

Market Revolution and Economic Changes

by Sophia



WHAT'S COVERED

Throughout the history of colonial America, the economy, for most individuals, centered on the household. However, the American Revolution—particularly its reactions to British imperial regulations and emphasis on individual liberty—unleashed many of the forces that we associate with capitalism and the market economy.

This tutorial examines how American economic life shifted rapidly in the wake of the American Revolution. Modes of production changed and new class divisions emerged, contributing to previously unknown economic and social conditions and inequalities.

Our discussion breaks down as follows:

1. Explaining the Market Revolution

Examining the causes and effects of the **market revolution** is among the richest fields in American history.



TERM TO KNOW

Market Revolution

An economic transformation that occurred in the United States during the first half of the 19th century; spurred by innovations in technology, transportation, and communication.

Among the most significant effects of the market revolution was the rise of **capitalism** in the United States.



TERM TO KNOW

Capitalism

An economic system based on the investment and accumulation of capital to facilitate the production and exchange of goods through market, price-driven relations.

Individualism and competition are the core values within a capitalist society. Such values de-emphasize the importance of community or cooperation because, within a capitalist society, market transactions are assumed to occur between individuals working with their own interests in mind. Making a profit is the primary motivating interest within a capitalist society.

The rise of capitalism within the United States carried with it some positive aspects. Most notably, capitalism provided new degrees of flexibility and mobility for laborers that were previously impossible to achieve in colonial American society, which was informed by hierarchy and deference.

The rise of capitalism also had negative aspects. An individual's pursuit for greater production or consumption could potentially weaken bonds among family members and larger groups. Most often, capitalism replaced these bonds with something else: a relationship between capital and labor. In a capitalist society, capitalists oversee the means of production, which include land, facilities, tools, and (most importantly) labor. Capitalists use that production to produce more capital, which might include investing back into the means of production (i.e. purchasing new equipment or buying more land) and paying laborers.

Significant changes had to happen in order to transform the United States into a market society in which capitalism dictated everyone's lives. These changes started to occur in the aftermath of the American Revolution in the northeastern United States, a region that had once been the center of the household economy.

2. Changes in the Household Economy

Recall that many colonists migrated to New England in search of a comfortable independence. In order to achieve this, labor and trade centered largely on the **household economy**.



TERM TO KNOW

Household Economy

System of labor centered around the family and a religious call to work, particularly in Puritan New England. Large families were encouraged, while the entire family unit was expected to do the work necessary to run homes, farms, and businesses.

Markets were certainly present in colonial New England and colonists could trade their surpluses for luxury items, but the desire for luxury and wealth did not rule the lives of most colonists. They valued the comforts that the market provided, but they also valued their independence and pre-existing relations with neighbors and family.

Whenever colonists purchased luxury items, it was possible that such goods were produced by hand by artisans, or skilled, experienced craftsmen.

➔ **EXAMPLE** In colonial America, people bought their shoes from master shoemakers, who achieved their status by living and working as apprentices under the rule of an older master artisan. An apprenticeship would be followed by work as a journeyman (a skilled worker without his own shop). After sufficient time as a journeyman, a shoemaker could at last set up his own shop as a master artisan. People came to the shop (which was usually attached to the back of the master artisan's house), and there the shoemaker measured their feet in order to cut and stitch together an individualized product for each customer.

However, changes to the household economy and the artisan system came in the northeastern United States at the turn of the 19th century. By that time, a number of merchants focused greater attention on reducing labor costs by relying on unskilled laborers. To do so, they turned first to the **putting-out system**, which Great Britain had already employed during its Industrial Revolution.



TERM TO KNOW

Putting-out System

The hiring of farming families to perform specific tasks in the production process for a set wage.

➔ **EXAMPLE** In the case of shoes, a merchant could hire one family (or group of workers) to cut soles into standardized sizes, another group to cut pieces of leather for the uppers, and still another group to stitch the soles and uppers together parts together.

While merchants found the process attractive because it cut down on production costs, members from many farming families were willing participants in the process as well, even if they did not receive very high wages. For much of the year, farmers tended fields and orchards, ate the food that they produced, and sold any surpluses. Putting-out work proved a welcome source of extra income for New England farm families.

Increased economic productivity under the putting-out system—along with growing desires for luxury items—contributed to changing relations among laborers. Traditional relationships that had been common during the colonial period—such as those between a master craftsman and an apprentice—gradually disappeared. In its place came relationships where employers, merchants, or businessmen oversaw employees rather than apprentices, and paid them with cash wages.

3. The Rise of Textile Manufacturing in the Northeastern United States

In the late 1790s and early 1800s, Great Britain boasted the most advanced textile mills and machines in the world, and the United States continued to rely on Great Britain for finished goods. Great Britain hoped to maintain its economic advantage over its former colonies in North America. So, in an effort to prevent the knowledge of advanced manufacturing from leaving the Empire, the British banned the emigration of skilled workers, or mechanics, who knew how to build and repair the latest textile machines.

Nevertheless, some skilled British mechanics, including **Samuel Slater**, managed to travel to the United States in the hopes of profiting from their knowledge and experience with advanced textile manufacturing. Slater memorized the workings of the latest water-powered textile mills, and, in 1790, he convinced several American merchants to finance and build a water-powered cotton mill (based on the British model), in Pawtucket, Rhode Island.



PEOPLE TO KNOW

Samuel Slater

British migrant who brought plans for English textile mills to the United States and built the nation's first successful water-powered mill in Massachusetts.



(a)



(b)

Samuel Slater (a) was a British migrant who brought plans for English textile mills to the United States and built the nation's first successful water-powered mill in Pawtucket, Rhode Island (b).

Slater's success inspired others to build additional mills in the area. By 1807, 13 more mills had been established in Rhode Island or Massachusetts. By 1812, 78 new textile mills had been built in rural New England towns. More than half turned out woolen goods, while the rest produced cloth from cotton.

The majority of these mills were small (employing only 70 people on average) and organized laborers in family units, under what came to be known as the **Rhode Island System**.



TERM TO KNOW

Rhode Island System

A system of labor organization—common in the first New England textile mills—that relied on family units.

Under the Rhode Island system, the father was placed in charge of the family unit, and he directed the labor of his wife and children. Instead of paying the father in cash, the mill provided him “credit” equal to the extent of his family's labor. Such credit could be redeemed through renting company-owned housing or purchasing goods from the company-owned store.

The Embargo of 1807 and the War of 1812, which cut off British textile imports to the United States, both played pivotal roles in further spurring textile manufacturing in the northeastern United States. In 1813, **Francis Cabot Lowell** convinced a handful of other wealthy New England merchants to invest in new mill towns. Lowell had toured English mills during a stay in Great Britain. He had memorized the designs for the advanced textile machines he saw in his travels, most notably the power loom, which provided for the mass production of textile fibers and replaced individual hand weavers. In 1814, Lowell and his colleagues—known as the Boston Associates—created the Boston Manufacturing Company and established a textile mill in Waltham, Massachusetts.



PEOPLE TO KNOW

Francis Cabot Lowell

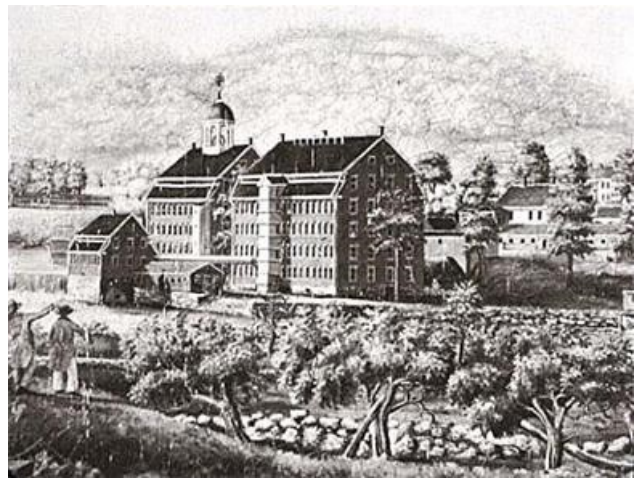
American businessman who was responsible for developing the American textile mill industry through the creation of mill towns, most notably in Lowell, Massachusetts.

The Boston Associates' mills, which each employed hundreds of workers, were located in company towns,

where the factories and worker housing were owned by a single company. The most famous of these company towns was Lowell, Massachusetts. The new town was built near the Merrimack River, north of Boston, on land that the Boston Associates purchased in 1821. Company-owned boarding houses were constructed near the mills to provide shelter for employees.

The Boston Associates preferred hiring individual workers (specifically young women) rather than entire families, for two main reasons. First, the nature of work within the Associates' mills, which was mechanized and broken down into specific tasks, required individual workers to repeatedly complete the one task assigned to them in the course of a workday.

Second, the New England countryside had produced an oversupply of laborers. The competition that New England farmers faced from farmers now settling in the West, and the growing scarcity of land in population-dense New England, had important implications for farmers' children. Realizing their chances of inheriting a large farm or receiving a substantial dowry were remote, these teenagers sought other employment opportunities, often at the urging of their parents. While young men could work at a variety of occupations, young, unmarried women had more limited options. The textile mills at Lowell and elsewhere provided one means of employment for the daughters of New England farm families.



The Boston Manufacturing Company, shown in this engraving made in 1813–1816, was headquartered in Waltham, Massachusetts.

4. Labor within the Lowell Mills

In order to persuade parents to allow their daughters to leave home and work at the mill, the Boston Associates established strict rules governing the personal lives of their workers. The women lived in company-owned boarding houses, to which they paid a portion of their wages. They woke early at the sound of a bell and worked a 12-hour day, during which talking was forbidden. They could not swear or drink alcohol, and they were required to attend church on Sunday. Overseers at the mills, as well as boarding-house keepers, kept a close eye on the young women's behavior throughout the day, and anyone who did not live up to these strict restrictions risked unemployment and eviction.

In 1839, the French engineer and economist Michel Chevalier published his impressions of the rules implemented by the Lowell textile mills in his book *Society, Manners, and Politics in the United States*:

Michel Chevalier, *Society, Manners, and Politics in the United States*

“All persons employed by the Company must devote themselves assiduously to their duty during working hours. They must be capable of doing the work which they undertake, or use all their efforts to this effect. They must on all occasions, both in their words and in their actions, show that they are penetrated by a laudable love of temperance and virtue, and animated by a sense of their moral and social obligations. The Agent of the Company shall endeavour to set to all a good example in this respect. Every individual who shall be notoriously dissolute, idle, dishonest, or intemperate, who shall be in the practice of absenting himself from divine service, or shall violate the Sabbath, or shall

be addicted to gaming, shall be dismissed from the service of the Company. . . .”



THINK ABOUT IT

What kind of world were the factory owners trying to create with these rules?

There is no doubt many workers enjoyed some of the new opportunities that working at the Lowell mills presented. For many of the young New England women who ran the machines in Waltham, Lowell, and elsewhere, the experience of being away from the family was exhilarating and provided a sense of solidarity among them. Though most sent a large portion of their wages home, having even a small amount of money of their own was a liberating experience. Many used their earnings to purchase clothes, ribbons, and other consumer goods for themselves.

The long hours, strict discipline, and low wages, however, soon led workers to organize to protest their working conditions and pay. During the 1830s, female mill operatives in Lowell formed the Lowell Factory Girls Association to organize strike activities in the face of wage cuts. By 1845, they established the Lowell Female Labor Reform Association to protest the 12-hour workday.



(a)



(b)

New England mill workers were often young women, as seen in this early tintype made ca. 1870 (a). When management proposed rent increases for those living in company boarding houses, female textile workers in Lowell responded by forming the Lowell Factory Girls Association in 1836 and organizing a “turn-out” or strike. The constitution of the association is shown here (b).

Following its organization in 1845, the Lowell Female Labor Reform Association published a series of tracts to expose the poor conditions in the mills. Read the excerpt below, written by an unnamed worker:

Tract Excerpt, Lowell Female Labor Reform Association

“Much has been written and spoken in woman’s behalf, especially in America; and yet a large class of females are, and have been, destined to a state of servitude as degrading as unceasing toil can make it. I refer to the female operatives of New England—the free states of our Union—the states where no colored slave can breathe the balmy air, and exist as such;—but yet there are those, a host of them, too, who are in fact nothing more nor less than slaves in every sense of the word! Slaves to a system of labor which requires them to toil from five until seven o’clock, with one hour only to attend to the wants of nature, allowed—slaves to the will and requirements of the ‘powers that be,’ however they may infringe on the rights or conflict with the feelings of the operative—slaves to ignorance—and how can it be otherwise?”



THINK ABOUT IT

Why does the writer compare her condition with those of enslaved people?



BRAINSTORM

Compare Chevalier’s account of the Lowell mills with the one provided above by applying the lenses of gender and class. How did these categories influence one’s perspective toward and experiences under the factory system?

The mechanization of formerly handcrafted goods, and the removal of production from the household economy to the textile factory, dramatically increased the output of goods in New England.

➞ **EXAMPLE** By 1855, the women working in just one of Lowell’s mechanized mills produced more than 43,000 yards of fabric.

In addition, the success of the Lowell mills prompted the Boston Associates and their competitors to expand.

➞ **EXAMPLE** By 1860, 878 textile factories had been built in New England.

However, as the primary sources in this tutorial suggest, the experiences of workers underwent significant changes as production mechanized and relocated to factories.

Additional Resources

Read an excerpt from the autobiography of Harriet Hanson Robinson, a female factory worker in the textile mills of Lowell in the 1830s and 40s, at [Fordham University](#).



SUMMARY

The market revolution and the rise of capitalism in the United States — epitomized by the Lowell mills in New England — contributed to significant changes in American life. Whereas during the colonial period much of one’s life and work centered on the household, capitalism in the United States promoted a new mode of production. Textile production relied on mechanization and water power. In addition, it required wage laborers to conduct specialized, repetitive tasks under strict and strenuous conditions. The worlds of work and consumption were being fundamentally reorganized.

Source: This tutorial curated and/or authored by Matthew Pearce, Ph.D with content adapted from Openstax

REFERENCES

Complaint of a Lowell Factory Worker (1845), from Foner, E. (2014). Voices of freedom: a documentary history. p167. New York: W.W. Norton & Co.



TERMS TO KNOW

Capitalism

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Household Economy

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Market Revolution

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Putting-Out System

The hiring of farming families to perform specific tasks in the production process for a set wage.

Rhode Island System

A system of labor organization common in the first New England textile mills that relied on family units.



PEOPLE TO KNOW

Francis Cabot Lowell

American businessman who was responsible for developing the American textile mill industry through the creation of mill towns, most notably in Lowell, Massachusetts.

Samuel Slater

British migrant who brought plans for English textile mills to the United States and built the nation's first successful water-powered mill in Massachusetts.



DATES TO KNOW

1790

Samuel Slater helps Americans build a water-powered cotton mill in Pawtucket, Rhode Island.

1807

The Embargo Act of 1807 prohibits American ships from trading in all foreign ports.

1812

Nearly 100 mills are built in New England.

1812–1814

The War of 1812 lasts for over two years.

1814

Boston Manufacturing Company is formed; a textile mill is established in Waltham, Massachusetts.

1821

Lowell, Massachusetts is founded by the Boston Associates.

1830s

The Lowell Factory Girls Association is formed.

1845

The Lowell Female Labor Reform Association is formed.

1860

878 mills have been built in New England.