an "interdependent continental economy." Though technological advances of the era may have been the primary factor in aiding the growing economy, it is possible that internal improvements may also have had a similar or greater amount of influence over the United States economical position. Without the canals, turnpikes and railroads, the products that were being shipped to the coast would have taken much longer to arrive for exportation, and would have also been much more expensive to ship. This increased price in shipping costs and longer transportation time would have had a huge impact over the economy, and would have discouraged commerce from and throughout the inner United States. As the Canal Act stated in 1817, canals would "promote agriculture, manufactures, and commerce, mitigate the calamities of war, enhance the blessings of peace, consolidate the Union, advance the prosperity and elevate the character of the United States." This can also be said for turnpikes and railroads. These internal improvements may have stimulated the economy of the United States as much as, or more than, technological advances, as lack of a transportation infrastructure would have severely dragged down the economy.

Though other components, like internal improvements and immigration largely affected the United States economy, technological advances played the biggest role in stimulating America's financial position. The new inventions and improvements on old ideas gave a tremendous helping hand, performing tasks like sewing, plowing, and transporting goods both efficiently and effectively. Without these new ideas and revisions, the economy would have suffered tremendously, both from small exportation numbers and slow production rates. The advances of the era also helped bind the Union together, making it an economically sound nation. The cotton gin in the south helped produce huge amounts of cotton, while in the north, the sewing machine helped to quickly and effectively convert the cotton into clothing. The improvements made on the plow allowed for an easier and more thorough break up of the soil, and the enlarged harvest fed the increasing number of slaves in the south. The technological advances had a hugely positive impact on the American economy, making it the most important economical component of the era. In conclusion, the economy of the United States from 1800 of 1860 was stimulated by to many factors. Immigration, investment, government aid, and internal improvements all helped to boost America's financial position. Although these components did provide assistance, the technological advances of the era led the way in increasing the profits for all sections of the country. By efficiently and effectively completing tedious tasks and accelerating transportation throughout the states, technology revolutionized the financial system and in turn was the major stimulant of the United States economy.

Bibliography

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