The New Olive Branch (1820) and Selected Essays

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The New Olive Branch (1820) and Selected Essays

By Mathew Carey

Edited by Lawrence A. Peskin

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INTRODUCTION

Mathew Carey has never quite been a forgotten name in America's collective memory. Born a baker's son in Dublin in 1760, he had a way with words that led him to work as a printer and, soon after, a newspaper publisher. He was forced to make a hasty exit from Ireland after being accused of libeling Parliament in his newspaper in 1784. Having forged connections with Benjamin Franklin and the Marquis de Lafayette, he was able to set himself up as a printer in Philadelphia, where he quickly rose to prominence in post-Revolutionary America.[1] He became the new nation's leading bookseller and publisher and one of its most important Catholic citizens. He wrote a prodigious amount of material printed in magazines, newspapers, pamphlets and books on subjects ranging from American politics to yellow fever and the history of Algeria. In recent years, there has been a revival of interest in his role as the new nation's leading bookseller/publisher and his position as a leading Irish Catholic. But can Mathew Carey be considered an influential economist? For that matter, was he an economist at all? These are crucial questions for understanding Mathew Carey's writings and his place within American economic history.

Carey's Influence Then and Now

Despite his influence on contemporaries, Carey's economic ideas have been largely ignored by posterity.[2] Carey was a key theorist in the tariff disputes of the 1820s and, along with his compatriot Hezekiah Niles, arguably the best-read economic writer in the early national United States. His economic essays frequently appeared in newspapers in Philadelphia, the nation's largest media market, and were reprinted throughout the country. His magazine, *The American Museum*, a forum for economic writing that was congenial to his point of view, was among the most important early national magazines and was widely distributed in the United States and abroad. Although his economic books and pamphlets were not big sellers, Carey strategically distributed them throughout the United States in an effort to get them into the hands of his influential contacts. Despite this influence and the vast extent of his publications,

there have only been three reprints of any of his economic publications since his death in 1839.[3] The only monographic study of his economic thought was published in 1933. He receives only a couple of sentences of discussion in the most authoritative contemporary study of early American political economy, compared to his contemporaries John Taylor and Daniel Raymond who receive complete chapters.[4] Taylor and Raymond never sold more than a few thousand copies of their books during their lifetimes and, although their ideas gained influence among a well-educated elite, the vast majority of Americans had no idea who they were.

Posthumous obscurity is no doubt a common fate for popular writers. Like today's newspaper columnists, Carey provided a crucial service for contemporaries who needed to understand rapidly changing current events. Such work, however, rarely has a long shelf life given that it is written on short deadlines and without much regard for broader contexts or larger theoretical constructs. Nevertheless, if one wants to understand political economy as it happened, rather than as historians and economists have constructed it, it could be easily argued that Carey's work was far more important to his contemporaries than that of Raymond or Taylor, whose posthumous reputations have surely been greater than their contemporary influence. Also, like modern journalists, Carey's longer books can have a bit of a slapdash quality to them as the author revisits ideas that he has expressed frequently before in shorter, more ephemeral form. Such books, including *The New Olive Branch*, are particularly useful in allowing readers to view all at once opinions and attitudes that were developed piecemeal in various newspapers, pamphlets and other essays. In this sense, they are more useful to posterity than they were to contemporary readers who had been exposed to the ideas and debates in which Carey was engaged as they actually unfolded.

There have been at least three additional obstacles to Carey's posthumous reputation. The first is that Carey does not fit the Whiggish story of the supposed progression toward the embrace of classical economics and laissez-faire in the nineteenth century after the fortuitous publication of Adam Smith's *The Wealth of Nations* in the same year as the Declaration of Independence. Far from being a classical economist, Carey explicitly rejected Adam Smith and in fact mocked him as a purveyor of fanciful European theories that lacked factual foundation. Carey, therefore, may seem to be out of the main line of development of nineteenth-century American economics, provided of course that progress is defined as the movement toward full adoption of contemporary economic theories. While classical economics has provided a powerful tool for understanding human behavior, teleological models are rarely useful in understanding history, and it makes sense to pay closer attention to Carey's work to gain a more thorough understanding of the actual history of American

economic thought, whether or not his ideas remain useful or compelling in our contemporary context.

Rather than pushing him to the margins of nineteenth-century society, Carey's persistent mercantilism and his rejection of Smith put him in a mainstream, if not *the* mainstream, of popular economic thought. As a younger man, Carey was near the center of a nationalistic effort to promote American manufacturing, which completely eschewed free-market doctrine in favor of a program of tariffs and government supports that was frankly emulative of the British mercantile system. In the generation following the American Revolution, American artisans and small manufacturers (blacksmiths, carpenters, shoemakers and the like) were particularly supportive of such a program. As a printer and baker's son, Carey fit right into this demographic. Manufacturing supporters, like Carey, also tended to be economic nationalists who, paradoxically, sought to use lessons learned from British mercantilism to free America from its dependence on British manufactures. Even President Jefferson, an agrarian southerner, began to see the utility of protecting manufacturing and instituting restrictions on trade. By the 1820s the promanufacturing movement had come to be dominated by larger manufacturers on the verge of becoming recognizable as capitalists. Smaller artisans, though by no means free-market supporters, had become disillusioned with the larger capitalists and were now more interested in securing protection from exploitative industrialists than protection for American manufactures.[5] Despite some discomfort in associating with wealthy capitalists, Carey remained at the center of this movement and was a leading light of the Philadelphia Society for the Promotion of National Industry, which lobbied for promanufacturing tariffs in the 1820s and for which Carey wrote a series of essays, two of which are printed in this volume.

The second obstacle to Carey's long-term reputation is that, setting aside the theoretical underpinnings of his work, Carey does not fit the modern definition of an economist. He was first and foremost a business man, and secondly a political operative. He was not well educated, nor was he a man of leisure, and he certainly was not associated with any university or academic elites in the way that Adam Smith, David Ricardo or even Thomas Malthus had been. Far from an objective or disinterested scholar, he was frequently a propagandist at the center of political economic struggles. Because most economic history today is written and read by academics, scholarly credentials can become important in evaluating the importance of historical subjects like Carey. But this is a view that would be difficult for an eighteenth-century reader to accept. The fact is that in the eighteenth century economic thinkers had just as frequently (if not more so) resembled Mathew Carey as Adam Smith. Influential eighteenth-century

British economic thinkers such as Malachi Postlethwayt, Adam Anderson and Joshua Gee were usually businessmen and often associated with the Board of Trade or state monopolies such as the Royal African Company or the East India Company. Similarly, German economic thinkers known as cameralists were government employees seeking to maximize tax revenues. Alexander Hamilton, arguably the most important economist of America's founding generation, was similarly employed by the state as secretary of the treasury. The model of the scholar-economist was just beginning to emerge in the nineteenth century, and it would be extremely anachronistic to exclude Carey from the list of economists merely because of his position in society or his lack of formal training.

A third obstacle was partly of Carey's own making. He was simply not as gifted a writer or as supple a thinker as contemporaries such as Daniel Raymond, let alone Adam Smith. Carey was well aware of this shortcoming, and he frequently apologized for the repetitiveness of his essays. He wrote his work extremely quickly, often completing books in a matter of weeks. The most comprehensive list of his economic writings includes roughly 200 items ranging from books and pamphlets to shorter newspaper essays.[6] His style, discussed in more length below, could also be off-putting, particularly to the modern reader. Most irritating today is his tendency to cut and paste complicated statistical tables and long excerpts from authoritative publications into his arguments. For modern readers, accustomed to seeing such items in little read footnotes or appendices, this habit can be particularly bothersome. In order to make Carey's work easier for modern readers, the present edition relegates many of these extracts into appendices. But the very opacity of Carey's style makes it important to understand. Far from viewing his cutting and pasting as a liability, Carey saw it as a strength. It was evidence of the scientific, factual basis of his thinking. Carey was not alone. Many other American economic writers, including Alexander Hamilton, adopted a similar style. Although they seem hopelessly antiquated today, from the perspective of the late eighteenth and early nineteenth century they should be seen as a forward looking group seeking to bring statistical rigor to what would today be considered the social sciences.

If we put aside modern notions of economics and economists, it is possible to see Mathew Carey as one of the most influential economic thinkers of his generation. The fact that his ideas may seem to be wrong-headed to most modern readers, that his style may seem a bit archaic, and that he was often on the losing side of political-economic battles, makes it all the more important to understand his thought if history is not to be written solely by the winners and, as Leopold von Ranke insisted, is to be remembered as it really happened.

Carey's Earlier Economic Thought

Carey's nationalistic and Anglophobic economic views were formed during a period in which Ireland struggled under British mercantilism. These tensions stretched back at least to the 1699 Woolens Act, which prohibited Ireland from exporting woolen goods outside of Britain and Ireland. The general understanding was that this act would prevent Irish competition with the important English woolen industry while rechanneling Irish manufacturing into linens by tacitly providing Ireland with a monopoly in the latter branch. English manufacturers and others appear to have continually feared that Irish manufacturers were subverting this act, and the restrictions certainly created discontent within Ireland. On the Irish side, Carey's own newspaper, *The Volunteer's Journal* (1783–84) accused the British government of undermining the 1699 act by allowing linen manufacturing to flourish in Scotland. As a very young man during 1780, Carey worked in Benjamin Franklin's printing shop while Franklin was serving as the rebelling United States' minister to France in Passy, near Paris. Franklin is the first luminary quoted in the front matter of *The New Olive Branch*. While in France, Carey also struck up an acquaintance with the Marquis de Lafayette, who would later help him become established in Philadelphia. These experiences may well have opened his eyes to the Americans' protests against British restrictions and the economic boycotts of the 1760s and 1770s.[7]

A close reading of *The Volunteer's Journal* certainly shows that he was aware of the political economy of the American Revolution occurring across the ocean and that it influenced his early positions. Carey's paper excoriated the government in London for its failure to protect Irish manufacturers and ran numerous articles supporting tariffs on imported manufacturers while lauding the "consumption of our own manufactures." Its columns warned repeatedly that if Britain did not support Irish manufactures, skilled craftsmen would desert its shores for the new nation. In words that strongly presage arguments in *The New Olive Branch*, he predicted that "America, destitute at present of manufactures, will with eagerness open her arms to our artists, and facilitate their passage, and thus the advantage of a free commercial intercourse with other nations will avail us little, if the manufacturer, so essential to this end, seduced by a flattering prospect of greater emolument, or driven by necessity should migrate from us for ever."[8] Echoing American Revolutionaries, *The Volunteer's Journal* began printing numerous articles calling for Irish patriots to wear homespun goods and use only domestic made manufactures, rather than consuming English goods, in order to send a message to the crown that they resented their economic dependence on England. Further echoing American patriots, *The Volunteer's Journal* called on "the men of Ireland" to enter "into

a non-consumption agreement, respecting foreign manufactures, that must operate immediately, to the relief of thousands of our unemployed poor."[9] Eventually, incensed by the government's failure to implement protective duties, Carey ran a satirical article telling of the hanging of the responsible government official by "a numerous body of starving manufacturers." Carey imagined that as he stood on the gallows the official apologized for his corruption and for "the business of the protecting duties for which I so deservedly suffer this ignominious death, as the just reward of an ill spent life." This bit of satire was the final straw that prompted Parliament to charge Carey with printing seditious libel, thereby forcing him to flee Ireland for Philadelphia.[10]

Carey's economic nationalism and Anglophobia fit perfectly into the political climate of Revolutionary and post-Revolutionary America. Like many Americans, Carey's anger at British mercantile restrictions would not push him toward Adam Smith's version of free trade. Beginning with the nonimportation and nonconsumption movements of the 1760s, protecting domestic manufacturers had become a patriotic imperative for many Americans. Mechanics and those interested in founding new manufacturing ventures were buoyed by this development and a modest manufacturing boom that began during nonimportation and the Revolutionary War. After the war, as Carey was arriving in Philadelphia, American mechanics were outraged by the influx of British goods that flooded into the American market. They organized at the state and national level to try to implement protective tariffs. They supported the new constitution because it would give the federal government the power to lay tariffs on imported goods, and they railed against the British and British goods. Eventually, in 1789, the first US Congress passed a tariff that was, at best, mildly protective.

Carey took part in this movement, utilizing arguments developed in Ireland that foreshadowed, to a remarkable extent, the economic ideas he would express in *The New Olive Branch* and other publications of the 1820s. In 1785, shortly after his arrival in the United States, he wrote in his newspaper, the Pennsylvania *Evening Herald*, that it gave him "the highest degree of pleasure to find the legislatures of the different states turning their attention to every object that can check the progress of importations, and tend to the promotion of domestic manufactures." In a proimmigration pamphlet written in 1790 he introduced several lifelong themes, including Anglophobia and the need for skilled immigration to the United States together with promanufacturing protectionism. "During the connexion of this country with Great Britain," he wrote, "we were taught to believe that agriculture and commerce should be the only pursuits of the Americans: but experiments and reflexion have taught us that our country abounds with resources for manufactures of all kinds."

This passage could easily have been included 30 years later in *The New Olive Branch*, in which Carey argues that it is time for the United States to establish manufacturing on an equal footing with farming and agriculture. In a letter to his family in Ireland, he lauded the new nation's government and, striking a theme that he would repeat innumerable times, noted that "in the promotion of national misery or happiness, governments are omnipotent."[11]

Carey also furthered his knowledge of American political economy and widened his circle of influence as publisher of *The American Museum*. During its five year run (1787–92), *The American Museum* became one of the most influential magazines in the new nation and catapulted its publisher into national fame, including a favorable review from George Washington. Carey distributed it widely, even sending copies to Germany. Although *The American Museum* included literature and politics as well as political economy, Carey took great care to provide voluminous promanufacturing and protectionist contributions from the first issue onward. In addition to essays by important American economic writers, he included state papers related to manufacturing and tariffs. *The American Museum* also served as a sort of clearing house for the publications turned out by the numerous mechanic and manufacturer-led societies that were emerging to promote manufactures in the new nation's cities. The April 1789 issue was quite typical: it offered economically oriented readers "Three Letters on the Trade and Commerce of America"; the constitution of the New York Manufacturing Society; a circular letter "from the corresponding committee of the tradesmen and manufacturers of the town of Baltimore to the mechanics and manufacturers of the city of Philadelphia"; and extracts from an essay entitled "What Labour is Profitable and What Unprofitable." Carey was particularly fond of material written by Alexander Hamilton and Tench Coxe, both of whose state papers on manufactures would influence much of *The New Olive Branch*. As publisher, Carey got to know many of these writers when he solicited their work, and he even toyed with the idea of offering Coxe a partnership in the magazine.[12]

As a book publisher, large bookseller and printer, Carey straddled the line between the mechanics who had promoted manufacturing during the Revolution and larger scale capitalist-manufacturers who began to come to prominence in the late eighteenth and early nineteenth century. In his own business, he occasionally employed the same sort of protectionist, promanufacturing tropes that would appear in his later economic works. In 1801, for example, in an effort to promote a national book fair, he wrote his fellow booksellers, "The patriotic spirit of fostering domestic arts and manufactures, which, to the honor of our country, is rapidly spreading among our citizens, demands, from all persons interested in those arts and manufactures, suitable exertions to extend and improve their respective branches." During the early

years of the nineteenth century he also became more involved in the effort to create new banks to provide credit to manufacturers and others. In a pro-bank pamphlet addressed to Dr. Adam Seybert, he wrote, "The genuine cause of the scarcity of money is, the importing beyond the amount of our exports: and the consequence is the diminution of specie, and inability of the banks to discount as much as usual." The anti-import sentiment, the balance of trade argument and the call for increased credit would remain hallmarks of protectionist arguments made by Carey and others for decades. Seybert, too, would remain an important figure for Carey, who would cite his work numerous times in *The New Olive Branch*.[13]

Carey's *The New Olive Branch*

The New Olive Branch, published in 1820, is overshadowed by the *Olive Branch*, or, as Carey called it in the tenth edition (1818), the "Political Olive Branch." The political *Olive Branch* has been described by Edward C. Carter II, an eminent Carey scholar, as "the most influential piece of political writing published on this side of the Atlantic during the War of 1812" and as Carey's "greatest single sustained literary effort." It went through ten editions and, according to Carter, sold more copies "than any other political book in the history of the United States before 1820 – more than 10,000 copies."[14] *The Olive Branch*, subtitled "Or, Faults on Both Sides, Federal and Democratic," first published in 1814, was Carey's attempt to rein in the intense political partisanship of the war years, which culminated in the infamous Hartford Convention of 1814, where some believe the New England Federalists came close to leaving the union or even prompting a civil war. Carey described his book as "an appeal on the necessity of mutual forgiveness and harmony," and, although the Federalists come in for the bulk of his criticism, it should probably be read as a sincere attempt to elicit political harmony among what today might be termed the moderate middle. He notes that "the mass of mankind […] of all parties, and in all ages, have meant well […]. And little more is necessary to produce harmony between them, than to understand each other correctly."[15]

The New Olive Branch, similarly, attempts to create harmony among the three great branches of the economy: agriculture, commerce and manufactures. To some extent, it also continues Carey's political mission from the *Olive Branch* in that it frequently admonishes Congress for its partisanship and inability to act on basic legislation without specifically targeting any party. Unlike its more famous predecessor, *The New Olive Branch* is barely mentioned by Carey scholars today. In fact, several scholars with whom I discussed early stages of this Anthem edition initially confused it with the political *Olive Branch*. Carey himself called it "in many respects […] one of the best of my writings"

on the subject of protecting manufactures, and in this assessment, if anything, he was unusually modest. He wrote it in seven weeks and published 1000 copies and two editions.[16] He also included it in his collection *Essays on Political Economy*, other portions of which are included in this Anthem volume as well.

Reissuing *The New Olive Branch* today serves at least three purposes. First, it is arguably Carey's most sustained, coherent, clearly organized work of political economy and the most succinct and accessible introduction to his economic thinking. Second, it offers a very clear demonstration of Carey's method of economic argumentation, distinguished by usage of history and statistics in sharp contradistinction to the emerging classical economics. Finally, *The New Olive Branch*, written as Carey was becoming most engaged with Adam Smith and classical economics, provides one of Carey's clearest discussions of why he rejected Smith and advocates of laissez-faire. Examining *The New Olive Branch* allows modern readers to understand better why Carey and others of his generation were unconvinced by Smith. This reissue also contains relevant sections from Carey's *Addresses of the Philadelphia Society for the Promotion of National Industry* (1822) that further elaborate Carey's rejection of Smith. These essays were published by the Philadelphia Society and by private individuals who distributed more than 2000 copies, free of charge, to the public in an effort to convince influential readers to support tariff legislation.[17] While those portions that are republished here offer important insight into Carey's thinking, the collection as a whole is far less accessible than *The New Olive Branch*; this is due to poor organization and the inclusion of very long excerpts from other sources – as well as some of the society's memorials and other items of little interest to modern readers. As Carey himself writes in the preface to his *Essays on Political Economy*, which includes these essays, "Many of the facts and arguments are repeated twice and thrice, and some few even four times."[18]

The New Olive Branch could be considered Carey's only original extended publication on political economy. Most of his other economic publications were series of essays written sporadically over long periods of time. Often written over pseudonyms such as Neckar, Colbert and Hamilton that reflected Carey's mercantilist orientation, they were produced to address specific, ephemeral problems rather than to elaborate a comprehensive vision. When Carey collected them into larger volumes they lacked a sense of continuity and drive, although some individual examples, particularly those in *Essays on Political Economy*, clearly elaborated aspects of his thought. By contrast, *The New Olive Branch*, like the political *Olive Branch*, is relatively clearly organized along chronological lines spanning the period from the American Revolution to 1820.

Like most of Carey's work, each chapter of *The New Olive Branch* includes a significant amount of material not written by Carey – usually statistical

reports or public papers that he has pasted into the middle of a chapter to support or amplify his argument. Carey's use of these materials is important, and will be discussed below, but the effect of reading chapters organized in this way can be very alienating to modern readers. Nevertheless, *The New Olive Branch* represents Carey's least intrusive use of such sources. Edward Carter has calculated that nearly a third of the first edition of the political *Olive Branch* consists of such materials, and the much-expanded tenth edition contains 10 chapters that consist solely of such documents.[19] The *Address of the Philadelphia Society for the Promotion of Industry*, from which some of the essays in this Anthem reissue are drawn, includes a 31-page chapter consisting almost solely of extracts from Alexander Hamilton's *Report on Manufactures*. Compared to this, *The New Olive Branch* is a model of brevity.

Aside from improving readability, the chronological organization of *The New Olive Branch* also reflected Carey's historical approach to economics. For Carey, history played two roles. First, because Carey believed policy was the crucial determinant in economic progress, historical context was necessary to show the evolution and logic of economic policy over time. In the case of *The New Olive Branch*, Carey's particular concern was the development and implementation of tariff policy from the time of independence until 1820. He attempted to prove a number of historical propositions: that US tariff policy "from the commencement of its career, has been radically wrong," that it "sacrificed a large portion of the national industry," and that it tended "to render us tributary to other nations" (52). Thus, historical analysis was necessary to prove historical assertions. But Carey also viewed history as fertile ground for examples and counter examples to support his general economic assertions. In *The New Olive Branch*, to cite just two of many, many examples, he looks at the drop in land prices in the vicinity of Pittsburgh between 1813 and 1820 to illustrate the connection between manufacturing and agriculture (135) and the decline in employment in Pittsburgh during the same period to show the impact of foreign imports (105). Ranging further afield, he devotes a long section of the *Addresses of the Philadelphia Society for the Promotion of Industry* to a discussion of Frederick the Great's protective policies in the 1780s and their positive economic effects as a counter example to the allegedly damaging US policies of the same period.[20]

Even more than history, Carey's method stressed statistics. As Carey stated at the start of his introduction, "The grand object of such books is to convey information." He certainly takes that dictum to heart in *The New Olive Branch*. Every chapter and nearly every page contains extracts from some type of document or statistical table. Chapter nine, which discusses industry in Pittsburgh and Philadelphia, and has already been noted above, offers a good example. Carey begins with one of the book's crucial arguments: that

government inaction and ineptitude after the War of 1812 caused the United States to lose the economic momentum it had gained when English imports were excluded from American ports during the war and the years leading up to it. Carey asserts that the economic distress caused by these policies was even worse than usually imagined. The second third of the chapter uses a variety of sources to document the decline, beginning with a page or so of extracts from "an investigation ordered during the last autumn by a town meeting of the citizens of Philadelphia" giving some unemployment statistics. From these figures, Carey calculates a loss of wages of $7,100,804. Next he moves on to a similar report about Pittsburgh, finding there an additional loss of $1,785,833 in wages. He then argues that "it will not be an unreasonable calculation" to suppose that nationally the loss was six times that of the Pennsylvania cities, but "to avoid cavil" he calculates it at $35.5 million, or three times the Pennsylvania losses. Although noting it would be "insanity to be debating about the cause of this distress," Carey nevertheless concludes it was due to legislators' neglect of protecting industry.

Next, he abstracts from a number of public documents, "which prove the distress of the country are more intense and extensive than had been previously conceived" (106) and that the "embarrassment" became "universal," beginning with Pennsylvania state senate and house reports on debt actions and imprisonments. Finally, using statistics from Tench Coxe's 1810 federal report on manufactures as a base line, he tries to calculate how rapidly American manufacturing would have progressed had it received proper tariff protection. Using statistics showing that cotton manufacture increased ninefold from 1810 to 1815, he conservatively estimates, in the absence of hard data, that other branches must have at least doubled during this period of accidental wartime protection to a total of $350 million. Finally, he infers "they would, under an efficient protection by the government, have increased from 1815 to 1820, fifty percent and of course would now be above 500,000,000 dollars" (107).

This chapter also illustrates some of the difficulties in reading Carey today. First, wading through all of these extracts can be quite trying for the modern reader, who is used to more authorial analysis and less accustomed to making sense of statistical information by his- or herself. For those who make the effort, Carey's method may seem suspect and perhaps pseudoscientific by today's standards. Assuming that a decline in wages proves the hazard of not protecting industry violates notions of cause and effect. The fact that two well-documented economic trends occur simultaneously hardly proves that they are causally connected – although, in Carey's defense, this is still a common error made by media analysts today. More troublingly, Carey's many guesstimates – for example, arbitrarily assuming, based on data for one leading sector, that industry on the whole had at least doubled between

1810 and 1815 and would have risen another 50 percent over the next five years with proper protection – do not come close to modern notions of statistical rigor. In essence, the apparent precision of the statistical data masks the real imprecision of these calculations.

Carey and the Statistical School

Despite his imprecision, Carey's use of statistics was in many ways quite modern and certainly on the cutting edge of early nineteenth-century political economy. At this time, the definition of statistics was both narrower and more capacious than it is today. On the one hand, statistics were not limited to mere numbers but might include so-called factual issues such as the memorials that Carey quoted. On the other hand, they generally referred only to facts about human conditions (modern-day social science) rather than to the natural or biological sciences. Statistics of this sort had been very difficult to come by before the nineteenth century, when there was far less predilection to count and when those statistics that did exist were often the property of the crown. The new United Sates, by implementing a decennial census and allowing the free flow of statistical information, made possible a new emphasis on the public circulation of such statistical material.

Carey was part of a circle of American authors who publicized and utilized such material. At least half of the 46 footnotes in *The New Olive Branch* refer to members of this group.[21] Adam Seybert, by far the most frequently footnoted author in *The New Olive Branch* (15 of 46 footnotes), was a Philadelphia congressman and manufacturing promoter who worked with Carey on the *Addresses of the Philadelphia Society for the Promotion of National Industry*.[22] In his *Statistical Annals*, Seybert placed himself within a circle of statisticians including Tench Coxe, whom Carey also cited, as well as Samuel Blodgett and Timothy Pitkin, whom Carey mentioned in the text of *The New Olive Branch*. Both Pitkin and Seybert were patronized by the federal government, which authorized a subscription of 500 copies of the *Statistical Annals*. Like Carey, Seybert stressed the importance of factual information over opinion. Seybert wrote that he "never did intend to load his work with mere opinions, speculations and estimates; and he will be satisfied, if his labours contribute to diffuse correct information concerning his native country." Admitting that his style might be "too sententious," Seybert contended that "his great object was *accurate* information for the people, who, in our country constitute the mainsprings of action, and direct the policy of the nation."[23]

Carey also cited Alexander Hamilton's *Report on Manufactures* three times. While Carey does not seem to have been personally acquainted with Hamilton, the first treasury secretary, he was an enormous admirer of him

and his report. He reprinted portions of the report in *The American Museum* in 1792, excerpted most of it in *Essays on Political Economy* and later edited a reissue of it. In the reissue, Carey praised Hamilton's familiarity with the "details" of American manufacturing, before mentioning his "[sound] and lucid system." Hamilton's report, he wrote, "may be justly considered as one of the most splendid practical documents ever produced by the human mind."[24] Carey was most likely impressed by Hamilton's detailed description of the then current state of American manufacturing and the probable effect of protection on products ranging from iron to cotton, paper, books, refined sugar and many others. Like Seybert, Hamilton appeared to focus on factual details rather than on speculation or theoretical systems.

Carey maintained various connections to other members of this circle. As has already been noted, he was well acquainted with his fellow Philadelphian Tench Coxe, who was Hamilton's assistant and the uncredited author of portions of Hamilton's report. Coxe, who wrote the government sponsored 1810 census of manufactures, as well as many other promanufacturing books and pamphlets, was cited several times in *The New Olive Branch*.[25] Carey also occasionally corresponded with Jeremy Belknap, whose statistically oriented history of New Hampshire is cited in *The New Olive Branch*, and he published an economically oriented essay by Hugh Williamson, a Philadelphia born North Carolinian, in *The American Museum*.

Most members of this statistical school, like Carey, also rejected much of what is now considered the orthodoxy of classical economics. While seemingly forward looking and modern in their embrace of a social scientific approach, today, they, paradoxically, may appear backward looking in clinging to old mercantilistic doctrines of government regulation. However, for Carey and others, commitment to a statistical method naturally led to a rejection of what they viewed as Smith's and his followers' false conclusions. For Carey, Smith was a "theorist" unconcerned with what would now be termed hard data. "To a theorist," Carey wrote, "'facts are stubborn things,' not unlike those formidable obstructions in the Mississippi, which, in the elegant diction of the navigators of that immense river, are called *snags* and *sawyers*." With Adam Smith, Jean-Baptiste Say and David Ricardo in mind, Carey concludes that "in some of the grand systems of political economy that have acquired a great celebrity, you may travel through fifty or a hundred pages together of most harmonious prose, all derived from a luxuriant imagination, without your career being arrested by a single fact" (33).

Theoretical political economy was not only inaccurate, for Carey it could also be dangerous. "A theory, how plausible soever, and however propped up by a bead-roll of great names, ought to be regarded with suspicion if unsupported by fact – and, *a fortiori*, if contrary to established fact, ought to be unhesitatingly

rejected," he wrote. The devastating economic effects of free trade on the United States, Spain and Portugal were, Carey argued, demonstrable examples of the wrongness of Smith's theories that were overlooked by proponents of classical economics. The distress of these countries "holds out an awful beacon against the adoption of theories, which, however splendid and captivating on paper, are fraught with ruin when carried into practice."[26]

Carey's charge that Smith ignored facts may at first seem rather odd. After all, an early review of *The Wealth of Nations* noted its "multitude of promiscuous facts," and readers today continue to marvel at the author's mastery of a wide range of arcana ranging from the intricacies of pin making to Roman monetary policy.[27] But Smith used facts differently than Carey and the statistical school. While interested in and knowledgeable about the minutiae of economic activity, Smith attempted to transcend historical trends to reach an abstract level of universal truth that could explain economic activity outside of the limitations of space and time. In this regard, *The Wealth of Nations* was an exercise in deductive logic attempting to show how the general pattern of economic activity fit into general laws that, in turn, could simplify understanding of economic behavior. In doing so, he very much echoed Enlightenment philosophers like John Locke, who attempted to derive universal laws of political behavior that transcended particular communities. This, no doubt, is why Carey viewed Smith as a speculative philosopher and an abstract theorist. Carey and the statistical school, by contrast, despite (or because of) their interest in historical statistics, were very much bound to the particularities of time and place. Rather than resembling the work of Enlightenment philosophers, their work is more similar to that of administrative officials such as Germany's cameralists, who sought a clearer understanding of the extent and nature of economic activity within the state in order to insure greater prosperity for all through proper economic regulation and taxation.[28] Hence, Carey, unlike Smith, has little interest in transcending historical realities to attain universal laws. Rather, he and his statistically minded brethren wanted to portray the economy in all its complexity.

Like the German cameralists, many of the American statisticians, such as Hamilton, Coxe and Seybert, were connected to the state. Their statistics, derived in part from the state apparatus of the census, were intended to promote better state regulation of the economy. Carey certainly feared that Smith's laissez-faire system endangered not only the ability of the state to regulate the economy, but the very national wealth it was supposed to maximize. "Abstract principles of political economy," he argued, with Smith in mind, appeared logical on paper, but when "brought into practice" they could be very inadequate and would be "defeated by unanticipated combinations, which give results never calculated; and re-actions are produced, that work

effects never suspected."[29] In modern language, they were subject to the law of unintended consequences.

Carey and Adam Smith

Despite his lifelong engagement in political economy, Carey claimed not to have read Adam Smith before 1819.[30] While perhaps disingenuous, this claim was not entirely impossible. Scholars interested in Smith's reception in the United States have convincingly argued that the founding generation was familiar with *The Wealth of Nations* within a few years of its publication, well before most of their European counterparts.[31] Yet the question of how influential the work was in the United States remains vexed. John Adams, and others, first proposed a new "Model Treaty" that would allow "a free trade […] with all nations" in June of 1776, before they could have read *The Wealth of Nations*. English colonists were on the edge of revolt against the mercantilist system; the founding generation hardly needed a Scottish economist to prompt their denunciations of British trade restriction, and some had independently formulated ideas similar to Smith's well before 1776. Furthermore, the founders may also have been aware of earlier conceptions of free trade: as freedom from outright trade prohibitions and monopolies rather than from regulations such as tariffs.[32]

Whether or not they could be considered disciples of Smith, the founders were hardly the sort of strict laissez-faire advocates that Smith's nineteenth-century followers would become. Enthralled as they were by the liberating notions of free trade unrestricted by British prohibitions, there is little evidence that once they gained power the founders gave much consideration to the other side of Smith's doctrine – the imperative that they, as the government of a new nation, employ a hands-off policy on trade coming into the United States. Instead, following the Revolution they quickly moved to implement protective measures that clearly violated theories of free trade as understood today. As Carey points out, the very first Congress enacted a tariff, albeit one that was not particularly restrictive. James Madison, one of the earliest proponents of Smith's ideas, was also one of the chief movers behind this legislation.[33] When the founders went back to their state legislatures, many of them also established state tariffs, some of which, like Pennsylvania's, were considerably more restrictive than the federal tariff.[34] Some of the authors of these laws may have viewed them as necessary in a world where England's powerful navy continued to hamper American ships despite the new nation's belief in free trade, while others, drawing from older definitions of free trade, may have seen no contradiction between open markets and tariff protection.

By the 1790s, however, as free trade was becoming more universally associated with modern notions of laissez-faire, tariffs of any sort were becoming less ideologically defensible. As Smith's book came to be viewed "as a giant machine assembled to drive home the doctrine of free trade," it became particularly useful to opponents of the Scottish corn laws, which were aimed at raising the tariff on imported foreign grain.[35] By the late 1810s, the growing popularity and influence of Smith's work as a symbol of laissez-faire by those who opposed regulation of imports led Carey to worry that Smith's, Say's and Ricardo's dangerous generalities could become the new nation's guiding principles. In the South, the work of John Taylor of Caroline, heavily influenced by classical economics, was gaining much influence, particularly among those who opposed tariffs. By the close of the 1820s, Carey wrote that 2,000 copies of *The Wealth of Nations* and 2,750 copies of Say's *Political Economy* had been published in the United States and that Say's book, in particular, had sold very quickly. By contrast, he noted that Daniel Raymond's protectionist *Political Economy*, "a work far superior" to both Say and Smith, had only been printed in two small editions totaling 1,250 copies, about a third of which had been "sacrificed at auction" while the rest sold very slowly.[36] Clearly Carey's concern about the ascendancy of classical economics was an important factor pushing him to study Smith more closely.

Carey's new interest in *The Wealth of Nations* is evident in both *The New Olive Branch* and the *Addresses of the Philadelphia Society for the Promotion of Industry*. The best evidence of Carey's engagement with classical economics comes in the *Addresses*, but even there Carey gives little indication of having read anything other than Smith's crucial chapter, "Of Restraints upon the Importation from Foreign Countries of Such Goods as can be Produced at Home," in Book IV of *The Wealth of Nations*. In the *Addresses* Carey offers two criticisms of this chapter, with mixed results. First, he takes issue with Smith's famous dictum that, "If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them with some part of the produce of our own industry, employed in a way in which we have some advantage."[37] While opening new free markets for American shipping could hardly raise controversy, as Smith's own formulation suggests, opening the American market to imports could create disruptions and distress (even if temporary) for American producers. Clearly this was an important concern for Carey as a proponent of American manufacturing.

Oddly, Carey proposes to demonstrate the shortcomings of this argument with an agricultural example: cotton. He speculates that newly independent Latin American countries might soon be able to sell cotton in the US at 10 cents less per pound than southern planters. In that case, he asks, "ought we for the sake of saving a few cents per pound, to destroy the prospects, and ruin the

estates of nearly 800,000 inhabitants of the southern states?'" Carey probably chose this counterfactual example to make the point that free trade could hurt farmers as well as manufacturers, particularly at a time when cotton prices were slipping. However, considering that the vast majority of US cotton was already exported, southern planters were far less concerned about potential competition in the domestic market than they were about selling cotton in industrialized Britain. The price of cotton in the US would matter much more to the textile manufacturers that Carey represented, who would depend largely on southern planters for raw cotton. Furthermore, Smith states quite clearly that the expense of importing bulky raw materials acts as a sort of natural protection to domestic crops, as opposed to the relative inexpensiveness of shipping manufacturers, which are far more valuable on a per pound basis. Carey conveniently ignores this aspect of Smith's argument.[38]

Carey's second criticism of Smith, the devastating effect of free trade on labor, is more trenchant. In particular, Carey took offense at Smith's assertion that, when a nation "restore[s]" free trade and thereby destroys some manufactures protected by tariffs, "there are other collateral manufactures of so similar a nature, that a workman can easily transfer his industry from one of them to another."[39] Here, as elsewhere, Carey portrays Smith as a speculative philosopher out of touch with earthy realities and, "like many other theorists, […] deluded by his own system." In reality, most, if not all, industries lack "collateral manufacturers," Carey argues. Even when some branches may be similar, such as cotton and woolen weaving, if all participants in one branch were thrown out of work, they would naturally find the other branch "full and overflowing" and be unable to find employment. Furthermore, if free trade were instituted, "the flood of importation […] would bear down in one common ruin, all those manufactures, of which the articles fell within his description of being 'purchased cheaper elsewhere.'" In that case, there would be few or no remaining branches for the masses of unemployed workers to flee to. Unemployment would, therefore, be another example of "the masses of misery which Dr. Smith's system would produce."[40] This labor critique of Smith also effectively demonstrates the difference in perspective between Smith's universalizing approach and Carey's concern with historical and statistical detail. While Smith's focus on the system as a whole causes him to give short shrift to the plight of individual cotton workers, Carey's focus on the picayune details of the economy, particularly of manufacturing, brings such employment statistics to the fore.

Here, too, Carey's criticism runs into certain contradictions. While Smith wants to protect industrial capitalists by insuring that the movement to free trade "should never be introduced suddenly, but slowly, gradually, and after a very long warning," he neglects to suggest similar protections for laborers.[41]