

Market revolution the worldwide

[History](#), [Revolution](#)



The worldwide presence of the United States of America in terms of a gigantic political and economic power, as we see it today, is a result of the creative and relentless efforts of many political geniuses. After the War of Independence, the country was thrown in a state of depression and the late 17th century era marked a period of instability. The country had war debt of millions of dollars, negative speculation for foreign investment was inevitable, the army was negligible, the navy fleet was almost non-existent, relationship with England had severed and the Congress was unable to impose taxes until a proper law and order system was in place.

Heavy adjustments to the political and economic regulations were required to drive the country out of the financial crisis. It were only through the relentless vision and efforts of Alexander Hamilton, the First Secretary of Treasury and Thomas Jefferson, the First Secretary of State, that a new political and economic ideal for the country was created and later, a stage was set for full scale development of the American society and economic growth to all parts of the world.

In a revolutionary era marked by political battles and public discord, these symbolic figures provided different, yet talismanic views of the power of government and enterprise in shaping the political and economic orders of the country that has enabled the rulers of the future to legitimize their decisions for sustainable development.

THE FEDERALIST APPROACH: ALEXANDER HAMILTON

Hamilton believed that the revival of the economy and subsequent growth depended on the creation of a strong central government that was

increasingly proactive in the affairs of the country. He believed that a central, energetic government will not only be able to supersede the powers of the individual states in order to provide national stability but also provide a common framework for effective development and unionization of the big country. He denied the notion of self-interest, which he believed was prevalent in the political structure and destructive for the nation. His philosophy of centralizing the national economy was a product of his political stance.

Hamilton believed that a structure of public credit facilities, immediate repayment of foreign debts and responsibility of states war debts, establishment of a new bank and protection of young industries were essential to promote business and develop competitive industries. Public credit facilities were to be financed through issuing government securities like bonds which can be used to settle the domestic debt and extended towards the industrial and manufacturing sector.

The government should take over the responsibility of the debt incurred by the individual states during the war since the war was fought for the independence of the entire nation and " A national debt attaches many citizens to the government who, by their numbers, wealth, and influence, contribute more perhaps to its preservation than a body of soldiers" (Finseth).

A banking structure with diversified branches will help the national government to carry out its basic functions like collecting taxes, financing debt and issue payments, issuing currency and generating income through

interest on loans. A structure of no-tax for interstate commerce and protective tariff on imports will protect and promote national competition and young firms. Through his notion of a strong economic plan for a mechanized society, Thomas Hamilton gained support of a number of Congressmen and formed a Federalist Party in 1792.

THE REPUBLICAN APPROACH: THOMAS JEFFERSON

In contrast to Hamilton's view of an orderly mercantile economy, Thomas Jefferson advocated an agrarian economy, based on individual rights and a limited, decentralized government. He feared that the system proposed by his counterpart threatened the majority of the population who were agrarian laborers and resembled the British economic system. This would result in an emergence of tyranny against such a centralized rule.

Jefferson compounded on a weak government structure because he believed that a proper government will not only restrict the liberty of individuals but also limit itself from creating individualism. He emphasized this concept in one of his political writings: "rightful liberty is unobstructed action according to our will within limits drawn around us by the equal rights of others.

I do not add 'within the limits of the law', because law is often but the tyrant's will, and always so when it violates the rights of the individual" (Appleby). Thomas Jefferson reject Hamilton's proposal of setting up a national bank, fearing that such a bank would serve the rich at the expense of the poor people and emphasize federal powers over state powers. In response to the Federalist movement, Jefferson formed the Republican Party in 1792 along with James Madison to oppose the policies of the Federalists.

THE MARKET AND INDUSTRIAL REVOLUTION

The influences set forth by the two politicians shaped the constitution of the country and paved way for a rapid development of the economy from 1815 to 1860. In 1792, the king of France was overthrown and a republic was established. France attempted to extend its powers throughout Europe and Britain was trying to curtail it. This resulted in Napoleonic Wars, of which the United States was a major victim in terms of foreign relations.

The victory of the Republican Party in 1800 resulted in the nomination of Thomas Jefferson as the third President of the United States. This event marked the first significant change in American politics. After the War of 1812, Jefferson realized that his vision of an agricultural market economy was incompetent with the competition in global markets. This led to the adoption of a policy of expansion and competition for power in the global economy.

The Industrial revolution had begun in the 1700s in Europe and was marked by new inventions and efficient methods of production. This revolution spread to the United States and local inventors came up with unique ideas to mechanize the agriculture sector and spur new industries. Cotton gin was a notable invention which revolutionized the cotton industry by creating new industries, promoting inter-commerce relations between the West and the East and exports. Manufacturing of shoes, woolen clothing and machinery were also expanding. By 1860, almost a third of the country's income came from the manufacturing sector.

The concept of agrarian labor was transformed to that of a wage worker who was paid to run the automated machines in the factories. Most of the urbanized industries were located in the South, whereas the agricultural sector was primarily located in the South. Government provided social capital in the form of national roads, waterways and railroads. These initiatives enabled the nation to establish a firm base for rapid industrialization that followed. Financial industry diffused with new scheme through which some investors made wealth and others lost their savings. Protective tariffs were imposed to sustain the growing industries and bank branches were set up in every city. Rapid development also attracted a great deal of domestic and foreign investment.

CONSEQUENCES OF THE TRANSFORMATION

The market and Industrial revolution had several consequences, including religion and reform, for the American Society in the eighteenth century. In the north, Evangelicalism or individual holiness, emerged in the new republic and was the " grand absorbing theme of American religious life" (Religion and the American Republic 7).

Progressive and conservative religious forces often differed in terms of religious opinions with the former advocating a mass dedication to the materialism of the market society. Reformism, as a result was an opposing view to that of the individual revivals. Nevertheless, the underlying belief was that " religion was a necessary spring" for the government to operate efficiently and people believed in " a close association between Religion andPatriotism" (Religion and the American Republic 7).

Societies and communities sprang up with a clear objective of devotion towards the removal of social evil and re-enlightenment of the individual soul as a result of the energy created from the evangelical movement. The six largest societies created during 1826-1827 were the American Education Society, the American Board of Foreign Missions, the American Bible Society, the American Sunday-School Union, the American Tract Society, and the American Home Missionary Society (Religion and the American Republic 7).

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