

“A source of immense state and national benefit”:
Mathew Carey, Nationalist and Localist, 1787-1824

Richard Demirjian, Jr.
University of Delaware

A paper submitted for presentation at:
“Ireland, America, and the Worlds of Mathew Carey”
A Conference Co-Sponsored by:
The McNeil Center for Early American Studies, The Program in Early American
Economy and Society, The Library Company of Philadelphia,
and The University of Pennsylvania Library
at:
Philadelphia, PA, October 27-29, 2011

*Please do not cite without permission of the author

As the first decade of independence closed, citizens of the early republic grappled with the formulation of political economies that could both prosper their nation and develop the potential of individual localities. Policymakers and individual citizens alike engaged in heated debates over the nation's economic course, the international ramifications of policy, the social structure of policymaking, and the distribution of economic benefits. Following upon a decade of inchoate state-policymaking and widespread financial hardship, men of a concerted national mindset labored to create a more centralized government that could shepherd the states toward commercial and fiscal cohesion, and, an economic independence from Britain which they had yet to achieve. One of the signal voices of this movement was Philadelphia publisher and political economist Mathew Carey.

Residing in the nation's political capital and publishing center, Carey, whom one historian has called a "prickly and prolix printer and political economist,"¹ was uniquely placed to act as literary bell cow for a new national government and a nationally directed system of economic development.² Yet from this same catbird seat, Carey was equally able to promote the interests of his adopted home city. Philadelphia had long enjoyed its place as the premier commercial and political center, or *macropole*,³ in North America.

¹ Andrew M. Schocket, *Founding Corporate Power in Early National Philadelphia*, (DeKalb, IL, 2007), 104.

² On the emerging role of the press and print culture in the early republic, see Frank Luther Mott, *American Journalism, A History: 1690-1960*, (New York, 1962); Alan R. Pred, *Urban Growth and the Circulation of Information: The American System of Cities, 1790-1840*, (Cambridge, 1973); Richard B. Kielbowicz, "The Press, Post Office, and Flow of News in the Early Republic," *Journal of the Early Republic* 3 (Fall 1983), 255-280; Richard R. John, *Spreading the News: The American Postal System from Franklin to Morse*, (Cambridge, 1995); Rosalind Remer, *Printers and Men of Capital: Philadelphia Book Publishers in the New Republic*, (Philadelphia, 1996); Carole Sue Humphrey, *The Press of the Young Republic*, (Westport, 1996); and Jeffrey L. Pasley, *The Tyranny of Printers: Newspaper Politics in the Early American Republic*, (Charlottesville, 2001).

³ In my dissertation, "'To All the Great Interests': Political Economy in the Early Urban Republic," I am primarily interested in how American political economies at local and national levels developed and how

However, this macropolitan center faced new challenges. Independence from Britain and the ratification of the Constitution unleashed a torrent of developmental and commercial energy amongst the moneyed classes of the early urban republic. Rival gentry in New York and Baltimore strove to unseat Philadelphia as the nation's principal economic center. Through publication of his magazine *The American Museum* (1787-1792) and in innumerable pamphlets and letters over the ensuing decades, Carey staunchly advocated strong national development. Yet at no time did Carey support a view of it which included the demise of Philadelphia's economy or a change in its place in the republic. To the contrary, Carey actively campaigned to buttress the political economy of Philadelphia at every conceivable turn. Carey promoted both national development and local prosperity simultaneously⁴ by pursuing a system of political economy⁵ that continued to situate Philadelphia at the nation's economic and financial center.

the discursive intersection of these two planes affected both policy and identity formation in the early urban republic. During the course of this study it became evident to me that the identities and functions of the smaller Atlantic seaports I am studying (Wilmington, DE and New Haven, CT), are themselves in need of some clarification, or perhaps, classification. One way that the character and function of secondary seaports (as they have been called) like Wilmington or New Haven could be reconsidered within an alternative "core-periphery type" model would be to think of them as *micropoles*: towns which depended financially and commercially upon larger cities such as Philadelphia or New York, but which also acted as magnets for the produce of extensive backcountry communities in Delaware and southeastern Pennsylvania (or Connecticut). The primary American ports such as Philadelphia or New York might thus be characterized as *macropoles*: the greater American commercial centers which profited handsomely by carrying and financing the trade of the *micropoles*, but which themselves initially remained in a largely dependent state as regards their commerce with the European *metropoles* of Liverpool, Bristol, Bordeaux, etc.

⁴ Just a few of the many valuable works exploring the differences between national and local views of issues are Merrill Jensen, "The Sovereign States: Their Antagonisms and Rivalries and Some Consequences," in Hoffman and Albert, eds., *Sovereign States in an Age of Uncertainty*; Thomas P. Slaughter, *The Whiskey Rebellion: Frontier Epilogue to the American Revolution*, (New York, 1986); John L. Brooke, "'To the Quiet of the People: Revolutionary Settlements and Civil Unrest in Western Massachusetts, 1774-1789,'" *William and Mary Quarterly* XLVI (July 1989): 425-462; Cathy D. Matson and Peter S. Onuf, *A Union of Interests: Political and Economic Thought in Revolutionary America*, (Lawrence, 1990); Charles Sellers, *The Market Revolution: Jacksonian America, 1815-1846*, (New York, 1991); Andrew R.L. Cayton, *The Frontier Republic: Ideology and Politics in the Ohio Country, 1780-1825*, (Kent, OH, 1986); John Lauritz Larson, "'Bind the Republic Together': The National Union and the Struggle for a System of Internal Improvements," *Journal of American History*, 74 (September 1987): 363-387.

Carey and Domestic Manufactures

The Revolutionary War had impressed the importance of domestic manufactures upon many citizens of the early urban republic and at war's end many new ventures began to appear. This growth of new industries increased when commercial opportunities became uncertain under the British Orders in Council of 1783, which banned American ships from the carrying trade in the British West Indies. As organized under The Articles of Confederation, the newly united states proved incapable of concerted commercial retaliation against Britain. The depressed economic conditions of the 1780s saw shortages of specie, closed West Indies markets, mounting debts and taxes, and depreciated paper money wreaking ruin on a recently liberated people. Merchants thus sought new investment possibilities for their surplus capital in the budding manufactures of their local political economies and looked harder at the potential benefits of domestic economic development.

⁵ "Political economy" as a field for inquiry and practical application to human affairs evolved from the intellectual milieu of the Scientific Revolution and the Enlightenment. As seventeenth and eighteenth century scholars began systematizing the human body, physical universe, and politics, they soon believed that the interconnected network of commerce that linked the Western world's emerging nation-states to one another- and the larger world, and that wove together their individual populations could also be rationalized and systematized for the greatest national and public good. As the Scottish political economist Adam Smith explained it in its formative years as a science, "political oeconomy, considered as a branch of the science of a statesman or legislator, proposed two distinct objects: first, to provide a plentiful revenue or subsistence for the people, or more properly to enable them to provide such a revenue or subsistence for themselves; and secondly, to supply the state or commonwealth with a revenue sufficient for the public services. It proposes to enrich both the people and the sovereign." More recently, historians Stanley Elkins and Eric Mc Kittrick have noted that "'political economy' as understood in the eighteenth century was something quite different from the largely value-neutral science of 'economics' that would eventually displace it, not only referring to the management of a state's economic affairs but embracing as well the entire range of relations between the government and the social and economic order, and having a clear moral component." It is the differing views on this "moral component" in conjunction with the burdens of state formation, which lend so much passion and vigor to the debates over economic development in the early republic. See Adam Smith, *An Inquiry in to the Nature and Causes of the Wealth of Nations*, (Chicago, 1976), 449 and Stanley Elkins and Eric McKittrick, *The Age of Federalism: The Early American Republic, 1788-1800*, (New York, 1993), 19.

A new focus upon domestic manufactures led to the creation of associations for their encouragement, promotion, and protection and signaled the beginning of intense nationwide discussions about the role of manufacturing in national, regional, and local political economies.⁶ It also prompted Mathew Carey to begin to press, as he would until his last days, for the forging of an integrated system of domestic political economy that would harmonize the interests of agriculture, commerce, and manufactures to the benefit of the nation and its diverse geopolitical regions. In January 1787, the first of two essays entitled “On American Manufactures” appeared in the inaugural issue of Carey’s new nationalist magazine, *The American Museum*. The pseudonymous, “A plain but real friend to America,” (probably Tench Coxe) voiced his conviction that as the republic began its recent fight for independence, “every man was convinced of the necessity of our encouraging manufactures, and employing our own people, that we might be truly independent.” What worried the essayist was that the nation had since begun to “employ manufactures three thousand miles distant from us . . . leav[ing] our own poor to wander in the woods and wilds of the back country, to live like Indians, and to be useless to our government.”⁷ In a companion piece in the following issue, the author questioned the nation’s focus on trading its agricultural surplus for imports. He asked his readers, “Will it be an advantage to these states? Will it employ our own people, and keep them from idleness . . . ? Will it save our money? Will it have a tendency to preserve us virtuous?”⁸

This publication addressed what for many citizens became the central issue of the post-

⁶Matson and Onuf, *A Union of Interests*, 44-47; Gary J. Kornblith, “‘Cementing the Mechanic Interest’: Origins of the Providence Association of Mechanics and Manufacturers,” *Journal of the Early Republic* 8 (Winter 1988): 355-387; Lawrence A. Peskin, “From Protection to Encouragement: Manufacturing and Mercantilism in New York City’s Public Sphere, 1783-1795,” *Journal of the Early Republic* 18 (Winter 1998): 589-615.

⁷ *The American Museum*, January 1787, 19, Library Company of Philadelphia, Philadelphia, PA.

#Hereafter cited as LCP. All issues of *The Museum* cited herein are original issues housed at LCP.

⁸ *Ibid*, February, 1787, 118.

Revolutionary era: the formulation of a system of political economy that would furnish a secure environment for capitalist ventures, protection for nascent manufactures, and liberal⁹ commercial privileges for the nation's foreign trade.

The American Museum established Carey as the leading voice in the earliest phases of this developmental movement. Philadelphia, and by turns the wider Mid-Atlantic region emerged as the epicenter of pro-manufacturing discourse. Carey had an immediate readership amongst Federalist merchants interested in the pro-ratification rhetoric that the journal offered, and *The American Museum* was sold by booksellers nationwide. He campaigned ceaselessly for a centralized government that could protect manufactures while simultaneously trumpeting the benefits of domestic production. Carey fought to manufacture an American identity; one molded in the Philadelphia

⁹ Liberal social theory rests on the premise of an individual's "liberty" based upon an egalitarian social order that guaranteed competitive individualism and equal opportunity. The "liberalism" under discussion here derives from Lockean notions of "liberty" based upon the idea of men's equality in a "state of nature," but also from commercial writings of the seventeenth and eighteenth centuries by James Harrington, Herbert de Mandeville, Adam Smith, and others. According to Joyce Appleby, "when the market economy was examined, its inner dynamic was located in an internal drive in each person." The growing pervasiveness of commerce and the market, and their attendant individualist dynamic, eventually eroded the notions of "public virtue" and "common good" that lie at the heart of eighteenth century Anglo-American political thought defined as "classical republicanism." [see note below] See Joyce Appleby, *Capitalism and a New Social Order: The Republican Vision of the 1790s*, (New York, 1984), quote p. 38 and *Inheriting the Revolution: The First Generation of Americans*, (Cambridge, Mass., 2000); also Isaac Kramnick, *Republicanism and Bourgeois Radicalism: Political Ideology in Late Eighteenth Century England and America*, (Ithaca, 1990), 1-18; Charles Sellers, *The Market Revolution: Jacksonian America, 1815-1846*, (New York, 1991); Steven Watts, *The Republic Reborn: War and the Making of Liberal America, 1790-1820*, (Baltimore, 1987); and Gordon S. Wood, *The Radicalism of the American Revolution*, (New York, 1991), 229-369. A recent historiographic challenge has been posed by Andrew Shankman who argued that on the ground in Pennsylvania, the rise of liberal capitalism and democracy was not "an abstract process whereby Jeffersonians picked and chose from different discrete ideological traditions on their way to collectively fashioning nineteenth century liberalism." He found, rather, "a messy, contemporary, rational bordering on irrational, logical shading into illogical jumble of heated human action and noise [that] ended up producing a mainstream liberalism that resulted because Pennsylvania Jeffersonians could not consensually and calmly embrace a discrete ideological tradition." Andrew Shankman, *The Crucible of American Democracy: The Struggle to Fuse Egalitarianism and Capitalism in Jeffersonian Pennsylvania*, (Lawrence, KS, 2004), 239, 238.

image.¹⁰ Carey envisioned “our forests falling before the hand of labour; our fields doubling their increase, from the effects of well-directed industry; our villages enlivened by manufactures, and our citizens thriving under foreign and domestic commerce.”¹¹ Philadelphia’s situation as the nation’s commercial, manufacturing, banking, and population center, and its role as market center to a rich and extensive hinterland that included the Delaware River valley, meant that a new and powerful national government centered in the city would bring Carey’s vision to life for Pennsylvania and cement his adopted hometown’s fortunes in the process.

Ratification of the newly proposed federal Constitution would strengthen the hand of government to regulate trade and centrally direct economic and fiscal policy. The Constitution appeared to some Southerners to cloak a design by a minority of Northern commercial and financial interests to seize the reins of government. Opponents of the new Constitution distrusted the proposition as erecting a too powerful body that offered dangerous enticements to a new political tyranny perhaps worse than the former. Some citizens complained that economic conditions had become worse as an independent nation than they had been under British rule. Carey insisted that had the former colonists not rebelled, “the property of our merchants would have been held by a precarious tenure—our country would not longer have been cultivated by the proprietors and sovereigns of the soil—a farmer and a slave would have been synonymous terms.”¹² Yet the prospect of a new government of Northeastern merchants alarmed Southern statesmen, prompting Carey to efforts to dissuade them of their fears.

¹⁰ For more on the development of the Philadelphia manufacturing community from the ground floor up see Philip Scranton, *Proprietary Capitalism: The Textile Manufacture at Philadelphia, 1800-1850*, (Cambridge, UK, 1983), esp. Ch 4 which examines post-Revolutionary developments.

¹¹ *The American Museum*, January 1788, 24.

¹² *The American Museum*, January 1788, 20.

Virginia's Richard Henry Lee, in his *Open Letter from an American* expressed his anxiety that under the new government, the commercial interests of the nation would always outweigh the agricultural. Members of the Southern planter class inflamed the suspicions of the predominately rural Anti-Federalists and led Carey to stress that agriculturalists would continue to hold high political stations and derive increased economic benefits as well. Carey reasoned that since the majority of the members of the current state legislatures were "landed gentlemen" and there were states in which there was no maritime interest at all, most of the members of the newly proposed Senate "will always be attached to the agricultural interest." Likewise, because there was no state in which farmers and planters did not represent the majority of the population, the bulk of the "federal representatives will always be attached to the landed interest of the united states." Carey strove tirelessly to reassure his fellow reading citizens that there was something for everyone under the new Constitution, even to the point of remarking that if foreign colonies were ever to come under the aegis of the United States, "they must be equally accessible to the vessels of the southern states, and to those of the northern."¹³ Yet before the new nation could ever think about anything as far off as colonies, it would need to fix its current economic problems.

"Why do we hear of such universal discontents throughout the continent?" Carey wondered aloud. The constitutions of the individual states were drafted "with a bayonet at our breasts, and in the infancy of our knowledge of government and its principles" so their imperfection could come as little surprise. Their incapacity for dealing with current conditions was therefore in some ways understandable. But moving beyond war and fledgling political science as causations, Carey insisted that the hardships that citizens of

¹³ Ibid, 82.

the early republic labored under were “wholly artificial” and a strong national government was the surest remedy for them. The materialistic avarice of the people themselves had done much to bring on the current crisis. The depression of the 1780s unfolded as it did due to “an anti-republican passion for foreign luxuries [that] exhausted our country of its gold and silver; a rage for paper money has checked credit, locked up the remains of our specie, substituted speculation for labour, and taught us to prey upon one another.”¹⁴ If ratified, the central guidance provided for by the new federal Constitution would promote “order and contentment” throughout the land and a harmony of interests that would create the conditions for a true republican political economy.¹⁵ This language of harmonization originated with proponents of domestic manufacturing and sought to convince those of the agricultural and maritime interests that manufacturing was not only complementary to other economic pursuits but would help to create and increase markets for both farmers and merchants alike.

In his 2003 book *Manufacturing Revolution*, Lawrence Peskin demonstrated the importance of this discourse to the efforts of manufacturing promoters during the 1780s

¹⁴ Ibid, 21.

¹⁵ The basic precepts of “republicanism” were opposition to monarchy and aristocracy, and a belief that sovereignty resided in the people, who should be secure in their personal liberties. The keywords and values embodying republicanism – virtue, equality, freedom, and property – helped to define a vision of a society in which a self-sufficient citizenry, free of corrupting obligations to privileged aristocrats, could enjoy a competent existence and security in their property by living a life of diligence, morality, and self-sacrifice for the good of the corporate commonwealth. The essential texts behind the formation of thought on republican ideology are Bernard Bailyn, *The Ideological Origins of the American Revolution*, (Cambridge, Mass., 1967); Gordon S. Wood, *The Creation of the American Republic, 1776-1787*, (Chapel Hill, 1969); and J.G.A. Pocock, *The Machiavellian Moment: Florentine Thought and the Atlantic Political Tradition*, (Princeton, 1975). Two essays which help to synthesize the massive body of scholarship on republicanism are Robert E. Shallhope, “Toward a Republican Synthesis: The Emergence of an Understanding of Republicanism in American Historiography,” *William and Mary Quarterly* 29 (January 1972), 49-80 and Daniel T. Rodgers, “Republicanism: The Career of a Concept,” *Journal of American History* 79 (June 1992), 11-38. The quest to formulate a republican political economy is best described in Drew R. McCoy, *The Elusive Republic: Political Economy in Jeffersonian America* (New York, 1980).

and 1790s.¹⁶ Carey and Coxe began to develop sophisticated arguments for the importance of a tripartite political economy but these ideas became less relevant when merchants and farmers capitalizing on European war made huge profits from the mid-1790s to the mid-1800s. When commercial interruption and war returned to the nation from 1807-1815, this discourse re-emerged as Carey and Wilmingtonian Hezekiah Niles (since writing from Baltimore) sharpened the arguments for harmonizing interests within a national political economy.¹⁷ While balancing the interests of agriculture, manufactures, and commerce always appears the thrust of such discourse, it is important to recognize that these arguments first flowed from the pens of pro-manufacturing men.

Following the lead of men like Carey, the always localistic friends of agriculture subsequently picked up the discussion and advocated for similar economic ties although often with different forms of production in mind. The appearance of voluntary associations for promoting agricultural interests spoke conceptual approval for the harmony of interests. As Peskin has observed, this “emphasis was evident just from the names chosen by the Philadelphia County Society for the Promotion of *Agriculture* and *Domestic Manufactures* and the New York Society for the Promotion of *Agriculture*, *Arts*, and *Manufactures*.”¹⁸ Members of these societies were also often the same gentlemen behind the manufacturers’ associations; men like Tench Coxe and Connecticut’s David Humphreys. Having taken pains to persuade the politically powerful rural masses that a viable harmony of interests between agriculture and manufactures augured the growth of a domestic system that obviated the pratfalls of

¹⁶ Lawrence A. Peskin, *Manufacturing Revolution: The Intellectual Origins of Early American Industry*, (Baltimore, 2003).

¹⁷ Peskin has identified this language as beginning with the mechanic protectionist movement of the mid-1780s, of which Carey would become a great champion. Peskin, *Manufacturing Revolution*, 77, 69.

¹⁸ Peskin, *Manufacturing Revolution*, 126.

foreign commerce, these men could continue to shape the discourse in favorable directions. The agricultural arguments for harmonization were a production of the pro-manufacturing interest. Mathew Carey reported on the introduction of mechanized developments to the cotton culture of South Carolina and Georgia which boded well for increased production of that article. The wider adaptation of cotton production, Carey projected:

may be of considerable consequence to the coasting trade, which will probably be confined by the general government to American bottoms, as such a regulation would not at all interfere with the necessary open market to foreigners. The large towns in the middle and northern states will probably become the scenes of considerable cotton manufactures, and to them raw cotton must be transported from the place of its growth. This domestic branch of the carrying trade, from port to port within the union, is becoming daily more important.¹⁹

In this excerpt from the *Museum* Carey offered a plan for growing the depressed American carrying trade, a major source of frustration to merchants and maritime interests since the close of the British West Indies ports to American bottoms in 1783; an issue to win-over merchants, ship owners, and mechanics alike. His telling observation that the “large towns in the middle and northern states” would become the scenes of extensive manufactures reveals the place that Philadelphia held in his design. As the macropolitan center of the nation’s leading manufacturing region (which included the nearby Brandywine mills), Carey envisioned Philadelphia as the focal point of this activity.

Many seaport merchants joined the pro-manufacturing movement, increasingly persuaded by Carey’s *American Museum* and other sources that the nation had become overpopulated with merchants and that development of domestic manufactures and

¹⁹ *The American Museum*, April 1788, 390.

harmonization of economic interests was the surest path to prosperity and true independence. In Philadelphia, the Pennsylvania Society for the Encouragement of Manufactures and the Useful Arts led this movement beginning in 1787. As one writer put it at the time, “We cannot all be cultivators of land- neither can we all be merchants.”²⁰ The new breed of merchant-manufacturers who stood behind the Pennsylvania Society believed that developing manufacturing offered the best investment in uncertain financial times. Pro-manufacturing men like Carey, perhaps more than any other citizens, assumed a nationalistic posture in their quest to establish themselves and their interests in a republican political economy. Their discourse was necessarily nationalistic because their protection from imported foreign articles could only come from a national government. Yet while favoring a strong national government that aided the developmental impulse, and an interwoven system of economic interests that wedded regional particularisms, they also sought to enrich their states, locales, and selves.

The sustained success of the manufacturing interest after 1800 would largely depend upon the articulation of a new political economy. Andrew Shankman has termed Carey and this Philadelphia-based team of aspiring political economists “pro-manufacturing Republicans.” Carey, Alexander Dallas, and others envisioned a different role for manufacturing than the one first outlined by Alexander Hamilton and others whose political economy reflected a Federalist social worldview founded upon overseas trade. Once a Federalist, Carey’s pen had influenced the development of manufactures and its argumentation on a national scale. But the perceived dual threats of Hamilton’s Society for the Encouragement of Useful Manufactures (SEUM) and initially, the Bank of the United States (BUS), convinced Carey and many smaller producers in the Mid-

²⁰ *The American Museum*, January 1787, 17.

Atlantic region that the Hamiltonian blueprint for manufacturing had no room prepared for them. This difference propelled many manufacturers and the non-maritime mechanic classes into the emerging Jeffersonian camp back in the mid-1790s.

The Delaware Valley played home to extensive industries that made this “alternative, democratized political economy of internal development” attractive to many.²¹ The area’s congeries of manufacturers allowed them “to imagine an industrial future not merely ancillary to overseas trade—something that was much more difficult to do in New England.” By roughly 1808, Shankman argued, “pro-manufacturing Republicans had articulated a coherent system of political economy intended to refute Hamilton’s design.”²² The republic’s rural majority became an increasingly important target group. Members of the merchant community divided between those staying the oceanic course and those investing in manufacturing, leading each interest group to vie for secure ties to the agricultural interests. In light of these developments, the discourse of harmonization offered the logical rhetorical and theoretical leverage to sway farmers to the side of manufactures. While Carey’s endorsement of a new political economy of manufacturing emerged, he simultaneously began to adopt a new view of the Bank of the United States’ importance to his system of political economy and his personal business affairs.

Carey and Banking

²¹ Andrew Shankman, “‘A New Thing on Earth’: Alexander Hamilton, Pro-Manufacturing Republicans, and the Democratization of American Political Economy,” *Journal of the Early Republic* 23 (Fall 2003): 336.

²² *Ibid.*, 336, 341.

Carey's coterminous nationalism and localism are perhaps revealed more clearly in his involvement with banking. As a successful publisher and businessman Carey increasingly relied upon the banks of Philadelphia for exchanging the notes he received from customers and business connections as well as for capital advances. With a far-flung network of agents and business correspondents, Carey perhaps as well as any man in the United States had need of the financial services which sound banks could offer. Carey's weekly dealings with the Philadelphia-based BUS had always been useful in helping him to discount the diverse state bank notes which his growing business caused him to receive. In 1798 however, he was made more acutely aware of the relationship between politics and banking and how that could be brought to bear. Federalist Directors of the BUS, angered by Carey's silent financial support of his brother's anti-administration newspaper, decided to teach the publisher a lesson by curbing the level of service he would receive. Between the months of March and April of that year Carey was able to have only one note discounted at the Bank;²³ putting his affairs in a state of temporary disarray. While this arrangement passed, Carey learned something about the caprice with which bank directors could conduct business, the wider potentialities their behaviors could hold, and the trajectory of the new party system that was coming to define the nation's political culture.

With the election of Thomas Jefferson as the third president in 1800, Carey was rewarded for his editorial contributions by being elected to a three-year term as a Director of the Bank of Pennsylvania; a position he coveted. Carey savored the opportunity to learn the intricacies of banking and to gain insights into bank policymaking. His business

²³ Edward C. Carter, II, "The Birth of a Political Economist: Mathew Carey and the Recharter Fight of 1810-1811," *Pennsylvania History* 33 (July, 1966): 276-277.

also benefitted greatly from the enhanced credit arrangements he was able to procure. Carey failed of re-election in 1805 as a state senate faction led by his rival, Philadelphia *Aurora* publisher James Duane, secured his ousting. Carey's publishing enterprise flourished after his withdrawal from partisan publishing and his personal fortunes grew in the years between 1805 and 1810. Carey grew more conservative in his politics and increasingly realized the value of a strong national banking institution for large-scale entrepreneurs like him.²⁴ As Carey's political economy cohered he saw the centrality of a stable currency as a critical component to drive economic growth and stabilize an internal market economy.

These concepts were further impressed upon him by the commercial embargo against the European powers that Jefferson experimented with between late 1807 and early 1809.²⁵ The threats of war with France or Britain and the attempts by Jefferson and his successor James Madison to avert conflict through drastic commercial diplomacy accelerated domestic market development and Carey, Niles, and other observers were pressed to think harder on the ramifications of these changes for the future. By early

²⁴ Carter, 278-279.

²⁵ The scholarship on this topic is vast. An important early effort is Louis Martin Sears, *Jefferson and the Embargo*, (Durham, 1927), which is highly insightful, but nonetheless celebratory and tinged with presentism. America's Great War experience resonates throughout Sears' work, which asserts that "All the circumstances attending the embargo—its causes, operation at home and abroad, and final repeal—take on a fresh significance just now, when the true meaning of the freedom of the seas demands an answer and when the rights of neutrals seek a fresh definition and a more effective sanction. In the rising day of a new democracy, humanity may still learn many lessons from the greatest of democrats," (30). Sears's tale of Jeffersonian internationalism must have done for Woodrow Wilson what Arthur Schlesinger, Jr.'s Andrew Jackson did for Franklin D. Roosevelt. Some of the more important later works dealing with Jeffersonian and Madisonian commercial policy are: William Appleman Williams, "The Age of Mercantilism: An Interpretation of the American Political Economy, 1763-1828," *William and Mary Quarterly* 15 (Oct. 1958); Bradford Perkins, *Prologue To War: England and the United States, 1805-1812*, (Berkeley, 1961); Burton Spivak, *Jefferson's English Crisis: Commerce, Embargo, and the Republican Revolution*, (Charlottesville, 1979); John R. Nelson, Jr., *Liberty and Property: Political Economy and Policymaking in the New Nation, 1789-1812*, (Baltimore, 1987) esp. Ch. 9 and Appendix A; Doron S. Ben-Atar, *The Origins of Jeffersonian Commercial Policy and Diplomacy*, (New York, 1993); Brian Schoen, "Calculating the Price of Union: Republican Economic Nationalism and the Origins of Southern Sectionalism," *Journal of the Early Republic* 23 (Summer 2003): 173-206.

1810, as war clouds loomed in the distance, the Bank of the United States' twenty-year charter approached expiry and Congress began weighing Secretary of the Treasury Albert Gallatin's report recommending re-charter of the Bank. The Bank, created by a long-gone Federalist administration faced a steep uphill fight for re-charter as Jeffersonian Republicans held majorities in both houses and Jefferson himself had famously opposed the Bank's constitutionality.²⁶ Carey saw imminent danger in allowing such a critical financial mechanism to be removed as war threatened. Such an ill-considered political maneuver would leave the nation to direct its war economy by relying upon a bevy of irresponsible state banks. Carey readied himself for a return to the arena of national politics, determined to save the Bank from falling victim to short-sighted and vindictive partisanship. Carey took a leave from his business to travel to the nation's capital to personally join in the fight. Within a week of his arrival in Washington, Carey had drafted a pamphlet that he wanted placed on the desk of every member of Congress.

In *Desultory Reflections upon the Consequences of a Non-renewal of the Charter of the Bank of the United States*, Carey sought to instruct those hostile to the bank on the folly and potential evil of destroying the pillar of the nation's economic stability.²⁷ However, Carey used such harsh language in criticizing the members of Congress opposing re-charter that his friend and House Speaker, Dr. Adam Seybert of Philadelphia, deemed the pamphlet too offensive to place on their desks.²⁸ Carey charged any man publicly claiming that state banks could handle the derangements to be caused by non-renewal with peddling "delusion or deception!" No stranger to duels, he went on to

²⁶ The clearest re-telling of the Bank re-charter fight is still Bray Hammond, *Banks and Politics in America: From the Revolution to the Civil War*, (Princeton, 1957), 209-226.

²⁷ *Desultory Reflections upon the Consequences of a Non-Renewal of the Charter of the Bank of the United States* (M. Carey) Second Edition (Philadelphia: Printed for the author by Fry and Kammerer, 1810), LCP.

²⁸ Carter, 281-282.

challenge “any gentleman in or out of Congress” to a full debate of the subject and called any man maintaining such a position “so totally unacquainted with the subject as to be a dangerous guide to follow.”²⁹ In the hastily drafted piece, Carey demonstrated both his national concerns and his localist perspective on the dilemma.

“To compress the discussion into as narrow a compass as possible,” Carey explained, “I shall confine my remarks to the effects likely to result in Philadelphia and New York.” Carey chose to analyze the consequences to these two macropolitan centers because Philadelphia served as headquarters to the BUS, and any effects upon New York would exemplify the conditions likely to arise in any city hosting a branch bank. Carey estimated that the Bank’s offices in these two great cities discounted approximately \$8 million in state bank notes yearly, the number distributed about evenly between the two. If the Bank’s charter was not renewed then the Bank and its branch offices would be forced to close out their affairs by March 1811. Even if conducted upon the most lenient of terms the Bank would be forced to place calls upon its debtors of roughly \$100,000 per week, and, Carey suggested “with this requisition very few of our citizens can comply.” Useful entrepreneurial citizens (like Carey himself no doubt) “whose exertions and industry have promoted the interests of their country; those who on the faith of the existing order of things have invested large properties,” in new machinery, manufacturing concerns, building projects, or ships would be “involved in one wide and indiscriminate havoc and destruction.” The ruin to Philadelphia, as a center of this activity would be extensive and Carey aimed to prevent this eventuality. This he stated plainly in a series of letters aimed at winning his fellow Philadelphian Seybert over to the cause of re-charter. Carey wrote to “the immediate representative of the district in which I reside”

²⁹ *Desultory Reflections upon the Consequences*, 9.

and reminded him that “your particular constituents will probably be more materially affected by the decision of this question than those of the other members.”³⁰ The effects upon the productive investing classes would not be the only hazard.

The disappearance of so large a banking capital from the Philadelphia community would be devastating. The cruelest fate would befall the nation’s (and city’s) most patriotic and liberal citizens. “What” Carey asked, “must be the effect of enforcing in New York and Philadelphia the payment of 8,000,000 dollars in ten months, or 800,000 per month? . . . The men who are in debt and have property will be universally at the mercy” of speculators. “The most useful part of the community will be involved in general ruin,” while “the capitalists will have an opportunity of monopolizing the fairest portion of the property of their fellow citizens.” Independent domestic manufactures—for Carey, Niles and others—represented the nation’s surest path to true independence and so arguments for protecting this class of citizens had always assumed a nationalistic stance as explained previously in this paper. At the same time, Philadelphia was the center of American manufacturing and amongst the nation’s greatest trading cities. Encompassing the economic production of eastern Pennsylvania and much of Delaware and New Jersey, the city ranked first in the nation in the value of her manufactures in 1810, third nationally in registered tonnage and fourth in domestic exports.³¹ An attack on the Bank of the United States was an attack on the active capital of Philadelphia, its place amongst the great trading macropoles of the Atlantic seaboard, and its most useful

³⁰ *Letters to Dr. Adam Seybert, Representative in Congress for the City of Philadelphia, on the Subject of the Renewal of the Charter of the Bank of the United States. By M. Carey.* Second Edition Enlarged (Philadelphia: Published by the author, Jan 7, 1811), Letter I, 13. LCP.

³¹ Adam Seybert, *Statistical Annals: Embracing Views of the Population, Commerce, Navigation, Fisheries, Public Lands, Post-Office Establishments, Revenues, Mint, Military and Naval Establishments, Expenditures, Public Debt, and Sinking Fund of the United States of America: Founded on Official Documents*, (Philadelphia, 1818), 89. LCP.

citizens. For Carey this represented a three-pronged attack on his political economy, his community, and as we will see, upon his business enterprise.

Carey stressed that local banks should be the institutions slated to disappear, not the Bank of the United States. “There are too many banks in the country for the specie capital,” Carey announced. Considering the banking landscape of his city, Carey decided “three banks in Philadelphia would be sufficient to operate the whole specie capital— And the public would be better accommodated in the bargain.”³² As a localist Carey believed that the city’s fiscal health would benefit from having fewer banks, while Carey the nationalist simultaneously argued that the BUS was *not* a national bank in order to effectively promote the interests of the nation. Carey found it necessary to counter charges made by Bank enemy William Duane (*The Aurora*) that the BUS was a “national bank” whose directors hid their dealings from the public and concocted schemes to preserve their institution.³³ Such accusations were “ridiculous” because if the BUS ceased to exist, neither the public nor the press would have any better chance of overseeing the actions of the directors of the state banks. And so, “public monies would still be locked behind closed doors with men able to behave as unscrupulously as the directors of any bank.”³⁴ In spite of Carey’s efforts as both disinterested nationalist and interested localist, in January 1811 re-charter of the Bank was narrowly defeated 65-64 in the Senate by the deciding vote of Vice President DeWitt Clinton.

Less than a year and a half later, President Madison asked Congress to declare war on Britain. The lack of a central banking institution provided a ready excuse for the

³² *Letters to Dr. Adam Seybert*, Letter I, 20.

³³ Carter, 284. These charges included manufacturing a specie shortage in order to frighten the public into clamoring for renewal of its charter, among other things. *Letters to Dr. Adam Seybert*, Letter I, 19.

³⁴ *Letters to Dr. Adam Seybert*, Letter I, 20.

explosion of state bank charters that ensued during the war years as eager citizens cried for a diffusion of active capital throughout the states. This unregulated growth led to myriad problems of note convertibility, hoarding of specie, and speculative lending; particularly on the part of overextended Southern and Western banks. In 1814 the Pennsylvania legislature alone chartered forty-one banks in one year.³⁵ As the war dragged on and commerce continued to languish, the lack of restraint demonstrated by legislators and lenders alike produced a growing loss of confidence in the newly democratized banking system; what one historian called “a veritable bankphobia.” Suspension of specie payments began in Philadelphia in August 1814 just a day after Carey sent a circular letter to the city’s banks encouraging them to do so.³⁶

Fear of a run on Philadelphia’s banks that would deplete the community of specie and bring widespread ruin appears to have been pervasive from Carey’s letter. Carey advised directors of the city’s banks that two possible courses lie before them: A free curtailment of discounts—or a suspension of specie payments.” Carey remarked that “the excitement of the public mind, and the alarm generally spread” might cause a run on the banks “in order to guard against any contingency.”³⁷ The letter, originally dated August 27, 1814 suggests that the crisis imagined may have been a British invasion of Philadelphia.

Three days before, British forces had routed a combined American force at Bladensburg, Maryland and proceeded to burn the nation’s capital that same night.

Having experienced British occupation during the Revolutionary War, Philadelphians

³⁵ Schocket, 78.

³⁶ Kenneth Wyer Rowe, “Mathew Carey: A Study in American Economic Development,” *The Johns Hopkins University Studies in Historical and Political Science*, 4 (Baltimore, 1933): 70-71.

³⁷ “Circular advising the suspension of specie payments, August 20, 1814,” in *Pamphlets and Papers By M. Carey In Seven Volumes*, Vol. I, 547. (Philadelphia: Joseph R.A. Skerrett, 1826). LCP. *The document is one page in length. Subsequent references are to the same lone page.

may have suspected they would be attacked next and panic may well have been stirred. As a result of the attacks in the Chesapeake, Carey insisted that the option of curtailing discounts would only exacerbate economic conditions in Philadelphia by further shrinking the supply of notes in circulation. Moreover, “recent events will oblige our creditor citizens to indulge their debtors in that quarter,” not make things more difficult for fellow citizens already caught in British crosshairs. Therefore, suspension of specie payments by the city’s banks was the only way to preserve public credit and it was better that the bank directors act preemptively. Even if some city banks would not go along with the action, the others should proceed rather than suffer for their inaction.³⁸

Signed A FRIEND TO PUBLIC CREDIT, this remote circular offers a strong view of Carey as a localist; of a man concerned with preserving what remained of his city’s fortunes and staving off further wartime losses as a potential emergency loomed. In weighing his reasons for disregarding wider curtailment of Southern and Western bank notes, Carey first mentioned the effects on the supply of exchangeable paper in Philadelphia. Then he expressed concern about the probable effects of such a move on Virginians and Marylanders. That Carey referenced the conditions of other national citizens second may stem from his overriding concerns with the rise of Baltimore and the challenge which its growth posed to Philadelphia. Although the city’s bank directors did suspend specie payments (due to Carey’s prompting or not), they remained still wary of country bank paper and soon acted decisively on the other available option.

Directors of the Farmers and Mechanics Bank of Philadelphia took measures to stop the flow of depreciated Southern and Western bank notes into the city and to enforce payment of their debts from the region’s bankers in sound paper. They pressed an

³⁸ Ibid.

agreement upon the banks of Delaware which insisted that they would “cease to receive the notes of those Southern & western Banks which are at a discount in Philadelphia.”³⁹ Delaware banks were apparently a big source of this unwanted paper.⁴⁰ The trouble with these notes was significant enough that when Secretary of the Treasury A.J. Dallas outlined a plan for banks to repay their debts to the United States in 1816, he specified that payment would be accepted only “in Treasury notes or in Notes of the Banks established in any of the Commercial Cities on the line of the Atlantic.”⁴¹ This action did not represent a significant shift in the political economy of the Madison Administration against the “people’s banks” however. Dallas, a longtime Carey ally and a leading voice of the cadre of Philadelphia Jeffersonians known as “Quids,” was a stalwart friend to manufactures and improvements and the creation of a “national system” of political economy which would protect property rights from democratic excess.⁴² The unregulated Southern and Western banks that cheerfully tossed paper money to the multitudes represented one manifestation of such excess. Yet Carey saw this effort to shun the notes of these country banks as portending ruin for his native city and this spurred him to petition the directors of the Philadelphia banks to reconsider their course.

In 1815 Carey lectured the bankers of Philadelphia on the folly of refusing the notes of the Southern and Western banks. Wartime interruption of commerce had already

³⁹ “Proposed Agreement Between the Farmers and Mechanics Bank and certain Banks in the State of Delaware, Viz, The Bank of Delaware, The Commercial Bank of Delaware, The Farmers’ Bank of Delaware with its branches at New Castle and Wilmington, and the Bank of Wilmington & Brandywine.” Records of Farmers’ Bank of the State of Delaware, Microfilm Acc# 803 Reel 1, Item 264. Soda House, Hagley Museum & Library, Wilmington, DE. *Hereafter cited as Farmers’ Bank Papers.

⁴⁰ One aspiring cotton manufacturer requesting a loan from the Farmers’ Bank of Delaware seemed almost resigned to proposing “we will agree to receive from the bank in Baltimore and other Southern paper,” the six thousand dollars necessary for purchasing a stock of cotton. “Duplanty, McCall & Co to Pres. & Directors of Bank, December 23, 1814.” Farmers’ Bank Papers, Reel 1 Item 245. It is possible that these men might have found the paper desirable however, given that Southern notes might be easily received when procuring Southern cotton.

⁴¹ A.J. Dallas to President of Bank, May 24, 1816.” Farmers’ Bank Papers, Reel 1 Item 281.

⁴² Shankman, *Crucible of American Democracy*, esp. Ch. 3.

impacted the city's economy significantly and Carey warned that "never since its foundation was the prosperity of Philadelphia in such danger of receiving a mortal stroke." A great degree of the city's past and present wealth had been built upon "the trade of the Western Country" and due to arrangements entered into by Pittsburgh and Baltimore banks, Philadelphia stood to lose a large portion of this trade unless the directors of the city's banks reversed their policy of refusing the notes of the Southern and Western banks. Many Southern and Western traders already preferred the Baltimore market because of the reduced travel and waggonage costs and Baltimore bank notes circulated in the Western States in far greater numbers than did Philadelphia notes. The attraction to the country traders increased from "the rate of exchange between Philadelphia and Baltimore," due to the banks' refusal to accept the Southern and Western notes. As result of these factors "Baltimore gained in the competition."⁴³

Carey offered an hypothetical example of a western merchant holding \$20,000 in Baltimore bank notes, who, having come to Philadelphia to trade is gouged for "6 or 700 dollars" in unreasonable discounts on his money in addition to his expenses in waggonage. Such a business climate would drive commerce from the city and the losses would have ruinous consequences for many of the city's own citizens. Many of the city's businessmen had to receive these "foreign notes in payment at par" and when forced to exchange them, they endured significant losses in discount costs.⁴⁴ Here Carey knew of what he spoke for these matters also held personal interest for him. Over the years he had developed markets for his publications in the Southern and Western states and the payments he received for his wares from these regions would come predominately in the

⁴³ *Reflections on the Consequences of the Refusal of the Banks to Receive in Deposit Southern and Western Bank Notes.* (Philadelphia: Published by Mathew Carey, 1815), 1, 3, 2. LCP.

⁴⁴ *Ibid*, 4.

form of Southern and Western paper. Carey's personal income relied in part upon reasonable rates of discount on these notes at the Philadelphia banks where he would present them, and the Bank of the United States no longer monitored their activities.⁴⁵ His arguments for the receipt of Southern and Western notes at Philadelphia's banks underscore his localism and his willingness to write persuasively and precociously upon topics of concern to his own personal interests. His arguments also reveal his personal stake in the renewal of the charter of the Bank of the United States four years earlier. In this brief and remote pamphlet on bank notes, Carey also made a startling proposal that would permanently change the economy and landscape of the Mid-Atlantic region.

Philadelphia was suffering in its commercial and fiscal competition with Baltimore and would soon lose a considerable portion of its trade in West India goods with the Western states to New Orleans. Philadelphians could do nothing about the trade New Orleans gained as a natural benefit of her geography. As a result, he urged that "the more strenuous ought to be our exertions to ward off the danger from the other quarter." Carey concluded his pamphlet by posing a civic challenge to both the directors and the reading public. The "torpor and apathy of Philadelphia to her true interests," contrasted starkly with the "energy and vigor of character, which formerly distinguished this city, and placed her on a proud eminence." Carey knew of one way the city could regain its fading glory: "The Delaware and Chesapeake Canal, which would be so eminently advantageous to us, and countervail many of our local disadvantages, has languished through our folly and want of true policy."⁴⁶ Carey had a new local, and national, cause.

⁴⁵ Carter, 279.

⁴⁶ *Reflections on the Consequences*, 9-10.

Carey the Canal Builder

“Insofar as credit for reviving the canal project can be given to an individual, it belongs to Mathew Carey,” wrote the foremost historian of the C&D Canal.⁴⁷ Carey’s interest in internal improvements as a means of economic nationalization and his particular concern with the growing commercial power of neighboring Baltimore spurred him into action. Realizing the importance of Philadelphia garnering a greater share of its hinterland’s trade, Carey became the C&D Canal’s champion by organizing shareholder meetings, stock subscription and press campaigns, and making every effort to stimulate civic interest in the scheme. Carey himself would scarcely disagree with these assessments, remembering in a pamphlet intended for his intimate associates that:

It may appear that in [my] statements I arrogate too much [credit] to myself. But this is an error. I aver that from the very first meeting on the subject in 1821, till the election in 1823, every measure of importance, and indeed almost every measure without exception, connected with the subject, originated with me . . . It is very true but I collected few subscriptions. This is a business for which I was never calculated.⁴⁸

Carey had resurrected talk of the canal project with his challenge in the 1815 pamphlet on Western bank notes, and would re-energize civic and entrepreneurial interest in the dormant work by 1821. During the intervening years the nation wrestled with what it had learned from three years of war. The well-worn phrase “the lessons of war” had peculiar applicability to the United States after 1815. The young republic survived the fight to maintain its sovereignty and amidst the heady nationalist rites that followed, the Madison Administration began addressing areas of glaring national weakness that had been

⁴⁷ Ralph D. Gray, *The National Waterway: A History of the Chesapeake and Delaware Canal Company, 1769-1965*, (Urbana, IL, 1969), 30.

⁴⁸ Mathew Carey, *Sir at a town meeting Friday last, John Sergeant, Esq.* (Philadelphia: May 9, 1825), 5, HSP. This source has also been elsewhere cited as: *Intended for a few friends—and of course not to appear in a newspaper*. I use the HSP catalogue title here for the sake of future researchers. The overall tenor of the pamphlet is a bitter one, written after Carey was passed over for a seat on the Canal’s Board of Directors when his name was removed from the ballot in some 11th hour machination.

exposed by the wartime experience, chiefly: the lack of a national bank, roads and canals, coastal fortifications, and an adequate army and navy. Having eagerly allowed Hamilton's Bank of the United States to expire in 1811, Madison ironically found himself authorizing the creation of a second national bank after the war. Congressman John Calhoun hoped to use the \$1.5 million paid to the Treasury Department by BUS stockholders as a federal fund for supporting worthy public works projects; in other words, works of "a general character." But his inspired cry of "Let us conquer space" did little to move Madison, who upheld a strict constructionist stance on the constitutionality of federal aid to internal improvements and vetoed Calhoun's bill during his final days in office.

Despite this major defeat for supporters of federal aid to public works, the nationalizing potential of roads and canals, the political economy of the market system, and the rhetoric of nationalism remained viable forces beyond the reach of constitutional dictates. The Constitution may have prevented Congress from aiding internal improvements (at least in Madison's interpretation) but it could not prevent developmentalists like Carey from pursuing their interests by lobbying the public and their state legislative bodies for aid. In the process they reinforced diffusion of property and market access, public beneficence, and the strengthening of interregional bonds as the rhetorical devices that bound the republican discourse of "improvement." Elites in Wilmington and Philadelphia employed these ideas and this rhetoric to entice investment in their separate canal schemes. Carey and John Kane of Philadelphia used their influence to gather capital, persuade public opinion, and lobby state legislatures for charters of incorporation.

Philadelphians had always promoted the canal for the most part, but its course would run through two neighboring states: Delaware and Maryland. Pennsylvanians (Philadelphians really) held the largest proportion of the stock- 824 shares as compared to 712 for Delawareans and 256 for Marylanders respectively. Pennsylvanians' payments on their stock subscriptions (\$73,400) far outstripped those of their neighbors however. (\$18,300 for Maryland and \$11,300 for Delaware)⁴⁹ Moreover, none of the stock subscriptions held in Maryland belonged to Baltimoreans, a firm indication of that budding macropole's outright hostility to a canal which would thwart their commercial growth by diverting Susquehanna River produce into new channels. So while the C&D ostensibly represented an object of national utility to many including a supportive bloc in Congress, the merchants of Baltimore placed more weight on the local ramifications of the scheme and its portents for their own economy.

One Maryland pamphleteer had warned as early as 1797 that should the C&D be completed, it would "conduct the Chesapeake trade into Delaware Bay, and consequently terminate in the destruction of Baltimore as an independent and valuable market. What then must be the position of a Marylander, if this position be made equally apparent to his mind?" The author argued that the isthmus actually shielded Philadelphia from aggrandizing the Chesapeake trade, thus allowing Baltimore to become enriched by it and slowly enter into a competition with its northern rival. Cut a canal through Delaware, however, and "competition is immediately terminated. She at once sinks into the station

⁴⁹ Original statistics from *Memorial of the Directors of the Chesapeake and Delaware Canal Company to the Legislature of Pennsylvania, 1805*. Quoted from James Weston Livingood, *The Philadelphia-Baltimore Trade Rivalry, 1780-1860*, (Harrisburg, PA, 1947), 87. Although these numbers are for the Company's situation in 1805, they seem a good gauge for the project's health in 1816 given the long period of inactivity occasioned by Embargo and war discussed above. It was this discrepancy in payments on stock that Mathew Carey would capitalize on when initiating Philadelphia's hijacking of the company during the winter of 1821-22.

of an inferior or secondary market.”⁵⁰ In effect she becomes a micropole: a Wilmington. The project viewed by Albert Gallatin as the first object of national improvement represented regional mastery to Philadelphia, but subservience to Baltimore. For policymakers in Wilmington, it offered a golden opportunity to take advantage of fortuitous geography if canal politics took the right course, and it was the course of the canal that indeed raised the most serious debate.

National matters further slowed the canal’s progress when a great financial panic engulfed the country between 1819 and roughly 1821. The rapid failings of banks and ensuing land foreclosures created an investment climate that made canal stocks- an already uncertain article- even less attractive to the average venture capitalist. As the economy began to stabilize somewhat by 1821, the matter of the C&D was again taken up in earnest. The mantle of improvement was taken up by new faces like Carey that eventually saw the long-debated scheme through to completion. Realizing that sufficient private investment held the key to securing government aid, company officials resumed their efforts to subscribe stock, while interested parties in Philadelphia looked to reorganize the company itself.

Aware that completion of the canal relied at heart upon Philadelphia capital, Carey and a contingent of Philadelphians pressured the company’s Board of Directors to give up their seats in favor of Philadelphians. Reasoning that Philadelphians had made payment on their stock subscriptions at a far greater rate than Wilmingtonians, Carey applied this leverage to set up a December 1821 meeting between delegates from the Board and his Committee of Five. This December 1821 pow-wow resulted in a temporary new look directorate requiring seats for five Philadelphia members. A general

⁵⁰ Quoted in Livingood, 85.

stockholders' meeting went on the schedule for January 28, 1822 and rapprochement appeared to be near. Carey, however, had ideas akin to a modern-day "hostile takeover." Late in January, the Philadelphians, acting more like a Gang of Four than a Committee of Five, arrived at the company's Wilmington office wielding proxy payments on over 500 shares of stock like a club. By the end of the meeting they had thrown out the recently agreed framework for the board, unilaterally imposed a heavily Philadelphian "board of managers," and removed the company's books and offices to Philadelphia.⁵¹ The power arrangements operative in macropole-micropole relationships could seldom be laid bare.

Emerging from this *coup*, the new Philadelphia committee presented themselves and their project to the investing public, in the process stirring the image of a great work undertaken on behalf of a grave competition between locales. Carey's name appears second on a list of Philadelphia luminaries who announced "a great work in which the prosperity of Philadelphia is deeply involved." The new look company appealed to the public for liberal financial support of the canal that would be "proportional to its usefulness and magnitude." The committee counted upon "the spirit for public improvement and patriotism, in which [we] venture to affirm our citizens never have been, and to hope they never will be, outstripped by those of any other cities or states."⁵² In 1815 Carey had called upon the bankers and reading public to join in an offensive against the commerce of Baltimore to protect the city's interests. Seven years later, the entrepreneurial and legal classes by his side, he called on the greater community to join the localist cause as the work got underway.

⁵¹ Gray, 34-35.

⁵² *Report on the Subject of the Chesapeake and Delaware Canal* (1822) [for the National Gazette]. HSP. Other names on the report were Samuel Breck, Thomas P. Cope, James C. Fischer, Paul Beck, Jr., Stephen Girard, William Meredith, Samuel Archer, William Lehman, and Simon Gratz.

In 1821 Joshua Gilpin had published what was in fact an investment prospectus entitled *A Memoir of the Rise, Progress, and Present State of the Chesapeake and Delaware Canal, Accompanied with Original Documents and Maps*. Gilpin's father Thomas had first brought the idea for a Chesapeake and Delaware waterway before the American Philosophical Society in 1769. A wealthy Brandywine mill owner, Gilpin adhered to the promotion of the canal along the long-proposed northern course that would access the Delaware via the Christiana Creek and have its southern terminus at the mouth of Elk River on the Chesapeake. This course stood to benefit Brandywine millers and Wilmington merchants alike and was in fact the only course truly under consideration to this point; work actually having begun along these lines as early as 1803. Shortly after Gilpin's pamphlet hit the streets, Carey took up his pen on the canal's behalf, embarking upon an energetic campaign to solicit the civic pride and stock subscriptions of Philadelphians.

Canal supporters had to this point believed that the canal would continue along the northern route as no serious alternative plan had ever been introduced. But newly hired engineer Benjamin Wright and his assistant John Randel proposed a nearly straight 13-mile route stretching from Newbold's Landing on the Delaware through St. George's and terminating on Back Creek which emptied into the Chesapeake. The new proposal sparked a vicious and protracted newspaper war in the Delaware press between supporters of the northern route (benefitting Wilmington), and the new southern route (benefitting rural landholders). Eventually the matter had to be decided outside of the press. An appointed board consisting of army and civic engineers voted to choose Randel's recommendation of the lower St. George's route for the canal's course in

January 1824. The company's Board of Directors accepted their recommendation on January 20. As the northern route had been the only course under serious consideration for many years, the choice came as a surprise to many and raised a great din of protest from Wilmington.⁵³

Carey weighed in during Wilmington's season of discontent. In a pamphlet intended for holders of C&D stock, Carey, sought to bolster confidence in the new route chosen by the Board. Carey viewed the canal "as a source of immense state and national benefit—and [had not] a cent of interest in one location more than another." However as a friend of improvements generally and this project especially, he resented that "great pains [were] being taken by those citizens in favour of the upper route, to destroy public confidence in the one adopted by the Board of Directors."⁵⁴ The palpable geographic, engineering, and navigation advantages of the lower route seemed imminently clear to him. He reassured doubters that despite recent reversals, the canal would help Philadelphia recover lost commerce. Reviewing the city's loss of a portion of its Chesapeake trade to New York, he admitted that some of it "can never be restored to us." But when the canal became operational the city would "by degrees regain the chief part of what we have lost." Small concerns such as the new toll schedules on the canal became insignificant when weighed against convenience and the commerce to be seized from Baltimore. "Will not the saving of time, to say nothing of the risk of a sea voyage, amply compensate for the tolls?" Carey asked. "In addition to this trade," he boasted,

⁵³ Gray, 43-49.

⁵⁴ *Address to the Stockholders of the Chesapeake and Delaware Canal Company*, 2.

“we shall have a most lucrative and extensive trade down the Susquehannah and its tributary system.”⁵⁵ The most efficacious route had been chosen.

Moreover, Carey confided, landholders along the Northern route had seemed determined to take unfair advantage of the company in dealings over property condemnation and water rights. “The demands of some of the proprietors were most exorbitant,” Carey scolded, “One person who had paid but \$11,500 for a mill, farm, and water right, demanded \$30,000 for the injury he should sustain by the loss of water power! Another, who had, a few years since, paid \$4,000 for a mill, water power, and farm, demanded 25,000 for water power alone!” This method “of levying contributions on the company” could have increased the company’s expenses to as much as \$300,000 for water rights alone.⁵⁶ Another source of fallout from the decision was that some supporters of the Northern route sensed conspiratorial motives.

Samuel Harker of the *Delaware Gazette* charged that the lower route was selected “not because it would be more beneficial to Philadelphia than the upper one, but because it would prevent Wilmington from profiting by the improvement.”⁵⁷ In a pamphlet attributed to Mathew Carey, an author writing under the name “Common Sense” ridiculed the commercial pretensions of that micropole:

All these inquiries, insinuations, suggestions, and what not, we will leave to the inhabitants of that *great rival* of our city the *borough of Wilmington*, whose *interests* are so completely *adverse* to ours, that we ought not to be surprised at their exhibiting some symptoms of oppugnation on finding that the Canal is not to go *near them*: or perhaps those points may be left with equal propriety for the investigation of the law-givers of that *renowned* sea-port New Castle, in the admirable situation of which we clearly see

⁵⁵ Ibid, 4.

⁵⁶ Ibid, 7.

⁵⁷ Quoted in Gray, 49. The editorial to be found in the January 31, 1824 edition.

another *Venice*, and not inclining to assist its growth by the contiguity of our Canal, may expect to hear some *grumbling* at our determination.⁵⁸

As he had in arguing for the renewal of the BUS charter, Carey addressed all dimensions of the problem and parried every thrust offered by his opponents; this time with much greater success. By navigating local, state, national, public, and private spheres of political and economic discourse, the promoters of the Chesapeake & Delaware Canal Company guided their project to eventual completion in 1829. Throughout the first quarter of the nineteenth century the stop-and-start character of the canal scheme amidst a myriad of political and economic exigencies seemed to forecast failure. Economic developments in other cities and states along with his maturing thoughts and writings on political economy eventually drew Carey into the picture. The unique combination of his experience with marketing ideas in the public sphere, his mature vision of political economy in a liberalizing nation, his nationalist thinking, and local interestedness made him the perfect figure to promote the canal and shape events successfully. The C&D canal's proponents capitalized upon the national importance bestowed upon the scheme by Albert Gallatin to forward their plans, yet the universe of discourse and activity around the project became a vicious playing field where selfish local interests competed for advantage and where both regional macropoles and the micropoles within their commercial orbits contested power relationships. The dividing line between "national" and "local" interest could often be very slight. Perhaps no one knew this better than Mathew Carey.

⁵⁸ *Views Respecting the Chesapeak[sic] and Delaware Canal*. By a Citizen of Philadelphia. (Philadelphia: Thomas Town, 1824), 2, HSP. The pamphlet is attributed to Mathew Carey but the arguments contained therein suggest that the author may have been William Strickland and not Carey.

In his roles as publisher and evolving political economist Mathew Carey influenced public policy and opinion with an energy and passion that few were capable of matching. In his writings, politics, and solicitations, on behalf of domestic manufacturing, the Bank of the United States, local banking policy, and the Chesapeake and Delaware Canal, Carey impacted the course of national and local economic development and helped to shape the growth of a slowly modernizing United States. Behind the familiar portrait of Carey the nationalist we are able to see a man passionately committed to the development of the political economy of his hometown. Yet as I argue elsewhere, this did not greatly distinguish Carey from other citizens of the early republic, for whom “interests” dictated political affiliations, residency, investment choices, or a myriad of other shifting life circumstances and decisions.

Carey, like many citizens, reasoned his interests: national, local, and personal in complementary ways. Yet because of his unique literary position, he unlike other citizens was able to lobby widely and loudly in support of his interests with a mastery of republican rhetoric and business that gained him great influence over the course of his interests and those of countless others. As both nationalist and localist Mathew Carey gave voice and direction to a new people wrestling with the formulation of a republican political economy. In the process he enlisted himself in the cause of both a nation striving to be great and a city struggling to maintain its greatness.