

## The Drive and Debate for Internal Improvements, 1816-60

The stalemate conclusion to the War of 1812 between the United States and Great Britain insured that American independence would not be lost. Economically disastrous for overseas trade, the conflict nevertheless gave an important boost to the two decades old plan of U.S. Secretary of the Treasury Alexander Hamilton to build up a national manufacturing base. In New England and the Mid-Atlantic states, American entrepreneurs turned out iron products for war and peace, textiles, shoes, gunpowder, glass, furniture, carriages, and many other useful goods. All the creature comforts of early 19<sup>th</sup> century living were becoming available in big U.S. cities.

There was just one major problem from the point of view of Hamilton's successors. Although the economy of the East was developing satisfactorily, the interior expanse of the country was still backward and uncivilized. Now that the major Indian threat posed by Shawnee chief Tecumseh and his confederation of tribes in the Great Lakes region had been broken up, more rapid expansion of settlements could be expected along mighty river arteries. The vast majority of the territory stretching between the Appalachian Mountains and the Mississippi River could only be traversed by rough-hewn Indian paths and pioneer trails such as Zane's Trace in Ohio.

To support a continuation of the westward movement so ardently pursued by tens of thousands of Americans looking for economic opportunity, political rights, and personal freedom, these paths had to be widened and improved into roads. Already prior to the war, the federal government had authorized in 1806 and begun work on in 1811 a National Road from Cumberland, Maryland through southwestern Pennsylvania to Wheeling, Virginia on the Ohio River. President Thomas Jefferson backed the idea as a way of facilitating not Hamilton's vision but his own. He wanted a nation of farmers of equal political and economic strength, who naturally would support his egalitarian Republican Party over Hamilton's wealthier Federalists.

To connect new towns and cities commercially with the East, not only roads had to be built for wagon traffic but canals had to be dug between existing rivers for transport of bulk farm commodities. The current method by flatboat down the Ohio and Mississippi Rivers to New Orleans and thence by ship through the Gulf of Mexico to the Atlantic Ocean took too long. George Washington himself had conceived a dream—ultimately proven to be geographically unfeasible—to unite the Chesapeake Bay with the Ohio River by rivers and canals. It was possible to unite intermediate points along the way.

Looking further into the near future, the relatively new technology of the steam engine had to be exploited to produce steam powered boats to ply the system of inland waterways. Possibly even more desirable would be railroads such as were being built in England to transport coal. Combined with an overhaul of ports and harbors in the East, a national effort for Internal Improvements might dramatically increase both domestic and overseas trade. Politicians who took up the cause expected to gain a decisive electoral advantage over rivals who did not.

1816 surprisingly, it is not a political heir of Hamilton and Washington but a Virginia ally of Jefferson who makes the first post-war appeal for Internal Improvements; in a farewell address to Congress on December 3, President James Madison II calls for a federally subsidized road and canal network; however, he also advises Congress that an amendment to the Constitution will probably be required prior to the passage of laws

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- 1816 what Madison means is that constitutionally, revenues spent by the federal government must be apportioned proportionately between the states; furthermore, unlike the National Road most of these arteries will be located solely within individual states and the federal government must not interfere in what previously has been considered state responsibility; except for the National Road, road-building has exclusively been the reserve of state and local governments; the National Road is constitutionally defensible because Congress has authority for inter-state commerce and the project extends through multiple states
- 1816 December 23; three weeks after Madison's address, John C. Calhoun of South Carolina proposes in the House to create a permanent fund for Internal Improvements by using the \$1.5 million paid by the Second Bank of the United States for its 20 year charter as well as all future dividends from bank stocks held by the federal government
- 1817 February 4; furthermore, Calhoun cites the "general welfare" clause of the Constitution for justification for Internal Improvements, including the power to establish "post roads" for the delivering of the mail; he asserts that from a practical standpoint better roads are necessary to cement national unity and to facilitate the movement of military forces around the country; the difficulty of transporting armies through wilderness areas was demonstrated only too clearly when the British in 1814 struck around the American periphery from north, east, and finally south while U.S. forces failed to concentrate rapidly enough to protect the nation's capital from being captured and partially burned
- 1817 February 8; with the backing of fellow War Hawk and Speaker of the House Henry Clay of Kentucky, Calhoun's bill squeaks by in the House by a vote of 86-84 and then wins in the Senate by a more comfortable 20-15 margin; most opposition arises from New England Federalists who focus narrowly on political gains Republicans will achieve with Westward expansion rather than on the economic gains New England manufacturers will secure as they gain the ability to ship and transport goods more cheaply into the interior; by contrast, congressmen and senators from Mid-Atlantic States embrace Internal Improvements enthusiastically; Calhoun's status in the South brings cautious approval from about half of Dixie's political leaders, anxious as they are to avoid federal intrusion on States Rights
- 1817 nevertheless, much to Calhoun's exasperation, Madison vetoes the bill on constitutional grounds before leaving office
- 1817 seeing no possibility of help from the nation's capital, New York State leaders decide to use state bonds sold to banks, principally the Bank of Savings of New York, and eventually wealthy individuals to finance construction of a canal connecting Albany and Lake Ontario; it is a decades old idea acted upon with the support of Republican Governor DeWitt Clinton and men such as General Peter Buell Porter I, whose company has a monopoly on portage around the Niagara Falls, and former Federalist U.S. Senator Gouverneur Morris, early promoter of the canal idea; construction will take eight years and is largely performed by Irish immigrants and other men of common background
- 1818 meanwhile, the National Road from Cumberland, Maryland to Wheeling, Virginia is opened; among the political families that benefit is the Shriver of Cumberland Maryland; William Shriver, the son of the construction supervisor on the road, becomes Mayor of Wheeling in 1847; his cousin Thomas serves as Mayor of Cumberland, Maryland
- 1819 unfortunately, the Panic of 1819 causes financial problems for the federal government as well as country as a whole and stops further construction on the National Road
- 1820 nevertheless, Congress approves—without actually appropriating funds—an extension of the National Road to St. Louis in Missouri, after the Missouri Compromise of that year a new state
- 1821 May 4; to get the ball rolling again on national Internal Improvements, a Cumberland Road Bill is offered to use federal funds raised through collection of tolls at toll gates to repair the National Road; it passes Congress, but Madison's successor and another Virginia Republican President James Monroe says that the federal government has no right of jurisdiction to collect such tolls within the states; like Madison, he says he would

- support a national system of Internal Improvements if a constitutional amendment is passed giving the federal government authority to supercede state rights for this purpose
- 1824 state turnpikes now connect Baltimore, Maryland with Cumberland where the National Road begins, proving that the States do have individual ability to advance the cause of Internal Improvements, albeit not in a coordinated fashion
- 1824 February; Congress defeats another Internal Improvements bill
- 1824 March 30-31; aspiring to the Presidency and an issue on which to run in the future, Clay gives a speech defending the protective part of the Tariff of 1824; the tariff, he says is part of an “American System” which must include a national system of Internal Improvements; the American System will expand the U.S. domestic market for goods while lessening American dependence on overseas sources
- 1824 April; Clay’s influence helps persuade Congress to pass a General Survey Bill empowering the President to have roads and canals needed for national military, commercial, or postal roads surveyed; this is a way around the constitutional problem of federal interference with States Rights
- 1824 when Clay throws his support to John Quincy Adams over General Andrew Jackson in the House of Representatives to decide the Presidential election in which Jackson receives the most popular votes but neither Adams or Jackson receives sufficient electoral votes to win outright; Adams becomes President, Calhoun Vice President, and Clay Secretary of State; the government now has two champions of Internal Improvements in the Cabinet
- 1825-29 however, Jackson actively campaigns for the next Presidential election and charges that Clay made a corrupt bargain to hand over the federal government to Adams against the will of a majority of the people; his attacks hamstring Adams’ administration and make passage of major pieces of legislation very difficult
- 1825 October 25; the Erie Canal is finally completed; Governor Clinton leads a flotilla of boats from Buffalo on Lake Ontario eastward to Albany and then southward by the Hudson River to New York City in 10 days; the primary purpose is shipping grain, not people
- 1825-37 a canal-building boom now begins, not only in New York State but Ohio where the Ohio and Erie Canal connects Portsmouth on the Ohio River to Cleveland by 1827; new canals are also planned in Indiana, Illinois, and other states to link up rivers and major cities; however, few projects are as financially successful as the Erie Canal; states collectively find themselves burdened by \$125 million of debt from bonds used to finance construction
- 1825 December 6; trying to excite the country about the country’s future and his own leadership, Adams in his first annual message to Congress supports federally funded roads and canals, a national university, standardization of weights and measures, exploration of the U.S. interior to the Pacific northwest, and laws promoting commerce, manufacturing, arts, sciences, and literature; although he advocates as well laws assisting agriculture, Southerners experience a thrill of fear that massive federal encroachment on states rights is about to gain momentum
- 1826 no such fear permeates New England; the Granite Railway opens to transport granite from Quincy, Massachusetts; however, the region will fall behind the Mid-Atlantic States in pursuing East-West railroad connections
- 1826-30s for example, early railroad promoters include John Stevens III of New Jersey, inventor of the side-wheel for steamboats who, contested the monopoly Robert Fulton held on the Hudson River
- 1827 meanwhile, out of opposition to the protective Tariff of 1827, Calhoun swings away from Clay and begins to advocate a States Rights position, including opposition to Internal Improvements

- 1828 then Jackson wins the re-match with Adams and becomes 7<sup>th</sup> U.S. President
- 1829 the year he is inaugurated, the Baltimore & Ohio Railroad is founded with a goal of connecting Baltimore, Maryland to Wheeling, Virginia for passenger traffic; carriage maker and iron master Peter Cooper of New York has already built the Tom Thumb engine to replace imported British models; only late in life, however, will Cooper use his economic success to make a run for the Presidency as the 1876 nominee of the Greenback Party
- 1829 December 8; in his first annual message to Congress, Jackson proposes a solution for the constitutional barrier to federally-directed Internal Improvements; he proposes to distribute surplus federal revenue to states according to congressional apportionment to do with as they wish
- 1830 May 27; in the interim, he vetoes the Maysville Road Bill, desired by Clay, which would have authorized the government to purchase \$150,000 of stock in the Maysville, Washington, Paris, and Lexington Turnpike Road Company to build a 60 mile road entirely within the boundaries of Kentucky; like Madison and Monroe before him, he says that the federal government has no jurisdiction within states for such a project in the absence of a constitutional amendment
- 1830 May 31; by contrast, Jackson does sign a new Cumberland Road Bill to continue work on the National Road, planned to be extended through Indiana and Illinois to St. Louis, Missouri; subsequently, he gives support only to federal improvement of harbors and rivers, not roads and canals
- 1831 back in New York, the Mohawk and Hudson Railroad opens to bypass a portion of the Erie Canal between Albany and Schenectady
- 1833 more New York intra-state railroad construction creates even more competition for the Erie Canal; Erastus Corning I gains the wherewithal to start a political dynasty in the Empire State by founding iron works to make rails for the Utica & Schenectady Railroad; his partner is John Flack Winslow of New York, related to the Winslows of colonial Massachusetts
- 1833 using Zane's Trace between Wheeling and Zanesville, Ohio as a beginning, contractors finally take the National Road to Columbus, Ohio
- 1835 however, Congress gets partially out of the road-building business by turning over the National Road east of Wheeling to the states through which the road passes; it is divided into state turnpikes
- 1836 meanwhile, the Chesapeake and Ohio Canal opens for business between the nation's capital and Cumberland, Maryland, running 185 miles parallel to the Potomac River; among the worthies who attempt as president of the company to carry on Washington's dream of connecting the Chesapeake Bay to the Ohio River are Francis Thomas, future Governor of Maryland, and Washington's own relation George Corbin Washington; however, the canal never goes any further than Cumberland
- 1836 belatedly and as Andrew Jackson is about to leave office, some southerners again get interested in Internal Improvements; former Governor of South Carolina Robert Young Hayne, one of the men who had briefly defied Jackson to lead the Nullification effort against the tariff, now takes the presidency of the Cincinnati and Charleston Railroad
- 1837 another politician who jumps on the Internal Improvements bandwagon is Samuel Lewis Southard, former Governor of New Jersey; he becomes president of the Morris Canal & Bank Company
- 1837 but the timing is bad for expansion; the Panic of 1837 strikes and causes severe financial difficulties for states; a backlash against debts piled up by building canals causes constitutional changes requiring balanced state budgets; Internal Improvements projects, including for the construction of railroads, are severely curtailed
- 1837 on the other hand, former congressman, U.S. Senator, Ambassador to Britain and Secretary both of the U.S.

Treasury and State Departments Louis McLane of Delaware moves to Maryland to lead the Baltimore & Ohio Railroad

- 1840 while the country is still recovering from the depression, Congress votes not to complete the National Road to its furthest planned westward terminus at Jefferson City, Missouri; even Clay, who had championed Internal Improvements as a fundamental tenet of his American System, votes no because the Baltimore & Ohio and other railroads seem destined to introduce in a short time a much more efficient and swifter method of transportation East to West
- 1842 however, the Baltimore & Ohio runs into difficulty after reaching Cumberland, Maryland; construction is halted for half a decade while McLane negotiates with Virginia and Pennsylvania about the route through their states and other difficulties arise; the railroad finally does reach Wheeling in 1853
- 1842 meanwhile, disparate lines are combined by Corning in the forerunner of the New York Central Railroad, connecting Albany and Buffalo; the Erie Canal is still viable as a carrier of bulk farm commodities, including wheat and corn shipped to the British Isles after repeal of the British protective Corn Laws in 1846; new business is developed from pork, lumber, copper, and iron producers in the Great Lakes by the 1850s
- 1846 the Pennsylvania State government charters and finances construction of the Pennsylvania Railroad to connect Philadelphia and Pittsburgh by 1852
- 1850 although the constitutional barrier to federally-funded Internal Improvements still exists, and although Southern opposition to spending Washington's revenues on projects that will benefit other regions remains fierce, Congress finally crafts a constitutionally and politically successful law that authorizes grants of federal land to the States of Alabama, Illinois, and Mississippi to construct a railroad line from Chicago, Illinois to Mobile, Alabama as well as grants to railroad companies of alternating sections along the route
- 1850s the land grant strategy, amounting in the decade to 21 million acres, now propels a railroad boom; the Illinois Central, Pennsylvania Railroad, and Southern Railway are turned into big businesses; furthermore, \$1 billion of private financing is raised from U.S. and British banks to build 28,000 miles of track, most to connect major cities along the eastern seaboard to each other as well as westward to Chicago
- 1850s the Chicago and Rock Island Railroad even bridges the Mississippi River while the Missouri Pacific Railroad surges into the Great Plains from St. Louis to Kansas City, Missouri
- 1850s although the power of Big Business to influence public policy is not yet widely perceived, some politicians recognize the danger; one such man is Elihu Benjamin Washburne, born in Maine and brother to three other Republican members of Congress, who moves to Chicago and wins a 17 year stay in the House by opposing the land give-away
- 1853 in no company are the interests of conservative politicians and Big Business more closely united than in the New York Central Railroad; Corning serves as first president; "Commodore" Cornelius Vanderbilt, ancestor of a future Governor of Rhode Island and one of the nation's wealthiest men, is a major investor; and political backing comes from New York Whig Party leader and soon to be a founder of the new Republican Party Edward Thurlow Weed
- 1853 by contrast, Dixie trails the North badly in railroad promotion and construction; southern politicians belatedly realize that inferior transportation arteries will inhibit the South's chances of breaking away from the Union, if such a decision is made; but Thomas Fenwick Drayton of a powerful South Carolina political dynasty does what he can as president of the Charleston & Savannah Railroad
- 1854 a further tightening of business and political interests takes place in other states as railroad money finances the aspirations of politicians, high and low; in Kentucky, Governor John Larue Helm becomes president of the Louisville & Nashville Railroad

1854 but the politician most ambitious in harnessing the Internal Improvements issue to advance his standing is Senator Stephen A. Douglas II of Illinois; with his Kansas and Nebraska Act, he tries to insure that Chicago in his home state will be connected with California by a transcontinental railroad before alternative routes, thus propelling the economic development of the Great Plains region and forwarding his chances to gain the Democratic nomination for President; however, by organizing the Kansas and Nebraska territories under the principle of "popular sovereignty," effectively Congress repeals the Missouri Compromise line of 36 degrees, 30 minutes keeping Slavery out of the northern expanse of the old Louisiana Territory purchased from France; although he tells anti-Slavery forces in the North that for all practical purposes the nature of the soil and climate out West will keep the Peculiar Institution from taking root north of the line, the Kansas and Nebraska Act cracks wide open the thin shell of civility preventing the North-South conflict over Slavery and other issues from erupting into violence

1855-61 aided by land grants, railroad construction continues right up to the outbreak of the Civil War; only after the Confederacy is defeated and pro-Big Business Republican control of Congress is assured for a generation can the dream of connecting the East with the Far West by transcontinental railroads be completed