

Panic and Crisis in the Post-War World of Mathew Carey

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In June 1801, while joyously celebrating Thomas Jefferson's victory for liberty, Jefferson's staunch supporter William Duane, editor of the influential *Philadelphia Aurora*, reprinted an account from Fredericksburg, Virginia of the spontaneous "transformation of a negro to a white man." The transformation suggested enormous possibilities that could reinforce the commitment to liberty and equality the nation had just made. "How additionally singular would it be," Duane wrote, "if instances of the spontaneous disappearance of this sable mark of distinction between slaves and their master were to become frequent? They would then be no less important to the moralist and political economist."¹

Duane's was not the only report of transformation and the preoccupation reinforces how unserious Jeffersonians were regarding racial inequality and oppression in their Empire of Liberty.² Hope that slavery might cease almost by magic underscores how little Jeffersonians did to move people from slavery to freedom. Yet Duane's excitement should not only remind us of the Jeffersonians' profound deficiencies on all matters of race. Well into the Jeffersonian era, the problem that the Age of Revolution made slavery remained a problem. In the abstract there was very little in the content of Jeffersonian thought that provided much comfort to those who continued to own slaves, as Gabriel's expropriation of the talk of Jefferson's Richmond artisan supporters suggests.³

Yet when it came to the practical matter of making slaves free most Jeffersonians succumbed to chimerical arguments. Jeffersonians both north and south embraced colonization, but just as often they looked to "diffusionism," the claim that spreading slavery west would attenuate the slave population, render slavery less significant in any particular area, and bring more people into direct contact with it. Extensive contact, in this fantasy, meant more people to condemn the institution and to figure out how to end it.⁴ "Transformationism" was not that much more fanciful than colonization or "diffusionism," but

¹ *Philadelphia Aurora*, June 18, 1801.

² Bruce Dain, *A Hideous Monster of the Mind: American Race Theory in the Early Republic* (Cambridge: Harvard University Press, 2002) 23-24.

³ Douglas Egerton, *Gabriel's Rebellion: The Virginia Slave Conspiracies of 1800 and 1802* (Chapel Hill, NC: University of North Carolina Press, 1993).

⁴ Eric Burin, *Slavery and the Peculiar Solution: A History of the American Colonization Society* (Gainesville, Florida: University of Florida Press, 2005); Lacy K. Ford, *Deliver Us from Evil: The Slavery Question in the Old South* (New York: Oxford University Press, 2009) 54-76.

each pointed to a feeble hope that the problem of slavery yielded relatively easy solutions and that time, removal, westward expansion, or some inexplicable physical process would deliver the Republic.

But race and slavery were not the only subjects on which Jeffersonians such as Duane were wildly unrealistic and capable of self-deceit and wishful thinking. Duane was confident that Jeffersonians could quickly and easily “promote that happy mediocrity of condition, which is our greatest security and our best preservation against the gradual approaches of arbitrary power.”⁵ In the early republic blacks did not become white, but “the happy mediocrity of condition” didn’t happen either. Nevertheless, the two hopes suggest rather well the aspirations Jeffersonians had for their victory and what they wished the republic could look like. Jeffersonians expected to radically reorient American political economy so that the Republic grew as a society of white households that controlled their own resources and avoided dependence on resources controlled by other households.

Jeffersonians were diverse. Some stressed agrarianism, commerce, and westward expansion. Others defended economic diversity and domestic manufactures to develop the internal market. But all Jeffersonians expected to build a republic where white citizen heads-of-household lived in an egalitarian social order. Hierarchy would move entirely within each household’s walls and domestic relations would ensure that each head-of-household retained control of the resources that sustained the household’s structural independence. All citizen heads-of-household could face their peers independent of their control, and so equal to them, because each rested atop a purely private and domestic hierarchy that maintained their independence.⁶ These social and economic relations were Duane’s ideal “happy mediocrity of condition.” Slavery had little place in Jeffersonian rhetoric because material independence for each household came well before the additional wealth that slave property brought to masters’ households. Jeffersonian newspapers such as the *Aurora* understood that the condition of “the southern portion [of the country] cultivated by slaves, abounding in riches and enervated by indolence, the

⁵ *Philadelphia Aurora*, May 27, 1805.

⁶ Drew R. McCoy, *The Elusive Republic: Political Economy in Jeffersonian America* (Chapel Hill, NC: University of North Carolina Press, 1980); Andrew Shankman, *Crucible of American Democracy: The Struggle to Fuse Egalitarianism and Capitalism in Jeffersonian Pennsylvania* (Lawrence, KS: University Press of Kansas, 2004).

consequence of excessive wealth” threatened “the happy mediocrity of condition” and the social order essential for the Empire of Liberty.⁷ Since egalitarian rhetoric and the reality of enslavement were so far apart, it is not surprising that Jeffersonians could speak concretely about the evils of slavery but grew hazy and nonsensical when it came time to do something about it.⁸

During the Jefferson and Madison administrations virtually none of what Jeffersonians such as Duane expected to happen did so. Jeffersonians could dramatically reduce public debt, repeal all internal taxes, dissolve Hamilton’s hated bank, and summon citizens’ republican virtues with embargo and non-intercourse, and yet still find their egalitarian social order elusive. They also could not avoid war, though it required debt and taxes and showed the uses of a national bank.⁹ At the same time, slavery easily reduced to nonsense the vague noises Jeffersonians made about its future. As the Jeffersonians capably spread American hegemony west to the borders of Texas and took control of the Mississippi River, masters forcibly moved 225,000 slaves west of the Appalachians, most of them between 1800 and 1820. After closing the slave trade in 1808 the slave population grew about 2% per year. While the 1830s saw the most dramatic development of the cotton kingdom, the years of the Jeffersonian Virginia presidents gave their supporters no excuse to continue claiming that theirs would be something other than a slaveholders’ republic.¹⁰

⁷ *Philadelphia Aurora*, May 8, 1801.

⁸ For an illustration of this essential vagueness focusing on Jefferson, see Gary B. Nash and Graham Russell Gao Hodges, *Friends of Liberty: Thomas Jefferson, Tadeusz Kościuszko, and Agrippa Hull: A Tale of Three Patriots, Two Revolutions, and a Tragic Betrayal of Freedom in the New Nation* (New York: Basic Books, 2008).

⁹ For the elusiveness of this egalitarian social order see, Alan Taylor, *Liberty Men and Great Proprietors: The Revolutionary Settlement on the Maine Frontier, 1760-1820* (Chapel Hill, NC: University of North Carolina Press, 1990); Stephen Aron, *How the West was Lost: The Transformation of Kentucky from Daniel Boone to Henry Clay* (Baltimore, MD: The Johns Hopkins University Press, 1996); Andrew Cayton, “The Fragmentation of a ‘Great Family:’ The Panic of 1819 and the Rise of the Middling Interest in Boston, 1818-1822,” *Journal of the Early Republic* 2 (1982) 143-167; Cayton, *Frontier Republic: Ideology and Politics in the Ohio Country, 1780-1825* (Kent, OH: Kent State University Press, 1986); Howard Rock, *Artisans of the Republic: The Tradesmen of New York in the Age of Jefferson* (New York: New York University Press, 1979); Allison Goodyear Freehling, *Drift toward Dissolution: The Virginia Slavery Debate of 1831-32* (Baton Rouge, LA: Louisiana State University Press, 1982); Seth Rockman, *Scraping By: Wage Labor and Survival in Early Baltimore* (Baltimore, MD: The Johns Hopkins University Press, 2009).

¹⁰ Stanley Engerman, “Slavery and Its Consequences for the South in the Nineteenth Century,” in eds., Stanley Engerman and Robert Gallman, *The Cambridge Economic History of the United States: The Long Nineteenth Century* (Cambridge, UK: Cambridge University Press, 2000) 329-366, 344; John Craig Hammond, *Slavery, Freedom, and Expansion in the Early American West* (Charlottesville, VA: University of Virginia Press, 2007);

After 1800, then, Jeffersonian intentions (particularly the vague and weakly wishful ones) moved very far from outcomes. Hope for an egalitarian social order of independent citizens living in a republic where slavery gradually disappeared led inexorably to the simultaneous eruption of the nation's first general capitalist crisis and the first sustained national conflict over the place of slavery in the Republic. The simultaneity of the Panic of 1819 and the Missouri Crisis, conflicts produced by the surging development of capitalism and slavery, are noted by all scholars of the early American republic, and recent significant, synthetic works have attempted to show the connections between the two complex events.¹¹ Scholars know that it matters that these two nearly simultaneous crises came after years of broad-based and often unsettling and unexpected growth for both free and slave labor economies, growth that challenged illusions and claims about the Empire of Liberty.

Yet these processes were so complex that the synthetic treatments have left rather confused what impact it had to live through them. We should know much more about how those who expected a "happy mediocrity of condition" and the natural decline of slavery understood and dealt with one crisis that exposed desperate economic and social conditions and another that suggested the growing centrality and longevity of slavery in the Republic. One way to gain some control over such a large and complex set of questions is to take a biographical approach, to closely examine figures that lived through and thought and wrote about what it meant to experience the twin crises of 1819.

Perhaps no one provides more material for such an approach than William Duane's Philadelphia contemporary and fellow Jeffersonian, the printer, publisher, activist, and political economist Mathew Carey. In reaction to the crumbling of Jeffersonian assumptions, beginning during the War of 1812 Carey

Adam Rothman, *Slave Country: American Expansion and the Origins of the Deep South* (Cambridge, MA: Harvard University Press, 2005); Roger G. Kennedy, *Mr. Jefferson's Lost Cause: Land, Farms, Slavery, and the Louisiana Purchase* (New York: Oxford University Press, 2003); Eva Sheppard Wolf, *Race and Liberty in the New Nation: Emancipation in Virginia from the Revolution until Nat Turner's Rebellion* (Baton Rouge, LA: Louisiana State University Press, 2006); James E. Lewis, *The Louisiana Purchase: Jefferson's Noble Bargain?* (Charlottesville, VA: University of Virginia Press, 2003); J.C.A. Stagg, *Borderlines in Borderlands: James Madison and the Spanish American Frontier, 1776-1821* (New Haven, CT: Yale University Press, 2009); Trevor Burnard, "Freedom, Migration, and the American Revolution," in Eliga Gould and Peter Onuf eds., *Empire and Nation: The American Revolution in the Atlantic World* (Baltimore, MD: The Johns Hopkins University Press, 2005) 295-314.

¹¹ Sean Wilentz, *The Rise of American Democracy: Jefferson to Lincoln* (New York: W.W. Norton, 2005); John Ashworth, *Slavery, Capitalism, and Politics in the Antebellum Republic: Commerce and Compromise, 1820-1850* (Cambridge, UK: Cambridge University Press, 1995).

sought to explain how the elusive egalitarian social order could be realized with new ideas and approaches. Part of the new ideas was to stop ignoring the reality of what was actually happening with slavery. No American during the years immediately preceding 1819 wrote more than Carey about issues of political economy. His central insight was that the nation needed to reorient its economic focus from the external to the internal market. Though he could never have fully foreseen the outcome, Carey thought a great deal about processes that produced capitalist economic and social relations and the most extensive slave-based economy the world had ever seen.¹²

Between 1814 and 1820 Carey confronted what he believed was an increasing likelihood of economic inequality among white male citizens. During those years he also chose not to ignore the obvious ways in which slavery was confounding Jeffersonian claims. Carey's thinking reveals how an important Jeffersonian tried to preserve much of the original egalitarian dream under conditions vastly different from those most Jeffersonians had expected the Republic would face. Carey's efforts to preserve an egalitarian empire of liberty caused him to confront the realities of slavery in a charged and acrimonious context where wishful thinking was no longer persuasive. Carey had to speak concretely and precisely about what relation slavery had to his newly imagined Empire of Liberty. By closely examining Carey's experience of the crises, we can see how a very thoughtful Jeffersonian accepted a complicated reality that had produced economic and social relations and a slave regime that had no place in original Jeffersonian fantasies. Carey's efforts to incorporate this complicated reality into a system that would still produce a Jeffersonian-inspired Empire of Liberty led him to think seriously about dynamic internal economic development while also reconciling with, even embracing, a future that included an equally dynamic regime of slavery.

In 1814 Carey published the first edition of *The Olive Branch*, his effort to unify the nation and lay a foundation for a profound reorientation of the Republic's assumptions and policies.¹³ Jeffersonians

¹² For an excellent overview of Nineteenth Century economic developments, see Engerman and Gallman eds., *The Cambridge Economic History of the United States: The Long Nineteenth Century*.

¹³ The full title was *The Olive Branch, or Faults on Both Sides, Federal and Democratic. A Serious Appeal on the Necessity of Mutual Forgiveness and Harmony* (Philadelphia, 1814: M. Carey). See also, Edward C. Carter II,

had to face, Carey insisted, that after nearly fifteen years of implementing almost all of what they sought to do in 1800, “A powerful enemy, flushed with success, and with superabundant means...hovers on our coasts, and through his transcendent navy, is enabled to inflict deep and lasting injury.”¹⁴ Yet the Republic’s vulnerability went far beyond its exposure to British power and malevolence. Britain posed such a threat in part, said Carey, because the United States was so divided internally that the proper authorities could not even discredit efforts to destroy the federal union. New England was a region of disunion that housed a vocal and influential minority of secessionists who approved of Britain more than they did the Madison Administration. Carey estimated that two-thirds of New England opposed Madison’s government and a sizeable part of the region had been lured into following dangerous extremists.¹⁵ “For eighteen years,” Carey lamented, “the most unceasing endeavors have been used to poison the minds of the people of New England towards, and to alienate them from, their fellow citizens of the southern states.”¹⁶

The dangers were grave but there were solutions. First citizens should sensitively examine why two-thirds of a region comprised of largely good and decent republican citizens was so alienated and believed vile slanders about elected leaders and their fellow citizens to the south. And second, citizens needed to understand how international events had drastically altered the world scene and the Republic’s place within it. Literally living in a period of profound transition, even a new epoch, Carey insisted that the Republic needed to adjust primary assumptions and policies accordingly.

First Carey sought to repair the dangerously damaged relationship between New England and the rest of the nation. In a work of over 300 pages, about two-thirds detailed the vicious behavior of the most extreme Federalists. There was no doubt in Carey’s mind who to blame most. Yet Carey also argued that a small extreme Federalist faction could be so influential because there were grounds upon which to critique Republican Party assumptions and policies. The nation’s vulnerability, Carey insisted, forced

“Mathew Carey and the ‘*Olive Branch*,’ 1814-1818,” *Pennsylvania Magazine of History and Biography* 89 (1965) 399-415.

¹⁴ Carey, *The Olive Branch* first edition, 12.

¹⁵ Carey, *The Olive Branch* second edition, 1815, 6.

¹⁶ Carey, *The Olive Branch* second edition, 1815, 62-63, 253.

Jeffersonians to acknowledge that “our form of government...wants a due degree of energy, particularly pending war.”¹⁷ Jeffersonians tended to ignore reality and indulge in a utopian impulse to view “society made up more as it ought to be, than it has ever been, or is likely to be...” Admirable hatred of tyranny, argued Carey, caused Jeffersonians to be overly preoccupied with “...the oppression of the federal government. Whatever of authority or power they divested of it, to bestow on the state governments, or restore to the people, was regarded as an important acquisition. Against the federal their fears and terrors were wholly directed.”¹⁸

Yet Carey insisted that there was much room for energetic government that stopped far from being dangerously consolidating. A government possessed of “a due degree of energy” could fuse the hostile sections of the union. But Jeffersonian determination to “cripple and chain down” the national government while “the state governments they regarded with the utmost complaisance, as the public protectors against the dreaded enemy of liberty,” allowed the most extreme Federalists to emphasize the differences between regions and claim that assaults on national power were in reality efforts to defend local interests. The Jeffersonian fear of the national allowed extreme Federalists to claim that they cared only for their local concerns, and that claim made slavery in particular seem to have a significance that it did not actually possess. Extreme Federalists, said Carey, had portrayed southerners “as demons incarnate, and destitute of all the good qualities that dignify and adorn human nature...”¹⁹

To discredit Jefferson and his supporters, extreme Federalists, said Carey, had grossly caricatured slavery and pretended to a concern unwarranted by southern practice. Federalists claimed that “the negroes are, in all respects, except to regard to life and death, the cattle of the citizens of the southern states.” Further slander accused southerners of treating slaves “like brutes,” and with allowing slaves to be “bought and sold...beaten, turned out to the fury of the elements, and torn from their dearest connections, with as little remorse as if they were beasts of the field.” Carey did not so much refute (for how could he) as dismiss these charges as “infamous [and] unfounded caricature.” Rather than argue that

¹⁷ Carey, *The Olive Branch*, first edition, 1814, 8.

¹⁸ Carey, *The Olive Branch*, second edition, 1815, 23-24, 50.

¹⁹ Carey, *The Olive Branch*, second edition, 1815, 253.

slaves were not bought and sold, forcibly separated from their loved ones, and regularly beaten, Carey instead insisted that such practices should not cause New Englanders to feel themselves distinct from the south. Slavery, like so much else that Carey felt needed to be rethought, was in fact a source of connection and unity for the nation. After all, Carey argued, most southern slaves “had been purchased, and sent from their homes and families by New Englanders, who were actually...engaged in the slave trade.”²⁰

New England’s needs were thoroughly compatible with the rest of the nation’s, particularly once Jeffersonians became more realistic about how best to govern the Republic. New England was commercial, but so was the nation. Farmers, merchants, and manufacturers depended on one another and New England had “literally lived upon the industry of the southern states.”²¹ The responsibility of all republican citizens was to recognize that post-1815 conditions demanded fostering such inter-regional relationships. These relationships would then point the way to national harmony and the original goals of the Empire of Liberty, while also adjusting to reality assumptions regarding political economy, the nation-state, and the future of slavery.

Carey made the case for interregional interdependence solidified by the general and national benefits of slavery even more explicitly in an 1814 pamphlet meant to supplement *The Olive Branch*. In “A Calm Address to the People of the Eastern States” Carey insisted that the needs of New England fit seamlessly with those of the rest of the nation, particularly the slave states.²² If New England ignored its own best interests and succumbed to secession, it alone would suffer. Southern states such as the Carolinas and Georgia enjoyed “delightful and luxuriant climate and fertile soil...”²³ If necessary these states could diversify and develop manufacturing, but not without effort and not without expending resources on projects and practices best suited for New England. New Englanders, Carey insisted, needed

²⁰ Carey, *The Olive Branch*, second edition, 1815, 253.

²¹ Carey, *The Olive Branch*, second edition, 1815, 281-284.

²² The pamphlet’s full title was, “A Calm Address to the Eastern States, On the Subject of Slave Representation in the Senate; and the Hostility to Commerce Ascribed to the Southern States. By the author of *The Olive Branch*” (Boston: Rowe and Hooper, 1814).

²³ Carey, “Calm Address,” 18.

to realize that southerners were in no way hostile to commerce and that their extensive and expanding slave populations and staple crops depended on extensive manufacturing that every precept of political economy showed belonged in New England.

New England's regional needs fit perfectly with the south's, Carey argued, and the relationship between the regions was the basis for a vital republic that could preserve and extend the Empire of Liberty. "The eastern states," Carey explained, "have established manufactures on a large and extensive scale." In addition, manufacturing would only increase dramatically over time for the "extreme sterility of a large portion of the soil, and the comparative density of their population, render manufacturing establishments indispensably necessary to them." Yet at present "the manufactures of the southern states [were] principally in private families." And so they would and should remain, Carey insisted, as long as the union endured and all regions realized how southern slavery gave each region the opportunity to specialize. Given that southerners free and slave would continue to "find full employment in agriculture," slave states had "little or no interest in the promotion of manufactures." A decline in commerce, manufacturing, or agriculture hurt each sector of the economy and section of the nation. Union met the needs of all, concluded Carey, and slavery, by benefitting all regions, truly was a national institution.²⁴

Carey's efforts to disprove the conviction that slavery created distinct regional needs at odds with national ones, or those of other regions, was part of his all-encompassing effort to convince his fellow citizens to think differently about how best to secure a republican nation comprised of independent households. New post-1815 conditions required new directions for the Republic, most critically a shift in emphasis from the external to the internal market. Jeffersonians should not be frightened of the need to rethink, for principles of political economy could not remain fixed, but needed to adjust as circumstances changed.

The foundation of Carey's efforts between the War of 1812 and the Panic of 1819 and the Missouri Crisis was a conviction he shared with many leading Jeffersonians, among them James Madison and Henry Clay. Carey believed that peace in 1815 had transformed global circumstances and the place

²⁴ Carey, "Calm Address," 45-47.

the United States occupied in the world. Most crucially, going forward Carey believed there would be a steady decline in the demand for American agriculture. “It was out of our power to prevent,” Carey insisted, “the reduction of our commerce, and the consequent depreciation in the value of our shipping.” Beginning in 1815, Carey argued,

Europe could not be expected to allow us to continue the commerce that naturally belonged to them...nor could we by any means have prevented the reduction of the price of our wheat flour etc. when a cessation of the destruction caused by war and the return of so many of the soldiery to the labors of the field not only increased the capacity of supply but diminished the consumption of Europe.

Indeed, concluded Carey “we enjoyed for twenty years a very great proportion of the trade of the world, far beyond our due share.”²⁵ These accidental conditions had abruptly ended and with them had also ended reliable foreign markets. Now “sound policy” alone could find “other employment for our superfluous commercial capital,” “a domestic market for our cotton,” and for “our woollens and various other manufactures to an extent commensurate to our wants.”²⁶

Instituting sound policy was imperative because new global conditions meant that the Empire of Liberty could not result from the traditional Jeffersonian commitment to an ever-increasing production of agricultural surplus as independent farming citizens spread west. The United States found itself in a new epoch Carey insisted, and unprecedented conditions “must affect the character of the past political economy of our government and [should] clearly demonstrate the future course pointed out to this rising empire by sound political wisdom.” Falling agricultural prices savaged mercantile profits and continued over-investment in overseas trade would only mean further ruinous competition for increasingly less valuable freight and a waste of precious capital. The solution was clear, Carey insisted. Americans had “to secure themselves a grand domestic market, independent of the caprice of foreign nations.”²⁷

²⁵ Mathew Carey, *Essays on Political Economy, Or the Most Certain Means of Promoting the Wealth, Resources, and Happiness of Nations: Applied Particularly to the United States* (Philadelphia, 1822) 200. For Clay’s similar concerns, see James B. Swain ed., *The Life and Speeches of Henry Clay* (New York: Greeley and McElrath, 1843) 2 volumes, 1: 140, 149-150, 222. For Madison, see Drew R. McCoy, *The Last of the Fathers: James Madison and the Republican Legacy* (Cambridge, MA: Harvard University Press, 1989).

²⁶ Carey, *Essays on Political Economy* 200.

²⁷ Carey, *Essays on Political Economy*, 69.

Such a market, capable of absorbing a meaningful portion of the nation's considerable agricultural surplus, could only arise through the successful promotion of manufacturing. A steadily rising population of non-agricultural producers could purchase domestic agricultural surpluses. The manufacturing sector could reduce American dependence on foreign manufactures and so diminish the nation's specie drain. Increasing specie in the nation would strengthen paper currency and so responsibly increase its supply. With the new conditions after 1815, Carey argued that the traditional Jeffersonian ideal—the maintenance of the virtuous yeoman farmer—could only survive with this new political economy. Those who cared for yeomen had to promote manufacturing, banks, internal improvements, an expanding, sound, and stable paper currency, and an ever-growing domestic market. Those who thought farmers were best served by free trade and revenue tariffs below protective levels, tariffs that hindered the encouragement of domestic manufactures, were tricked by

the narrow illiberal, and selfish maxim 'to buy where goods could be had cheapest,' ...[which] has produced a system whereby the wealth of the nation was converted into a means of fostering and encouraging the industry of a distant hemisphere, and supporting foreign governments, while our own citizens were...reduced to mendicity, and our country impoverished.²⁸

With war's end, Carey explained, came giddy extravagance. Americans indulged in foreign manufactures and failed to support domestic manufacturing and a home market. As specie drained away, banks sprang up nevertheless, fueled by demands of rising consumption. Yet, since specie grew scarce, the banks issued dubious paper and “the inordinate spirit of banking, carried in many cases to a most culpable excess, has done great mischief.” But banks were not inherently pernicious. Banks reflected the habits of a culture, Carey argued. “The great paramount evil,” wrote Carey, “is the immoderate extent of our importations.” In a society that manufactured, where farmers found a home market adequately supplied with specie, paper could be relied upon and banks would be essential supporters of necessary projects, not parties to financial and commercial bubbles. Failure to foster a home market by promoting manufacturing, insisted Carey, meant “the loss of our industry, the drain of our specie, and the consequent impoverishment of our country [which] affect[ed] all classes of citizens: the economical and the

²⁸ Carey, *Essays on Political Economy*, 96.

extravagant—the laborer, the artisan, the cultivator of the soil, as well as the landholder, the manufacturer, the trader and the merchant.” The “radical remedy for those evils,” insisted Carey was

to limit the importation of such articles as we can manufacture ourselves and thus foster our domestic industry....Should the...tariff [be] properly modified...the sun of prosperity will again shine on us—we shall recover from our disastrous situation....²⁹

In the new epoch all assumptions about how to achieve the empire of liberty had to be rethought. Support for manufacturing and a domestic market, argued Carey, did not mean abandoning Jeffersonian dreams for an egalitarian social order. Rather, in the new epoch the new political economy provided the only means to achieve it. Consuming foreign manufactures “while tens of thousands of our own citizens capable of furnishing them, are pining [due to this] indulgence,” guaranteed “that distress and embarrassment pervade the nation....Our merchants and traders are daily swept away by bankruptcy...our banks are drained of their specie...[and]...our cities exhibit an unvarying scene of gloom and despair....” The old political economy produced desperate conditions and so “that confidence between man and man is almost extinct...debts cannot in general be collected...property cannot be sold but an enormous sacrifices,...[and] capitalists have thus an opportunity of aggrandizing themselves at the expense of the middle class of society to an incalculable extent.”³⁰

In the United States such conditions were altogether preventable. Carey insisted that they resulted from terrible policy, from fears and misunderstandings regarding fresh ideas, and from prejudice and superstition unbecoming free, republican citizens. Opposition to protective tariffs, hatred of manufactures, and fear of a sizable domestic market stemmed from the conviction that they would produce European social conditions in America. The tragic irony, argued Carey, was that the political economy of light revenue tariffs and free trade created those very conditions. In the new epoch, as superfluous farmers produced unmarketable surpluses, prices fell, debts rose, taxes went unpaid, and farms were foreclosed. Under these conditions, lamented Carey, “citizens possessed of great wealth...increase it immoderately by purchasing the property of the distressed, sold at ruinous sacrifices

²⁹ Carey, *Essays on Political Economy*, 96.

³⁰ Carey, *Essays on Political Economy*, 10-11.

by sheriffs, marshals, and otherwise—thus destroying the equality of our citizens, and aggrandizing the rich at the expense of the middle class of society.”³¹ The old political economy produced the very conditions it sought to prevent.

Carey understood that many Jeffersonians believed manufacturing had “debasement and demoralizing effects.” He knew of numerous descriptions of “the depravity, corruption, and pauperism inseparable from large assemblages of men, women, and children, collected in a small compass, inhaling a pestiferous atmosphere, both moral and physical.” And of course, admitted Carey,

the most captivating pictures have been drawn by way of contrast, of the purity, the innocence, the healthiness and the independence of agricultural employment—and the whole has been wound up by depreciating the folly and insanity of seducing the Arcadian cultivators of the soil into the business of manufactures, so destructive to their health, their morals, and their happiness.³²

But Carey insisted that those frightened by the new political economy quite unfairly assumed that the mere presence of manufactures meant the imposition of a European social order. Yet manufactures, and banks for that matter, were merely instruments. It was all-important what sort of people used them and what their preexisting social relations were. Of course, agreed Carey, the “overgrown manufacturing establishments in England” merited unreserved censure. But British economic and social conditions had nothing to do with republican America. Unlike Great Britain, the United States was a “wide” country, and for Carey the distinction was crucial.³³ Political freedom, freedom of movement, the awe-inspiring millions of acres of “unsettled lands,” and the absence of the “aristocratic provisions of the English Constitution, and operation of the vast funding system...[that] disturb[ed] the equable and regular diffusion of labor...” allowed for a republican version of economic development that would strengthen the nation while simultaneously preserving the independence, autonomy, and liberty of its citizens.³⁴

In Britain, argued Carey, an unaccountable few pursued manufacturing to enrich themselves. A fine example of the wretched outcome of manufacturing in aristocratic societies was the sad impact of

³¹ Carey, *Essays on Political Economy*, 198-199.

³² Carey, *Essays on Political Economy*, 62-63.

³³ Carey, *Essays on Political Economy*, 62-63.

³⁴ Carey, *Essays on Political Economy*, 184.

laborsaving machinery. In a pamphlet from the mid 1820s Carey summed up the positions he had been taking since the end of the War of 1812. In Britain, he argued, such machinery “supercede[d] the labor of the working classes, reduce[d] their wages in many cases to the minimum of the support of mere existence, and in some even below that wretched modicum, thus sinking a large proportion of them into the degraded state of paupers.” While laborsaving machinery increased production and wealth, in republican societies, Carey suggested, such increase was not the only measurement by which policies and actions were judged. For

what masses of misery have [laborsaving machines]...produced in Great Britain! They have sunk into abasement an important part of the population, and quadrupled the paupers of the country, whose numbers have regularly increased in proportion to the improvement of machinery. The friends of humanity will have no difficulty in deciding that question between the advantages of a system producing such deleterious effects.³⁵

But this monstrous development occurred because in Britain the state served the interests of the few wealthy and powerful. Britain fully exhibited “those arbitrary distinctions which prevail in Europe, dividing the people into castes, elevating the smaller number into something like superior beings and in the same degree degrading the majority.” The citizens of the United States started with a simple yet fundamentally opposed ethic: that “the true art of government, and the duty of governors, be to produce the greatest happiness of the greatest number of the governed....”³⁶ Republican institutions and geographical and demographic conditions combined to produce a society alien to Europe. In republican America

[t]he facility of acquiring landed property...has been uniformly so great, and the inducement to take an independent grade in society is so powerful an incentive to the purchase of that species of property, that the laborers and hired people of all descriptions, (having universally had such liberal wages, that by economy they might in a few years save enough to buy farms) have been at all times, with hardly an exception, scarce and in demand. Employers, therefore, have held their hired people in a very precarious tenure. The latter knew their own value, and would not submit to harsh treatment. The former, aware of the consequences of oppression or ill usage, found the necessity of courteous behavior. The steady operation of both the causes...has produced the delightful state of society, as regards the wealthy and those in humble life, in which the one would not dare to oppress, and the other would not submit to oppression.³⁷

³⁵ Mathew Carey, *Reflections on the Subject of Emigration from Europe with A View to Settlement in the United States* (Philadelphia, 1826) preface, IV-V.

³⁶ Carey, *Reflections on the Subject of Emigration*, V, 13.

³⁷ Carey, *Reflections on the Subject of Emigration*, 13.

Just as manufacturing in the Republic produced outcomes unheard of in aristocratic societies, so too would banking. Carey knew that many Jeffersonians were suspicious of banks and despite his objections had dissolved the first Bank of the United States (B.U.S.).³⁸ Yet Americans needed to learn, Carey maintained, that banks in a republic would not function as they did in Europe.³⁹ In a republic the public good was part of each citizen's private business, and that responsibility was even greater when the person was artificial, a corporation. There were, insisted Carey, republican maxims for republican banks. When banks followed them they served a republic and furthered the public good. Chief among these maxims, Carey wrote in 1817, was that banks existed first to promote the public interest and only second "to hold out adequate advantages to subscribers." Because of this cardinal rule, in a republic banks should not be directed solely by the search for profit and so "pursue it to the disregard of public accommodation." Such banks were invaluable to the Republic for they "foster[ed] industry—extend[ed] trade and commerce—and enable[d] men of moderate fortune and good credit to compete with wealthy capitalists."⁴⁰

The remainder of Carey's republican maxims for banks celebrated loaning to those "men of moderate fortune" who were generally not fluent in the language of debt, interest, and credit. The primary responsibility of republican banks was to loan to such men. Thus republican banks had to understand that "immoderate and abrupt loans foster and encourage speculations, luxury, and extravagance. They have a strong tendency to demoralization." At the same time, the abrupt retrenchment of credit was equally harmful and "wretchedness, bankruptcy, ruin, and destruction follow in their train." Such retraction of credit led to panic "and enable[d] capitalists to purchase at low prices and to retain, till prices rise, the property the other classes of society are obliged to sacrifice. They

³⁸ Edward C. Carter II, "The Birth of a Political Economist: Mathew Carey and the Recharter Fight of 1810-1811," *Pennsylvania History* 33 (1966) 274-288.

³⁹ Thus Carey embraced the post-war rage for "mechanics" and "farmers and mechanics" banks. On this development and its real limitations, see Lawrence Peskin, *Manufacturing Revolution: The Intellectual Origins of Early American Industry* (Baltimore, MD: The Johns Hopkins University Press, 2003) 145-152.

⁴⁰ Mathew Carey, *Reflections on the Present System of Banking in the City of Philadelphia, With a Plan to Revive Confidence, Trade, and Commerce, and Facilitate the Resumption of Specie Payments* (Philadelphia, 1817) 7.

inevitably produce the lamentable and pernicious consequence of making the rich richer and the poor poorer.” Thus in times of such distress, for republican banks “policy, as well as humanity, dictates an extension of accommodation, and of course in the most imperious manner forbids banks to press upon their debtors.” In addition, republican banks should never seek to take advantage of unfortunate circumstances or pursue policies that could disrupt a republican social order. Thus it was unacceptable for these banks

in times of distress, to make immoderate loans to wealthy men who...only borrow when money is scarce;...whereby the middle classes...are debarred from accommodation when money is scarce, [which] is highly pernicious. It adds unduly to the natural advantages possessed by the former, and as unduly increases the disadvantages under with the latter labor.⁴¹

Committed as he was to the expansion of republican banking, and the enmeshing of citizen-producers in interdependent networks of credit and commerce, in 1816 Carey rejoiced at the B.U.S.’s recharter. He reasoned that Americans would pay taxes and purchase public lands with local paper, which would flow to the B.U.S. Through judicious demands for specie repayment, the B.U.S. would force local banks to issue notes responsibly and so keep paper sound and reliable. As manufacturing output increased, and specie drain diminished, more specie would allow an increase in the supply of sound, reliable paper, an expansion of credit, and greater access to the domestic market for a greater number of “men of moderate fortune.” Finally, this political economy would be guided by accountable public figures devoted to the republican principles of the public good and the social conditions of equality and autonomy that made republican citizenship possible. Should they ever waver, their very accountability would correct for their lack of virtue. The new political economy, then, would sustain the Empire of Liberty and a nation of farmers and planters precisely because it also nurtured merchants, bankers, manufacturers, craftsmen, and mechanics.

Carey believed he had provided a coherent and perfectly balanced political economy and he was moving as he described a future in which Americans rejected it, thus denying to most “men of moderate fortune” the material conditions necessary for citizenship. In some places, warned Carey, this future had

⁴¹ Carey, *Reflections on the Present System of Banking*, 7-11.

already arrived, though it was often hidden from the more fortunate. “It would be necessary,” wrote Carey,

to traverse by-lanes and alleys—to ascend to garrets—or descend to cellars—to behold the afflicted father, having pawned his clothes and furniture, destitute of money and credit to support his famishing wife and children—his proud spirits struggling between the heart-rending alternatives of allowing them to suffer under hunger and thirst, or else sinking to apply to the overseers of the poor—to ask for alms in the street....⁴²

Yet what if the American farmer “had in his own neighborhood, manufactures...and in return supplied the manufacturer with his wheat and corn and other articles! What a different face that country would wear! What rapid strides it would then make in the career of prosperity.” To call Carey utopian is not an exaggeration. Reaching for a tangible example to compare to the national prospect he imagined, Carey looked west from Philadelphia and found one. The nation that pursued the new political economy would become writ large a “little commonwealth.” It would be, said Carey, on the grandest scale on earth, Harmony, Indiana.⁴³

Yet Carey’s national utopia was impossible to conceive without slavery. At the most fundamental level it was not possible to imagine the tremendous productive potential of American citizens shifting focus from the external to the internal market unless slavery was assumed, was taken for granted, indeed was expected to grow in importance. Arguably the most significant development in American economic history, and for American capitalism, was the shift in emphasis from the external to the internal market. Men such as Carey, who did so much in the formative years of this process to imagine that shift, could do so, in large part, because they relied on the presence and growth of slavery. Properly understanding slavery seemed to solve all of the political problems that came from mistakenly thinking the sections had divergent interests. And even more obviously, slavery was a significant part of the solution to the problem of agricultural over-production, the decline of foreign markets, and the ensuing vulnerability of republican households. Carey had no doubt that the political and economic problems produced by the post-1815 world could be resolved largely by a proper approach to political

⁴² Carey, *The New Olive Branch*, 318-319.

⁴³ Carey, *Essays on Political Economy*, 11.

economy. But ultimately that approach depended on “the transportation of raw materials from the southern to the middle and eastern states and of manufactured articles from the latter to the former.”⁴⁴

Given how attractive he believed his approach to political economy would be to New England, Carey must have thought as he published his several editions of the *Olive Branch* that sectional harmony, union, and national unity would be relatively easy to achieve. His political economy had so much to offer the one fearful region of secession, and of course the rest of the union, led by southern statesmen, was properly republican and already devoted to the Empire of Liberty. And yet as Carey moved closer to his personal experience of 1819, he began to understand that the real source of his difficulties was the south and the owners of slaves. For Carey’s political economy, and especially the nation-state he required to implement and guide it, very quickly did not appeal to southern slaveholders as Carey expected it would.

From the start, Carey’s vision of the Empire of Liberty in the post-1815 new epoch demanded a much more vigorous national government than most Republicans had ever been comfortable supporting. A fine example of the need to finesse this discomfort was the recharter of the B.U.S. in 1816. Leading Republican statesmen such as President Madison tried to avoid the delicate issue of implied powers by arguing that the sovereign people had bestowed constitutionality upon the bank by their long acceptance of it. Yet this method for defending the B.U.S. could not protect federally sponsored internal improvements, since there was no corresponding record of long popular endorsement. In one of his last public acts, Madison vetoed a federal internal improvements bill and urged a constitutional amendment to allow the nation to pursue policies that he, like Carey, had come to view as essential for the Republic’s survival.⁴⁵

Yet constitutional amendment was exceedingly difficult. Carey (and like minded Republicans such as Henry Clay) understood that they could achieve their goals much more easily if the national government was bound by a constitutional order in which the nation-state’s powers were broad, expansive, and even, in certain circumstances, implied. Yet Carey’s ally Clay also articulated as clearly

⁴⁴ Carey, *Essays on Political Economy*, 67.

⁴⁵ McCoy, *Last of the Fathers*. The veto message is reprinted in Lance Banning ed., *Liberty and Order: The First American Party Struggle* (Indianapolis, IN: Liberty Fund Press, 2004) 350-351.

as any statesman ever had the fear that this view of the Constitution and national governance could provoke: “that the chain of cause and effect is without end, that if we argue from a power expressly granted to all others, which might be convenient or necessary to its execution, there are no bounds to the power of this government.”⁴⁶

Henry Clay had captured well the concerns of many Republicans, and between 1815 and 1820 many who Carey expected to be trusted allies reacted in fear and anger to what the late historian Richard E. Ellis has recently described as aggressive nationalism.⁴⁷ By no means were fears of a more sweeping use of national power and a rising insistence on the importance of states’ rights confined to the south or to slaveholders. Between 1816 and 1820 the recharter of the B.U.S., the series of now famous Marshall court decisions, and the passage of the nation’s first genuinely protective tariffs (though the tariffs of 1816 and 1820 were both lower than Carey wanted) provoked fears in all regions. In this fluid period it took a longish while for people to figure out what they believed and where they stood. Between 1816 and 1820 Carey had no stronger ally than John Calhoun. At the same time, the future staunch National Republican, the Ohioan Charles Hammond, denounced the majority decision in *McCulloch v. Maryland* and, prior to the early 1820s, Hezekiah Niles turned his *Weekly Register* into one of the new B.U.S.’s severest critics.⁴⁸

Yet between 1816 and 1820, increasingly, Carey began to realize that southerners, especially slaveholders, seemed to have the gravest fears about the course of policy he advocated. It appeared to be turning out that ideas such as Carey’s were creating a new region of fear and suspicion, indeed were actually contributing to a process that was causing the south to begin to learn to think like a region.⁴⁹ Ironically, given how devoted he was to the American System that brought together the new B.U.S.,

⁴⁶ *Life and Speeches of Henry Clay*, 1: 170.

⁴⁷ Richard E. Ellis, *Aggressive Nationalism: McCulloch v. Maryland and the Foundation of Federal Authority in the Young Republic* (Oxford: Oxford University Press, 2007).

⁴⁸ For Hammond, see Ellis *Aggressive Nationalism*; for Niles, see Robert E. Shalhope, *The Baltimore Bank Riot: Political Upheaval in Antebellum Maryland* (Champaign, IL: University of Illinois Press, 2009).

⁴⁹ Duncan MacLeod, “The Triple Crisis,” in Rhodri Jeffreys-Jones and Bruce Collins eds., *The Growth of Federal Power in American History* (De Kalb, IL: Northern Illinois University Press, 1983) 13-24; Brian Schoen, *The Fragile Fabric of Union: Cotton, Federal Politics, and the Global Origins of the Civil War* (Baltimore: Johns Hopkins University Press, 2009); Matthew Mason, *Slavery and Politics in the Early American Republic* (Chapel Hill, NC: University of North Carolina Press, 2006) 75-86, 158-212.

protective tariffs, internal improvements, and a defense of implied powers, no figure in the early Republic explained more clearly than Henry Clay slaveholders' particular fear of the policies Carey championed. Unlike Carey, Clay had supported dissolution of the first B.U.S. in 1811, though obviously the experience of the war had caused him to move to a place nearly identical to the one Carey had long occupied.⁵⁰ Yet when explaining in 1811 the grounds on which he opposed the B.U.S., Clay demonstrated why Carey would come to see that slaveholders, not New Englanders, were the population he would have to work the hardest to persuade.

When calling for the dissolution of the first B.U.S., Clay argued that the creation of a national bank (or any corporation) by the national government could not be separated from the doctrine of implied powers because “[t]he power to charter companies [was] not specified in this grant.” Clay insisted that the structure and content of the Constitution were the result of “[h]ow extremely cautious the convention was to leave as little as possible to implication.”⁵¹ Yet the problem was not simply the B.U.S. but rather the claim of the power to incorporate that the B.U.S. represented. Cogently and relentlessly in 1811 Clay explained where the claim to such power led. The power to charter corporations, Clay argued, was “one of the most exalted attributes of sovereignty.” A corporation was “...a splendid association of favored individuals taken from the mass of society, and invested with exemptions and surrounded by immunities and privileges....” If the awesome power to create a corporation existed in the national government, which acted from a great distance on states and localities, then the power to grant corporate charters would extend directly from the distant national government to privileged entities within the states that were free to bargain and make contracts. Yet their ability to do so would bypass and be insulated from the municipal powers of regulation and enforcement possessed by the localities and states in which they acted.

⁵⁰ For a comparative discussion of Carey and Clay, see Andrew Shankman, “Neither Infinite Wretchedness Nor Positive Good: Mathew Carey and Henry Clay on Political Economy and Slavery During the Long 1820s,” in John Craig Hamond and Matthew Mason eds., *Contesting Slavery: The Politics of Bondage and Freedom in the New American Nation* (Charlottesville, VA: University of Virginia Press, 2011) 247-266.

⁵¹ *Papers of Henry Clay*, X volumes ed., James F. Hopkins (Lexington, KY: University of Kentucky Press, 1959-1991) 1: 530-531.

Once the national government established a corporate body enjoying many of the rights of citizens, and that existed beyond the regulation of the locality in which it conducted its affairs, that corporation could potentially undermine purely local and state laws and institutions that were not explicitly sanctioned by the Constitution or federal statute. Therefore, Clay insisted “that the states have the exclusive power to regulate contracts, to declare the capacities and incapacities to contract, and to provide as to the extent of responsibility of debtors and creditors.” In case any missed the subtlety of his logic or the nature of his fears, Clay made his point explicit. If the national government could charter a corporation, “If Congress have the power to erect an artificial body and say it shall be endowed with the attributes of an individual—if you can bestow on this object of your own creation the ability to contract, may you not, in contravention of states’ rights, confer upon slaves, infants, and femmes covert the ability to contract?”⁵² Obviously the Clay of 1811 was not the Clay of 1816 and afterwards. But his remarks showed how quickly the question of whether to charter a corporation led to issues of constitutional governance, which could not be separated from issues of local authority, which were virtually impossible to disentangle from the regulation of slavery. As long as slaveholders insisted that essentially they alone could make decisions about an enormous group of people residing within the United States, policies that depended on more open-ended and expansive views of the power of the national government, sooner or later, would become arguments about slave law and the regulation of slavery.⁵³

Clay was far less anxious and extreme than most slaveholders on these matters. Therefore connections that he could make so easily were made even more stridently by others. Some people opposed the B.U.S. as a matter of banking policy. But increasingly after 1816, as writers like Carey popularized an all-encompassing and interconnected approach to the nation’s political economy, an approach that depended in part on the growth of federal power, the connections Clay probably regretted having made so forcefully and so well became the basis for opposition to policies Carey had no doubt the

⁵² *Papers of Henry Clay*, 1: 532-533.

⁵³ A point made recently by Stephen Hahn, *The Political Worlds of Slavery and Freedom* (Cambridge, MA: Harvard University Press, 2009).

Empire of Liberty desperately needed.⁵⁴ Increasingly between 1810 and 1819 many southerners began to make connections as easily as North Carolina Congressman Nathaniel Macon did in 1818 when he wrote “examine the Constitution of the U.S...and then tell me if Congress can establish banks, make roads and canals, whether they cannot free all the slaves in the U.S.” For Macon it was pointless to deny that “If Congress can make canals, they can with more propriety emancipate.”⁵⁵ By 1819 such connections were becoming the basis for an emerging regional political philosophy.

Hard times in 1819 reinforced for Carey that the Republic needed a nation-state that could quickly enact a high protective tariff, a systematic national policy of internal improvements, and that could protect the B.U.S. from its enemies so that it could oversee the network of republican finance Carey envisaged. Carey neatly fit the wreckage of the Panic into his analysis of political economy and argued that the conditions of 1819 were the result of over-production in agriculture and a weak paper currency vulnerable to depreciation, conditions that resulted from an insufficiently protective tariff, the paucity of domestic manufacturing, and thus a home market too small to meet the Republic’s needs.⁵⁶

Carey could not conceal his intense frustration as the number of garrets and cellars, afflicted fathers, and famishing wives and children proliferated since he had no doubt that “sound policy would have averted three-fourths of our sufferings.”⁵⁷ Yet in 1819, as he looked back on the previous five years, Carey could not ignore that the efforts to prevent protection, to cripple the B.U.S., and to thwart nationally sponsored internal improvements came predominantly from southern states and were led by slaveholding statesmen. Carey’s methods for how to build the empire of liberty required a home market that would, to a great extent, be supplied by raw materials produced by slaves and that would also

⁵⁴ For discussions of the ways in which economic policies and questions of slave regulation became entangled, see Douglas Egerton, *Charles Fenton Mercer and the Trial of National Conservatism* (Jackson, MI: University Press of Mississippi, 1989); William Freeling, *Prelude to the Civil War: The Nullification Controversy in South Carolina, 1816-1836* (New York: Harper and Row, 1966); Robin Einhorn, *American Taxation, American Slavery* (Chicago: University of Chicago Press, 2006).

⁵⁵ Macon quoted in Mason, *Slavery and Politics*, 162-163.

⁵⁶ Carey sounded these principal themes again and again in his *Addresses of the Philadelphia Society for the Promotion of National Industry* (Philadelphia: M. Carey, 1819). See also, 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 (2003) 323-352, 347. An essay from the *Addresses* that Carey published in the *Philadelphia Democratic Press* May 31, 1819 is quite representative.

⁵⁷ Carey, *Essays in Political Economy*, 200.

produced goods purchased in substantial quantities by slave owners. And yet that very group led the efforts that were causing the destructive conditions for so many of their fellow citizens and was doing so, Carey had no doubt, incredibly in contravention of their own best interests.

In the midst of his efforts to convince the nation that the Panic of 1819 proved the necessity of his political economy, Carey also had to confront how far the nation was from the harmony he had expected in *The Olive Branch*. Yet when the Missouri Crisis struck it made several things clear to Carey. First, the region he had to convince was not New England but the South. But second, with Missouri he had a chance to pull all of his concerns together and show slaveholders and non slaveholders that what they all needed was a political economy that would develop a diverse home market, in part by making use of a growing and robust region of slavery. Missouri gave Carey the chance, while the nation was paying close attention to the dangers of regional disharmony, to explain how new thinking about slavery could lead to a unity that would lessen and eventually eradicate anxieties about new thinking concerning political economy.

It was easy for Carey to see the connections between southern determination to defend slavery and southern hostility to the sort of national government and political economy that Carey believed the nation needed. And by 1819 and 1820 it was just as easy for Carey to see that southern behavior was leading to what appeared to be a reaction that was causing the rest of the nation to think in the ways that he had identified with extreme New England Federalists in *The Olive Branch*. Even had he chosen to ignore the increasingly acrimonious congressional debate over Missouri, the letters Carey received during the months of Panic and Crisis constantly reminded him of the ways in which the two events were connected.

By 1819 and 1820 Carey had gained national stature and his correspondence reflected his achievements. During the months of Panic and Crisis he received letters that ranged in view point from South Carolina slaveholders to New York and New England protectionists. Taken together, his letters from these months could only have terrified someone who understood the problems of the Republic as Carey did. One correspondent, Stephen Elliot of Charleston, explained to Carey why South Carolina

opposed the tariff. Elliot, a botanist and the first president of the Charleston Literary and Philosophical Society, was also coauthor with Robert Hayne of the 1820 pamphlet “Remonstrance against an Increase of Duties on Imports.”⁵⁸ Elliot wrote to Carey that South Carolinians could accept limited protection of a few necessary articles, but would always oppose “...a great combination to carry...a general system into effect.” Surely it made more sense, Elliot insisted to Carey, if “we...left to time and our rapidly progressing population...we should at least have acquired a much better and more natural position.” To pursue manufacturing as part of a “general system” promulgated by the nation-state, Elliot explained, was to allow “a mode of legislation certainly capable of great misapplication.”⁵⁹ Elliot insisted that many southerners would not support precisely the systematic approach to political economy that Carey believed was vital for the Republic’s survival. At around the same time Carey received a letter from Josiah Parks, also of Charleston. Parks explained that “there could be neither happiness nor security in any medium between slavery and freedom—both blacks and whites would be sufferers—the danger lies in the transition from one to the other.” Parks insisted that it was essential to “...tak[e] the southern states as they are...” and to allow them to determine the future of slavery.⁶⁰

During the crisis years 1819-1820 Carey was also regularly receiving letters from northern allies in the struggle for the American System. These letters reinforced his belief that those who shared his vision of political economy were no better able than southerners to comprehend the prioritizing necessary to secure the political economy the Republic required. No correspondent during these months revealed more the problems Carey feared most than the New Yorker Eleazar Lord. Lord, the founder of the Manhattan Fire Insurance Company, had traveled to Washington to advocate for the tariff and found himself in the midst of the Missouri Crisis.⁶¹ Lord’s experiences led to fury at southerners and a thoughtful analysis of American political economy that must have led Carey to realize that his political

⁵⁸ See Schoen, *The Fragile Fabric of Union*, 112.

⁵⁹ Stephen Elliot to Mathew Carey, April 25, 1820, Edward Carey Gardiner Collection (ECG), Mathew Carey Papers (MCP), box 23 folder 3 number 70, Historical Society of Pennsylvania (HSP).

⁶⁰ Josiah Parks to Mathew Carey, March 27, 1820, ECG, MCP box 23, folder 7, number 253, HSP.

⁶¹ See *Dictionary of American Biography*, eds., Allen Johnson and Dumas Malone, (New York: Charles Scribner’s Sons, 1921-1936) 20 volumes, 11: 405-406.

economy could come only after sustained political activism. Lord depicted a Congress in which southerners were united around the question of Missouri and slavery and equally united around preventing the American System. Yet Lord wondered (rhetorically) “why have not the representatives from the middle and northern states been more united in questions relative to the manufactures and industry of their states? And why have the representatives from the southern states been uniformly opposed to the others on these questions?”⁶²

The answer, Lord insisted, was political economy and the very different effect it had in the south than the north. “In the southern states,” Lord argued, “there is but one great general interest. This interest is liable to no fluctuations and changes—the labor is done by slaves who can neither remove nor apply their industry to new objects. The representatives therefore are always united as to their great interest and have taken ample care to protect it by law.” Yet in the northern states, Lord informed Carey,

every man goes and comes as he pleases, changes the object of his pursuit whenever he is disposed. Representatives are chosen who are partisans to their several interests, and being assured that they cannot consist together, their representatives are never united on questions which concern any one of them. Hence such a tariff as we have and such a want of almost everything we ought to have.

The situation was truly alarming, Lord concluded, because “[n]obody knows when the Missouri question will be over, or what temper it will leave for other subjects.”⁶³

Letters like these confronted Carey with the prospect of a south united around the commitment to slavery and also convinced that a systematic pursuit of the new political economy threatened slavery. But in addition, correspondents such as Lord forced Carey to see that southern obstruction was provoking a furious reaction. One of Carey’s correspondents compared slaveholders to speculators and described them as “drones in the hive.” Observing the unfolding Missouri Crisis he concluded that “...the interests of the manufacturers as well as others of the productive classes are nearly connected if not wholly

⁶² Eleazar Lord to Mathew Carey, February 18, 1820, ECG, MCP, box 23, folder 4, number 136, HSP, emphasis original.

⁶³ Lord to Carey, February 18, 1820, ECG, MCP, box 23, folder 4, number 136, HSP.

identified with the national interest while those of the unproductive [are] often at variance with the national interest.”⁶⁴

Such suspicion from both regions was antithetical to every aspect of Carey’s thinking. But it also revealed that many southern planters and northern advocates for the American System did not truly understand the conditions of the new epoch that Carey had no doubt were real and that explained the Republic’s current difficulties. Citizen heads of household could flourish only if Carey’s northern allies understood the vital contribution made by slavery and if planters understood that their interests lay with the new political economy. Yet during the difficult years 1819-1820 Carey’s correspondents described “a southern interest so headstrong and blind,” and claimed that there existed an unyielding hostility between “the northern and middle states, who do not breed the Black Cattle (two legged ones) for market...” and the southern states who had “created so much ill will towards the non slaveholding states (where by the way) we must look for the chief establishments for carrying forward manufactures...”⁶⁵

As Carey contemplated the conditions wrought by panic and crisis in the early months of 1820, he also heard that “[t]he greatest advocates for slavery are to be found in the capitol of the nation.” One correspondent registered his disgust that the Republic’s citizens held “in one hand the Declaration of Independence and the Bill of Rights and with the other shake the chains of servitude.” What did this gross contradiction mean asked Carey’s frequent correspondent William Lee, a Massachusetts Jeffersonian and Second Auditor in William Crawford’s Treasury Department? It was a “disgraceful exhibition. In this land of liberty, of man’s last hopes—away with such cant our depreciation is too apparent.” It was clear insisted Lee that the southerners’ “great object now is to create a number of new slave states so as to give that interest the preponderance in our country.” Once they succeeded there would be no hope for a protective tariff or the rest of the American System. After all, Lee asked Carey,

⁶⁴ Jonathan Leonard to Mathew Carey, June 16, 1820, ECG, MCP, Box 23 folder 3, number 106, HSP.

⁶⁵ William Lee to Mathew Carey, September 25, 1819, ECG, MCP, box 23, folder 4, number 114; ? to Mathew Carey, April 21, 1820, ECG, MCP, box 23, folder 3, number 59, HSP, emphasis original.

“do you think the southern nabob will permit you to tax him? No he will enjoy his thousands a year and make you pay the piper.”⁶⁶

Letters like these made it clear to Carey that his closest allies were rejecting older claims about “diffusionism” and anti-slavery that many southerners such as Jefferson were still making. As they rejected such claims, their charged and furious language was also developing into a moral revulsion for slavery. If such revulsion went unchecked it could destroy the political economy of interregional connection and so, Carey had no doubt, the conditions essential for the empire of liberty. Yet the letters Carey received were suffused with language describing the “taunts of the Virginians and Georgians,” that claimed southerners “would not see or hear candor,” and which argued that the “southern interest will be charged” with a crime against the national interest due to “the unalterable policy of the slave holding states, to which their representatives will now more than ever adhere, to prevent the protection so vitally essential.”⁶⁷

Letters such as these must have terrified Carey. Clearly Missouri was connected to deep southern anxieties about the future of slavery and those anxieties were stoked, in part, by the political economy and the view of the nation-state that Carey believed were essential to preserve the Empire of Liberty. And yet it was all a terrible and tragic mistake. Slaveholders, Carey believed, had no reason to fear his political economy. On the contrary, like all agriculturalists they should rather have feared the world that came without it, the world of the Panic of 1819. And yet southern behavior was arousing northerners who could not be dismissed as extreme Federalists. Northerners like Lord and Lee were starting to talk about southerners and slavery using the same language that Carey had deplored in *The Olive Branch*. Carey’s insights, he now understood during the Missouri Crisis, had become doubly true. In his conception of political economy a growing domestic market had always assumed (and depended on) a vast number of slaves as producers and consumers (though involuntary ones). But now, in the messy world of politics

⁶⁶ William Lee to Mathew Carey, January 28, 1820, ECG, MCP, box 23, folder 4, number 118, HSP. For more on Lee see, Mary Lee Mann ed., *A Yankee Jeffersonian: Selections from the Diary of William Lee of Massachusetts Written from 1796 to 1840* (Cambridge, MA: Harvard University Press, 1958).

⁶⁷ Eleazar Lord to Mathew Carey, February 3, March 3, March 18, April 21, April 27, 1820, ECG, MCP, box 23 folder 5 numbers 137, 139, 143, 164, emphasis original.

and policy this dependence was true a second time. Unless southerners led by slaveholders could be convinced to think differently, they would thwart the new political economy and so doom the empire of liberty.

The Missouri Crisis galvanized Carey to cut through the traditional Jeffersonian vagueness and haze concerning slavery and to speak with clarity and openness about race and slavery in the Republic in a way that few Jeffersonians had ever achieved. Carey seized the opportunity to explain why slavery should expand west and why his northern friends and colleagues should stop being concerned about the mounting evidence that slavery would continue to expand in size and importance. By 1820 Carey had lived through over a year of ruinous economic disaster that he believed his ideas would have largely prevented. As the Missouri Crisis began to rage again in 1820, Carey published the sorts of ideas that could provide the intellectual justification for an enduring slaveholding republic. In “Considerations on the Impropriety and the Inexpediency of Renewing the Missouri Question,” Carey, the good Jeffersonian, began by almost reflexively describing slavery as a “pernicious evil.” And yet for any who wanted to think about slavery as something else, the remainder of the pamphlet taught them how to do so. Missouri, Carey argued, involved the fate of a nation that needed union and the new political economy in order to establish the empire of liberty. Since the Missouri Crisis threatened disunion, citizens had to decide “whether this great and admirable republic is to remain united and prosperous, a monument of the beauty and efficacy of free institutions, or to be violently resolved into its original elements, and to become the theatre and prey of a fierce intestine conflict....”⁶⁸

Carey acknowledged that “the freedom and comfort of the African race are...objects worth a strenuous effort to obtain; but if they are to be bought at the expense of the peace and happiness of the country, the price is too great.” Dividing over Missouri would destroy union and the new political economy, and so provide “the possible destruction of our happy republic, the source of prosperity and

⁶⁸ A Pennsylvanian, “Considerations on the Impropriety and Inexpediency of Renewing the Missouri Question,” (Mathew Carey, Philadelphia, 1820), 3-4.

comfort to millions of a better race.”⁶⁹ Here Carey provided new thinking for a new epoch. Whether slavery eventually disappeared or not, the nation would remain a monument to free institutions as long as it created a strong nation-state that pursued a proper political economy. If it did so, it would ensure the happiness of the “better race,” and that was the only measurement for judging free institutions worthy serious consideration.

Furthermore, those free institutions were meant exclusively for the “better race.” Since free blacks were “depraved in their morals, debased in intellect, and unqualified to perform the duties of citizens,” free, republican institutions, such as those in Missouri, deserved no bad marks for excluding them. The condition of free blacks suggested that blacks were fit only for slavery. Missouri had every right to ban free blacks because “...the only object contemplated by the Constitution, was the placing of white citizens of each state on the same footing.” Addressing directly the charge that Missouri’s ban on free blacks violated the privileges and immunities clause, Carey explained that “with the knowledge we possess of the opinions and views of the southern members of the convention, it is difficult to believe that it could have been their intention to include free negroes among the number of citizens to which this clause of the Constitution refers.” The reason was obvious. It was the sensible policy of slave owners

to shut them out from their confines. Nothing could be more dangerous to their power over the slaves, than the residence among them of free negroes, with the privileges of citizens. The greater the privileges and immunities bestowed on this class by some of the ‘free states,’ the stronger reason would there be for the ‘slave states’ to refuse them an equality of privilege. It would seem probable, therefore, that the only object contemplated by the Constitution, was the placing of white citizens of each state on the same footing....⁷⁰

Since the Constitution applied to whites only, there were no rights any blacks had that citizens were obliged to respect. Blacks when slaves were essential to the Republic; free blacks had no place in it. Indeed, the nation and its free institutions were safest where free blacks were absent. That did not change, suggested Carey, whether slavery was legal or illegal in any given state. If Missouri’s Constitution violated the nation’s, “this may perhaps be deemed a case in which a contravention of one of

⁶⁹ A Pennsylvanian, “Considerations on the Impropriety,” 5-7.

⁷⁰ A Pennsylvanian, “Considerations on the Impropriety,” 52.

its articles, if ever allowable, might with some propriety be winked at.”⁷¹ In other words, a rising free black population, by definition, threatened the nation’s free institutions, and so ultimately the Constitution itself. If winking at violations of the Constitution limited the number of free blacks, then violating the Constitution actually strengthened the Constitution.

Spreading slavery west, argued Carey, did not weaken or render illegitimate republican institutions. Rather, those institutions grew weaker with the increase in the numbers of blacks who were not slaves. Whites were the “better race,” and blacks, incapable of functioning when free, were better off enslaved. Therefore, the question of the health of republican institutions could be entirely divorced from the issue of slavery. The obvious growth and expansion of slavery, suddenly, could be understood as simply not a problem. Americans worried about the vigor and future of republican institutions only needed to focus on the proper grounds for evaluating them.

Americans could properly judge the effectiveness of republican institutions, suggested Carey, by measuring the extent to which “the better race” enjoyed the freedom that was available only in a society of independent households. That society would be preserved by building the new political economy in the new epoch. If the nation did so, citizens would enjoy their republican birthright. The enslavement of millions, lamentable though it might be, assisted citizens in living as they deserved. With Missouri, citizens had to acknowledge “that the peace and prosperity of eight millions of freemen and Christians, may [not] rightfully be sacrificed to promote the welfare of a million and a half slaves.”⁷² Republican liberty and prosperity for the “better race” justified the tremendous uses to which slaves could be forced to serve the needs of citizens. Slavery might be a “pernicious evil.” But in 1820 Carey decided that denying new slave territory for his new political economy was more pernicious and more evil.

That Carey was saying something distinct about the future of slavery in the Republic can be seen by comparing his discussion of Missouri to Jefferson’s response to the crisis. Most famously, Jefferson called it a fire bell in the night and is often given credit for prescience. But more revealing was a letter he

⁷¹ A Pennsylvanian, “Considerations on the Impropriety,” 54-55.

⁷² A Pennsylvanian, “Considerations on the Impropriety,” 52-55.

sent to Albert Gallatin nine months after the fire bell comment. Here Jefferson insisted that the Missouri Crisis had nothing to do with the concern many felt about slavery spreading west. This pretended concern was merely a tactic. For, insisted Jefferson,

moral the question certainly is not, because the removal of slaves from one state to another, no more than the removal from one country to another, would never make a slave of one human being who would not be so without it. Indeed, if there were morality in the question it is on the other side; because by spreading them over a larger surface, their happiness would be increased, and the burthen of their future liberation lightened by bringing a greater number of shoulders under it.⁷³

Six years before his death, then, Jefferson simply regurgitated the tired nostrum: slavery would naturally and inevitably disappear, in large part because of demography. Indeed, Jefferson explained to Gallatin, the Missouri Crisis actually had nothing to do with Missouri or slavery. It arose because the Federalists, now fully aware that their ideas could no longer win adherents, looked to divide and conquer the nation with any means available.

Jefferson's "diffusionism" revealed how the older wishful consensus had shattered. The letters Carey was receiving showed him how unpersuasive "diffusionism" was becoming to northern advocates of restriction in Missouri. Carey himself was clearly rejecting "diffusionism." His pamphlet made it clear that he had chosen between the needs of slaves and free blacks and those of "the better race" by supporting slavery in Missouri. Since he believed he had to make this choice, clearly choosing "the freedom and comfort of the African race..." would have meant supporting restriction. By 1820 Carey did not wishfully think that spreading slavery west would have any effect other than to further entrench the institution in the Republic. Carey's complex belief in the interconnections between political economy, national power, the degradation of economic crisis, and the potential violence that came with arguing about slavery pushed him to write in open and honest (and heinous) ways, and using authentic language and achieving a clarity regarding motivations about race and slavery, that hardly any Republicans, most prominently Jefferson, ever equaled.

⁷³ Thomas Jefferson, *Writings*, ed., Merrill D. Peterson (The Library of America, 1984) 1449. For the fire bell letter, see Peterson ed., *The Portable Thomas Jefferson* (Penguin, 1975) 567-569.

What had Mathew Carey's year of Panic and Crisis led him to do? Above all else, the simultaneous crises convinced him that questions of economic development and the future of slavery, for some time enmeshed in his thinking about political economy, were also inseparable in the realms of policymaking and the Republic's politics. The new political economy and a protected and expanding slavery rose or fell together, any way Carey looked at it. Carey's experience from writing *The Olive Branch* to "Considerations of the Impropriety" convinced him that the Empire of Liberty had to also become the Republic of Slavery. In so many ways, Carey was one of the earliest and most prolific Americans to think about the processes and developments that would help to create the most powerful capitalist economy the world had ever seen. He could do so in large part because he taught himself how to stop worrying about the monstrous abuse of the enslaved, and how to clearly separate the growth of slavery from any judgments about the Republic and the quality of its institutions. That Carey came to think as he did by 1820 was not inevitable; it was not foreordained. It was connected to his understanding of the conditions that existed in what he believed was a new world order that yielded both tremendous dangers but also equally exciting possibilities.

And yet there are two speculative observations left to make. While Carey's complex thought was contingent, he very quickly relied upon longstanding race prejudice and hatred that had long poisoned the land and so many of its people. When Carey found that he needed to deny blacks membership in his enlightened world of universal comfort, ease, safety, fellowship, fair-dealing, equity, justice, and a transcendent common humanity, it was unforgivably easy for him to do so.

And second, in ways that are complex and beyond the scope of this essay, of course Carey's political economy, even if in a small way, was part of constructing another great source of human inequality, greed, and exploitation: the world of unregulated, untrammled, and only at times creative, destruction that was capitalism. Nobody more than Carey hoped to avoid what so many Jeffersonians knew to call "the European condition of society."⁷⁴ Yet the concentration of economic power and

⁷⁴ For that term, see Shankman, *Crucible of American Democracy*. For the impact of the rise of capitalism in Carey's locality, see also Andrew Shankman, "Perpetual Motion Perpetual Change A Boundless Ocean Without A

resources that came with American economic might produced social conditions that did so much violence to egalitarian dreams that these resulting social conditions were by their very nature exploitative.⁷⁵

In the last few years of his life Carey glimpsed something of this cruel new world and begged the wealthy to look charitably upon the poor.⁷⁶ Yet rarely does it pay to be charitable when so much is measured by what pays, and the Republic would, until this day, find an unendurable number of its citizens (and aspirants to citizenship) living in the garrets and cellars that Carey had lamented. Could Carey have seen, could he have sensed, between 1815 and 1820 what he had begun to perceive by the early 1830s? He certainly knew of the terrible conditions of the European poor. But did he feel confident that American citizens would never experience those conditions of powerlessness, despair, vulnerability, and fear because his faith in his intricate understanding of the nation's problems allowed him to think that he could cordon off and assign lives of savage and unending brutality solely to slaves, and so prevent those conditions once and for all for his "better race?" Did Carey miss the likelihood that his rapid economic development would be a source of more garrets and cellars because he was so convinced that the tremendous human costs of wrenching economic change could be entirely visited upon those he could tell himself were depraved, debased, and unqualified to live in freedom? It didn't work. And in 1833 Carey pleaded for charity for the many of his "better race" who had not managed to become or to remain "men of moderate fortune." Yet why should anyone have listened to Mathew Carey? Why should anyone have paid attention to pleas for charity from a man whose deeply held, sincere, even noble, convictions led him to become so brutally, so inexcusably uncharitable?

Shore': Democracy in Pennsylvania and the Consequences of the Triumph of the People, 1800-1820," in Jean R. Soderlund and Catherine S. Parzynski eds., *Backcountry Crucibles: The Lehigh Valley From Settlement to Steel* (Bethlehem, PA: Lehigh University Press, 2008) 301-320.

⁷⁵ Robert J. Steinfeld, *Coercion, Contract, and Free Labor in the Nineteenth Century* (Cambridge, UK: Cambridge University Press, 2001); Peter Way, *Common Labor: Workers and the Digging of North American Canals, 1780-1860* (Baltimore, MD: The Johns Hopkins University Press, 1997); Rockman, *Scraping By*.

⁷⁶ Mathew Carey, "Appeal to the Wealthy of the Land Ladies as well as Gentlemen, on the Character, Conduct, Situation, and Prospects of Those Whose Sole Dependence for Subsistence is on the Labour of Their Hands," (Philadelphia, 1833).