

The Transportation Revolution: Roads, Canals, and Railroads | A Biography of America

Background Essay

Developments in transportation were funded in a number of different ways. In the case of roads and turnpikes, private investors formed corporations and received legislative charters to run transportation companies. Not only Americans, but Europeans as well, invested heavily in the stocks of these corporations.

Governments did not oppose public works schemes, but they were loathe to raise taxes and use public monies. Still, the federal government contributed to the building of the National Road which crossed the Appalachian Mountains.

When Andrew Jackson vetoed the Maysville Road Bill, he did so not because he was against a national road, but because he felt the federal government should not finance internal improvements located solely within a single state.

Local and state governments also invested heavily in internal improvements, particularly canals and railroads. The Erie Canal, for example, was built through millions of dollars of bonds issued by the New York State legislature and purchased by investors.

Through enormous land grants, the federal government made possible the creation of a transcontinental railroad by the 1860s. The courts as well played a critical role in promoting economic development. Time and again, judges ruled in favor of turnpike, canal, and railroad companies in their quests to compete against other companies, acquire land, or be indemnified from lawsuits claiming damages to property. Competition, these justices believed, was a good thing, and their rulings often reflected their belief that transportation networks marked the "onward spirit of the age," a spirit that should be left unbridled.