

INTRODUCTION: WHAT WAS THE AMERICAN SYSTEM?

One of the enduring questions in the study of early American history is how to characterize antebellum American society. Charles Sellers, Jr in his landmark study *The Market Revolution: Jacksonian America, 1815–1846* lamented the eclipse of democracy before market forces in the antebellum United States.¹ On the other hand, Sean Wilentz's *The Rise of American Democracy: Jefferson to Lincoln* argued that the United States actually became more democratic over the course of the nineteenth century.² Daniel Walker Howe in his 2008 Pulitzer Prize winning book *What Hath God Wrought: The Transformation of America, 1815–1848* explores the role of the communication and transportation revolutions in the development of antebellum American politics, society and economy.³ Howe argued that two rival political visions competed in America between 1815 and 1848. The first programme was based on the hope of people who 'felt largely satisfied with their society the way it was, slavery and all, especially with the autonomy it provided to so many individual white men and their local communities.'⁴ These individuals wanted to see their familiar image of America spread across space. On the other hand, other Americans looked forward to diversifying American economy and reforming American society: 'They envisioned qualitative, not just quantitative, progress for America.'⁵ Howe masterfully discusses the dreams and achievements of the second group of people, paying keen attention both to social and cultural as well as political and economic transformation of American history accompanied by the communication and transportation revolutions.⁶

This study builds on Howe's research and details the American System, the most significant political programme of the early 1800s that sought the economic and moral improvement of American society. I argue that the American System lay at the centre of political and social transformation in the early republic. Its emergence as an intellectual notion among reform-minded Americans since the start of the presidency of George Washington, its sophistication during the Jeffersonian era, its implementation under the presidencies of James Monroe and John Quincy Adams, and its failure in the wake of the levelling tendencies of the

Jacksonian period and the economic chaos of the Panic of 1837, bore important repercussions for the antebellum political, economic and social life of the United States. Proponents of the American System envisioned a country that was politically united, internationally free of European conflicts, economically diversified and culturally advanced. To realize this vision, political leaders like Henry Clay of Kentucky and John Quincy Adams of Massachusetts implemented protective tariffs, executed internal improvements of roads and canals, opened a national bank and sold federal land to raise revenue. Not content with merely economic reforms, they sought to improve the intellectual and social quality of American life by creating observatories, building libraries, investing in steam technology and organizing a national university. As such, the American System represented to its framers nothing less than an attempt to create an economically unified and culturally refined nation.

The American System and Nationalism

The American System refers to a programme for the economic and cultural development of the United States espoused by such important politicians as Henry Clay (1777–1852; US Congressman, US Senator, Secretary of State, Presidential candidate) of Kentucky and John Quincy Adams (1767–1848; Secretary of State, President, US Congressman) of Massachusetts.

It was first and foremost a political expression of American nationalism. The term ‘American System’ also signified a political proposal to promote American nationalism against European domination through economic independence. The history of the term, and the context in which Clay used it, indicates that he clearly perceived it as a political phrase demanding the separation of the States from the political and economic influence of Europe.

Alexander Hamilton first used the term ‘American System’ in his *Federalist* number 11, which he wrote to defend the Constitution from a commercial perspective.⁷ In this now classic defence of the Constitution, Hamilton stated, ‘[l]et the thirteen States bound together in a strict and indissoluble Union, concur in erecting one great American system, superior to the control of all transatlantic force or influence, and able to dictate the terms of the connection between the old and the new world!’⁸

Jefferson, once the archenemy of Hamilton, also used the term in a similar way. On 26 June 1817, he wrote a letter to the American Society for the Encouragement of Domestic Manufactures in New York, advocating the promotion of domestic manufactures. He stated in the letter, ‘I hope that twenty years more will place the *American hemisphere under a system of its own*, essentially peaceable and industrious, and not needing to extract its *comforts* out of the external fires raging in the old world.’⁹

Henry Clay also used the term 'American System' in the same political sense. In his speech on 10 May 1820 before the House of Representatives, Clay urged the United States to recognize the former Spanish colonies in South America as independent states before European countries could do so. He said that '[l]et us break these commercial and political fetters [of Europe]; let us no longer watch the nod of any European politician; let us become real and true Americans, and place ourselves at the head of the American System.'¹⁰ When President James Monroe defiantly declared in his annual message of 2 December 1823 that 'we should consider any attempt on their [European countries'] part to extend their system to any portion of this hemisphere as dangerous to our peace and security',¹¹ Clay wholeheartedly supported the President's position. When Clay met Monroe's State Secretary John Quincy Adams later that same evening, he told Secretary Adams that the part relating to foreign affairs was the best part of the annual message.¹² So from Hamilton during the winter of 1787 to Clay in 1823, the term 'American System' was used to depict an American political and commercial system that was separate from Europe.

When Clay used the term again in his speech on the tariff bill of 1824, he was also comparing his American System to a European one. He stated,

[a]re we doomed to behold our industry languish and decay yet more and more [because of a restrictive European market]? But there is a remedy, and that remedy consists in modifying our foreign policy, and in adopting a genuine American system. We must naturalize them by the only means which the wisdom of nations has yet discovered to be effectual - by adequate protection against the otherwise overwhelming influence of foreigners.¹³

In other words, Clay promoted the American System as a system of economic policies for the political as well as commercial independence of the United States from Europe.

The American System and Protective Tariffs

When Henry Clay first christened the 'American System' in 1824 he referred only to a high tariff policy for an 'adequate protection of American industry' with the purpose of the creation of a domestic market.¹⁴ Later, however, contemporary politicians and historians used the term to also include the Second Bank of the United States (2BUS), a federal programme of internal improvements such as roads and canals and, occasionally, a scheme to distribute federal land sales to individual states.¹⁵

Clay presented his notion of the American System in two major speeches in Congress on the tariff acts of 1824 and 1832.¹⁶ Both speeches were widely circulated as pamphlets entitled *Speech in Support of an American System for the Protection of American Industry* and *Speech of Henry Clay in Defense of the Amer-*

ican System, against the British Colonial System. In both, Clay hammered home the expediency and constitutionality of protective tariffs.

Other contemporary defenders of the American System likewise focused on the issue of tariffs. In 1828, economist Daniel Raymond published a pamphlet entitled *The American System* in which he used the term to refer to protective tariffs.¹⁷ *Niles' Weekly Register*, the main organ for supporters of domestic manufactures, published a long article entitled 'Southern Excitement' on Southern opposition to protective tariffs. Later the article was printed as a separate pamphlet under the title *Southern Excitement, against the American System.* The article copied newspaper articles, resolutions, and letters from Southern states against protective tariffs.¹⁸

Enemies also conceived of the American System mainly as a measure for protective tariffs. On 21 February 1827, William B. Giles, a senior Virginia politician, gave a long speech in the Virginia House of Delegates in response to one of Clay's speeches on protective tariffs.¹⁹ Clay's and Giles's speeches were later published jointly as *Mr. Clay's Speech upon the Tariff, or, The 'American System,' so called ...* On 2 July 1827, Dr Thomas Cooper, the President of South Carolina College, gave an important speech at the meeting against the idea of the American System at the Columbia town hall.²⁰ He criticized that the American System was a system in which 'we of the south hold our plantations under this system, as the serfs and operatives of the north, subject to the orders, and laboring for the benefit of the master minds of Massachusetts, the lords of the spinning jenny, and peers of the power loom!'²¹ On 23 March 1830, Philip P. Barbour of Virginia, probably the most effective anti-tariff orator in Congress, argued in the House of Representatives against federal funding for a proposed road between Buffalo and New Orleans. He stated during the debate 'I would reduce so much of the taxes as to have no surplus, even though it affected the protecting policy, commonly called the American system.'²²

The American System and Internal Improvements

As opposed to nineteenth-century politicians, twentieth- and twenty-first century historians used the term 'American System' in a broader sense to include a variety of governmental policies. For example, Samuel Flagg Bemis, Glyndon G. Van Deusen, Daniel Feller and Robert V. Remini discussed the American System more broadly to include a nationally sponsored programme of internal improvements such as the construction of roads and canals.²³ Contemporary opponents of the American System contributed significantly to the expansion of the scope of the concept for future generations of scholars, by attacking both protective tariffs and internal improvements simultaneously. For example, the South Carolina legislature passed resolutions on 16 December 1825 that read:

1. *Resolved*, That Congress does not possess the power, under the constitution, to adopt a general system of internal improvement as a national measure ...
5. *Resolved*, That it is an unconstitutional exercise of power, on the part of Congress, to pay duties to protect domestic manufactures.²⁴

The Virginia legislature passed similar resolutions on 4 March 1826, and the Georgia legislature followed suit on 24 December 1827.²⁵

Political elites who disapproved of the American System often argued that internal improvements were merely the excuse for the continued maintenance of high protective tariffs. For instance, Giles argued that 'a high tariff was found indispensably necessary in the first place, to raise ample funds for splendid, internal improvements'.²⁶ Philip P. Barbour likewise stated that

[a]nother objection to this system [of internal improvements] is, that it has a direct and almost irresistible tendency to perpetuate upon us a revenue, having no reference to the ordinary demands upon the Government, but one which will always afford a large excess for the execution of these projects.²⁷

President Andrew Jackson also used this logic in his famous Maysville Veto message, rejecting a congressional plan to subscribe \$1.5 million in a company that proposed the construction of a sixty-mile road connecting Maysville and Lexington in Kentucky.²⁸ Giles, Barbour and Jackson thus saw internal improvements as an excuse to continue the hated protective tariff. They calculated that opposing internal improvements would have the added benefit of undermining the financial justification for protective tariffs.

The American System and National Banks

In addition to internal improvements, historians also included the 2BUS under the broad rubric of the American System. In 1965, historian George Dangerfield stated that the American System consisted of 'three pillars', which meant protective tariffs, internal improvements and a national bank.²⁹ Thirty years later Maurice G. Baxter and David P. Currie also added the National Bank to their notions of the American System.³⁰

It is hardly surprising that later generations of academics would lump a national bank and governmental support for internal improvements into the concept of the American System. All three policies rested on a broad construction of the US Constitution. After all, the issue of a national bank had generated the first important argument for a broader interpretation of federal power in the 1790s. On 14 December 1790, Alexander Hamilton submitted a report to the House of Representative suggesting that Congress incorporate a national bank, which later resulted in the incorporation of the First Bank of the United States (1BUS).³¹ The Senate and House passed the incorporation bill

on 20 January 1791 and 8 February 1791 respectively.³² When the bill reached his office, President George Washington remained uncertain of the proposed bank's constitutionality and so asked his Secretary of State Thomas Jefferson and Attorney General Edmund Randolph for their opinions.³³ Both pointed out that the Tenth Amendment to United States Constitution stated that '[t]he powers not delegated to the United States by the constitution, not prohibited by it to the States, are reserved to the States respectively, or to the people', and that the Constitution did not expressly allow Congress to charter a bank. Therefore, the incorporation scheme was unconstitutional.³⁴

When Washington put the same question to Hamilton, however, the Treasury Secretary responded in a letter, dated 23 February 1791, which defended the constitutionality of the Bank by the doctrine of 'implied powers'. According to Hamilton, the Constitution granted the federal government not only enumerated but also implied powers, which included the authority to incorporate a national bank. Hamilton explained that '[i]t is conceded, that implied powers are to be considered as delegated equally with express ones.' In this context the power of incorporation was implied as an auxiliary power. He said, '[t]he power to erect corporations, is not to be considered as an independent and substantive power, but as an incidental and auxiliary one; and was, therefore, more properly left to implication, than expressly granted.' By what criterion could the power of incorporation be implied? It depended on whether the power was 'necessary and proper' for the execution of specific powers enumerated in the Constitution. Hamilton defined the phrase 'necessary' loosely to mean 'no more than *needful, requisite, incidental, useful, or conductive to*'. For Hamilton the criterion of whether a specific power was constitutional or not was 'the *end* to which the measure relates as a *mean*. If the end be clearly comprehended within any of the specified powers, & if the measure have an obvious relation to that end, and is not forbidden by any particular provision of the constitution – it may be deemed to come within the compass of national authority'. In this context, he argued that the bank was related 'to the power of collecting taxes; to that of borrowing money; to that of regulating trade between the states; and to those of raising, supporting & maintaining fleets and armies'. For example, Hamilton argued, the bank was related to the collection of taxes, '*indirectly*, by increasing the quantity of circulating medium & quickening circulation, which facilitates the means of paying – *directly*, by creating a *convenient species of medium* in which they are to be paid'. Therefore the bank was constitutional.³⁵ Hamilton's logic became one of the most important theoretical bases for broad construction of the United States Constitution. His doctrine of 'implied powers', reaffirmed by Chief Justice John Marshall in *McCulloch v. Maryland*,³⁶ directly influenced the arguments that constitutionality upheld protective tariffs and internal improvements as well as national banks.

When Clay defended the constitutionality of the General Survey Bill of 1824, which authorized federal surveys for internal improvements, he also argued for a broad construction of the United States Constitution, albeit with a different logic. He argued that federal power should be broadly interpreted to accommodate the reality that the country had geographically grown since the creation of the Constitution.³⁷ Clay was suggesting that the Constitution was an organic document, the interpretation of which should correspond to the changing conditions of the country.

In his pamphlet *The American System*, published in 1828, Daniel Raymond argued for an expansive range of the federal government's powers with another rationale: the federal government could exercise all powers not specifically prohibited by the Constitution. As the Constitution did not prohibit Congress from passing laws for protective tariffs, Raymond concluded, the Congress could pass such laws.³⁸ Whether drawing on a broad construction of the Constitution or the necessity to adapt the supreme law of the land to changing social conditions, the proponents of the American System argued that the federal government possessed the authority to actively engage in the economy through a variety of means.

In addition to contributing to the constitutional defence of protective tariffs and internal improvements, the 1BUS also helped the development of domestic manufactures and internal improvements in a more practical sense. For instance, the 1BUS functioned as a commercial bank, a bank for the benefit of commerce, and provided financial services to the federal government. Such duties included purchasing promissory notes, inland drafts and foreign bills of exchange through discount (paying the face value minus interest until the time of maturity).

The 2BUS, incorporated in 1816, carried out these same duties on a larger scale. For example, the 2BUS's statement on 1 August 1828 shows that the Bank had assets of bills discounted on personal security by \$29,316,745.45, on funded debt by \$142,212.73, and on bank stock by \$1,350,380.56. The amount of discounted domestic bills of exchange stood at \$6,013,890.15 and foreign bills of exchange at \$340,185.23.³⁹ After 1825, the Bank became active in the foreign exchange business.⁴⁰ By having their bills discounted, merchants did not have to wait until the maturity of their bills to get payment for their goods. These merchants then had cash to pay suppliers such as farmers. The bank was particularly useful for Western and Southern agricultural interests in other ways. It extended loans for farmers to make long-term investments like purchasing lands and slaves.⁴¹ Bank business in these sections increased when public land sales increased. The receipts from federal government's land sales reached more than \$2 million in 1818, 1819 and 1830–3. The Second Bank's business expanded greatly during these same periods because of increased volumes of business in the West and South.⁴² One indication of the bank's active role in business was the large quantity of notes issued in these regions as the bank extended its credit.⁴³ Western and Southern branches issued more banknotes than those branches in New England and the Middle

Atlantic states.⁴⁴ In the most extreme case of September 1818, just before the Panic of 1819 hit the country, the Western and Southern branches issued almost four times the amount of notes as were issued in the Northeast.⁴⁵

Preliminary evidence also suggests that both BUSs contributed to the success of domestic manufactures. As early as 1786, Philadelphians argued that 'houses and ships were built, and improvements in manufactures of all kinds were carried on, by money borrowed occasionally at the bank [of North America]'. The bank had extended loans to 'ship and house carpenters, blacksmiths, nailers, painters, sail and mast makers, brickmakers, and masons'.⁴⁶ In the early nineteenth century, the private banking house of Stephen Girard in Philadelphia made between 10 and 15 per cent of its loans to artisans and mechanics.⁴⁷ It is unlikely that the 1BUS and 2BUS, which competed fiercely with other commercial banks for businesses, would have rejected manufacturers when other banks were lending to them. We also have indirect testimony on the 1BUS's involvement in business with manufacturers. While defending the renewal of the 1BUS's charter, which was due to expire in 1811, Senator William H. Crawford of Georgia stated in the Senate on 11 February 1811 that '[s]ome of the delegation of the mechanics [of Philadelphia] ... had been dealers with that bank [of the United States] for twelve years'.⁴⁸ The availability of the credits from national banks must also have contributed to the success of domestic manufactures and internal improvements in general, because credits to merchants from banks were re-loaned to manufacturers.⁴⁹

Sectional differences over the issue of national banks also paralleled those over protective tariffs and internal improvements. Northwestern and eastern political leaders tended to support protective tariffs, internal improvements and national banking while Southerners opposed them. For example, when Congress voted to recharter the 2BUS and create a protective tariff act in 1832, New England, Mid-Atlantic and Northwestern Congressmen either supported the measures or split their votes. On the other hand, South Atlantic and Southwestern representatives voted against the bank bill while supporting the tariff bill. But Southwestern support for the tariff bill of 1832 was a notable exception to a general rule. A more typical Southern response was the vote on the Protective Tariff Act of 1824, when South Atlantic delegates voted against the bill by a vote of one to fifty, and their Southwestern colleagues voted two to fourteen against the bill.⁵⁰ The reason the Southern opposition to a protective tariff bill in 1832 was so muted was that John Quincy Adams, who had returned to Congress as a Massachusetts representative after losing the presidential election in 1828, used his newly found position as Chairman of the Committee on Manufactures to slash duties on the cheap woollens which Southern slaves wore from 45 per cent to 5 per cent.⁵¹ But even this conciliatory gesture did not stop the delegations of Georgia, South Carolina and Louisiana casting more votes against the Protective Tariff Bill of 1832 than for the bill.

Table I.1. Comparative Voting Records on Protective Tariff and National Bank.

	Bank Bill of 1832		Tariff Bill of 1832	
	Yeas	Nays	Yeas	Nays
New England	24	12	17	17
Connecticut	6	–	2	3
Maine	1	6	6	1
Massachusetts	12	–	4	8
New Hampshire	–	6	5	–
Rhode Island	2	–	–	2
Vermont	3	–	–	3
Mid-Atlantic	48	21	52	18
Delaware	1	–	–	1
Maryland	5	3	8	–
New Jersey	6	–	3	3
New York	12	17	27	2
Pennsylvania	24	1	14	12
Northwest	18	10	27	3
Illinois	–	–	1	–
Indiana	1	2	3	–
Kentucky	6	5	9	3
Missouri	1	–	1	–
Ohio	10	3	13	–
South Atlantic	12	32	23	24
Georgia	–	7	1	6
North Carolina	4	8	8	4
South Carolina	2	6	3	6
Virginia	6	11	11	8
Southwest	5	11	13	3
Tennessee	2	7	9	–
Alabama	–	3	2	1
Louisiana	3	–	1	2
Mississippi	–	1	1	–
Total	107	86	132	65

Source: *House Journal*, 22nd Cong., 1st sess. (3 July 1832), p. 1074;
 ibid. (28 June 1832), pp. 1023–4.

The American System and Public Land Policies

Over the past thirty years, historians have further expanded the concept of the American System, to include specific land policies which were opposed to drastically cutting public land prices or granting free lands, and which culminated in the Distribution Bill of 1832, a plan to distribute the revenue from public land sales to states based on their population. Major L. Wilson, Merrill D. Peterson, Daniel Feller, Michael F. Holt, John R. Van Atta and Pamela L. Baker have undertaken

such studies.⁵² But these works show notable differences of opinion over the precise ways in which land policies fit into the American System. Wilson and Peterson have argued that the American System's supporters saw Western land mainly as a source of revenue to help finance internal improvement projects rather than as a space to be speedily settled by new immigrants. They have also claimed that proponents of the American System did not press the settlement of the West too hard, for fear that rapid expansion would divert capital and labour from eastern manufactures and internal improvements. Thus advocates of the American System wanted to develop the east before turning their attention westward.⁵³

On the other hand, Van Atta has argued that the idea of the American System, especially as conceived by Henry Clay, saw western settlement as equally significant as protecting domestic manufactures. Van Atta asserted that Clay opposed Missouri Senator Thomas Hart Benton's proposal of 'graduation', a substantial reduction of public land prices to effect a speedy western settlement, partly because the Kentucky Senator wanted to attract 'men of average means' to the West, but not 'lower-class easterners and impoverished immigrants.'⁵⁴

Historical records show that proponents of the American System opposed rapid western expansion. They felt that western development ought not to come at the expense of draining revenue or population away from the East, and wanted to generate and use the revenue from land sales to finance internal improvements, just as they wanted to use tariff revenue for this purpose. In his first annual message of 6 December 1825, President John Quincy Adams stated that '[u]nder the system of sales ... the lands will continue as they have become an abundant source of revenue'. Thus when national debt was paid off, 'the swelling tide of wealth with which they replenish the common Treasury may be made to reflow in unfailling streams of improvement from the Atlantic to the Pacific Ocean.'⁵⁵ In a report on land sales submitted to the Senate in 1832, Clay stated that 'a majority of the committee believe it better, as an alternative for the scheme of cession [of public lands] to the new States, and, as being most likely to give general satisfaction, that the residue [from sales of public lands] be divided among the twenty-four States according to their federal representative population'. Such funds should 'be applied to education, internal improvement, or colonization, or to the redemption of any existing debt contracted for internal improvements, as each State, judging for itself, shall deem most comfortable with its own interests and policy.'⁵⁶ Richard Rush, the Treasury Secretary under Adams, argued that land prices should not be lowered excessively, lest cheap land accelerate western migration.⁵⁷ Clay also argued that the rapid growth of western states demonstrated that 'whilst the spirit of free emigration should not be checked or counteracted, it stands in no need of any fresh stimulus'.⁵⁸ Hezekiah Niles, the editor of *Niles' Weekly Register* and a strong supporter of the American System, also opposed excessive immigration westward. In the 5 February 1820 issue of his jour-

nal, Niles commented, '[i]t is also the dictates of a sound policy we apprehend, to present a check to the greater spread of our population for sometime to come, by refusing to open new offices in new territories ... and any further scattering of our people must tend to weaken the effective force of the nation without benefiting individuals.'⁵⁹

As the above record indicates, American System supporters were conservatives as far as land policy was concerned. The leaders of land reforms during the first three decades of the nineteenth century were often representatives of Western interests. It was William H. Harrison of Ohio, Senator Thomas H. Williams of Mississippi and Senator Thomas Hart Benton of Missouri, rather than Richard Rush or Adams, who promoted and consistently demanded cheap Western lands.⁶⁰ Unlike protective tariffs, internal improvements or the national bank, American System enthusiasts were very cautious on the issue of the public lands, trying to appropriate Western demands for cheap land for their own purposes. Thus the only systematic articulation by the proponents of the American System on the land issue was Clay's report to the Senate in 1832.⁶¹ The timing is also important. Clay's major speeches on protective tariffs were made in 1824 and 1832. His major speech on internal improvements, in which he defended the General Survey Bill, occurred in 1824. He defended the incorporation of the 2BUS in 1816, and consistently supported the bank afterwards. However, his major speech on land issues did not come until 1832, as a preparation for his run for president.⁶² After seeing Andrew Jackson prevail in the presidential election of 1828, by no small measure because of his popularity in the Western states, Clay understood that he had to offer westerners something they wanted – cheap land – if he was to gain their support in future elections. He did not plan to divert from traditional land policies of the American government until his political ambition made it absolutely necessary. Even his land bill, the Distribution Bill of 1832, was predicated on the overall premise of the priority of revenue concerns over land issues. In sum, the promoters of the American System were not eager to tackle land issues unless forced to do so by political necessity.

The American System and Home Market

The ultimate goal of the American System was the creation of a domestic market. In his 1824 speech, Clay argued that the objective of instituting a protective tariff was to create a national home market. According to Clay, the American economy had been dependent upon 'an extraordinary war in Europe' and a 'foreign market' which no longer existed.⁶³ He was referring to the economic prosperity the United States enjoyed due to the strong demand for American produce and shipping from European countries locked in the French Revolution and Napoleonic Wars. Since this foreign market had substantially diminished

after the end of European conflicts, argued Clay, the United States should learn to rely on its own domestic market.⁶⁴

This study analyses issues such as protective tariffs, internal improvements, national banks and public lands as integral components of the American System rather than separate and disconnected issues. Protective tariffs and revenue-oriented land policy were preconditions for federally sponsored internal improvements, just as a stable national currency controlled by a national bank was also a precondition for the development of domestic manufactures and a home market.

The American System and Cultural Improvement

As shown above, the political and economic aspects of the American System have so far received excellent scholarly attention. Daniel Walker Howe's intellectual biography of Henry Clay 'Henry Clay, Ideologue of the Center' in *The Political Culture of the American Whigs* (1979) opened a new avenue in the study of the American System by exploring its cultural aspect. Howe argued that '[t]he American System was predicated on the basis of a harmony of interests.'⁶⁵ According to Howe, Henry Clay believed that the policies of the American System could harmoniously promote a common interest of the diverse sections of the United States.

Howe's study led other scholars to combine cultural and social history with political and economic narratives. For examples, in tariff issues, Lawrence A. Peskin studied the intellectual origin of American protectionism in his book *Manufacturing Revolution: The Intellectual Origins of Early American Industry* (2003). In internal improvements, Carol Sheriff's book *The Artificial River: The Erie Canal and the Paradox of Progress 1817–1862* (1996) postulates how middle-class Americans saw the Erie Canal as a symbol of progress, a way to improve backcountry society according to their notion of progress.⁶⁶ Andrew M. Schocket's book *Founding Corporate Power in Early National Philadelphia* (2007) discusses the cultural history of corporations, including banks in the early national Philadelphia, exploring the relationship between economic development and democracy.⁶⁷ Van Atta's articles, which I have already discussed above, analyse the cultural dimension of the issue of public lands. My study looks further into the importance of cultural aspects of the political and economic issues of the American System.

I argue that the proponents of the American System believed in the idea of improvement (or progress in more modern usage), in addition to the belief in the harmony of sectional interests in the union. Up to a certain measure, this is not a new thesis. The great biographer of John Quincy Adams, Samuel Flagg Bemis, pointed out that '[in] the back of Adams's mind, taking shape in his conscience,

lurked a final improvement – moral improvement.⁶⁸ Howe concurred: '[t]he American System was a highly organized articulation of Whig political culture. The leading values of the culture, such as order, harmony, purposefulness and improvement, found expression in the form an economic program.'⁶⁹ It is true Clay and particularly Adams strongly advocated the idea of improvement. In his first annual message, on 6 December 1825, he proposed the improvement of roads and canals. He stated that 'Roads and canals, by multiplying and facilitating the communications and intercourse between distant regions and multitudes of men are among the most important means of improvement.' At the same time, he also included 'moral, political, intellectual improvement' in the category of internal improvement, and stated 'moral, political, intellectual improvement are duties assigned by the Author of Our Existence to social no less to individual man.'⁷⁰ Thus he proposed the establishment of a national university in Washington DC, an astronomical observatory, the construction of a ship for the exploration of the whole Northwest coast and the creation of a new Department of the Interior.⁷¹

My study explores the history of the idea of cultural improvement in more detail along with political and economic developments of American society in the early republic. More specifically, I will accomplish three things in my book. First, I will discuss the history of the American System from its rise to its demise between 1790 and 1837. Second, I will discuss how various economic policies of the American System were connected to form an integrated system. Third, I will explore the cultural dimension of the American System in more detail. I will argue that the American System reflected the religious and philosophical basis of the Reform Movements, the Second Great Awakening. My study shows the importance of the concept of improvement to Clay, which has been less studied so far. In addition, I analyse the aggressive side of the idea of improvement as expressed in the American System. Recently, historian John L. Brooke stated in an article that 'The failure of Federalist nation-building in 1800 led to both the revival of early modern composite governance by Jeffersonians and Jacksonians and the deployment of benevolence as a vehicle of cultural nation-building by defeated Federalists.'⁷² Although I do not think that benevolence was a concept owned solely by the Federalist, I agree that benevolence was a vehicle of cultural nation-building, and I argue that the American System was part of this movement toward cultural nationalism. Finally, I suggest some of the consequences of the failure of the American System for contemporary American society, politics and economy.