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# THE FREE-TRADE DOCTRINE AND COMMERCIAL DIPLOMACY OF CONDY RAGUET

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## ABSTRACT

Condy Raguet (1784-1842) was the first Chargé d’Affaires from the United States to Brazil and a conspicuous author of political economy from the 1820s to the early 1840s. He contributed to the era’s free-trade doctrine as editor of influential periodicals, most notably *The Banner of the Constitution*. Before leading the free-trade cause, however, he was poised to negotiate a reciprocity treaty between the United States and Brazil, acting under the authority of Secretary of State and protectionist apostle Henry Clay. Raguet’s career and ideas provide a window into the uncertain relationship of reciprocity to the cause of free trade.

## INTRODUCTION

On the third of January, 1829, a new newspaper began publication in Philadelphia. Its editor, Condy Raguet, expected it to rival Hezekiah Niles’s digest of political news and congressional and executive proceedings, *Niles’ Weekly Register*. Niles was a thorough chronicler, but he was also a biased one: he stood with Mathew Carey and Henry Clay in the first rank of advocates of the protective tariff. The “Tariff of Abominations” of 1828 demonstrated the need for a competitor – one who could answer Niles and his ilk with sophisticated free-trade arguments

informed by the science of political economy. Raguet was the man, and *The Free Trade Advocate and Journal of Political Economy* was his vehicle.

Raguet combated protectionist arguments with energy, skill, and command of empirical facts. The last quality was essential, as the opposition of his theory to the facts was a charge he often had to answer. “The friends of the monopoly or restrictive system, are always calling out for *facts*,” he observed. They wished to know, for example, when a merchant sent word from Rio de Janeiro of American coarse cottons being in great demand at a good price, was not the free traders’ beautiful theory refuted? The theory held that the United States’ advantages lay in agriculture and commerce. Did not the salability in foreign markets of U.S. manufactures, fostered by protection at home, signal the superiority of the protectionist doctrine?<sup>1</sup>

Raguet was uniquely suited to answer. He was a man of practical experience: he had just returned from serving as the first U.S. Chargé d’Affaires in Brazil. His counterargument was built carefully on evidence, and, to those who were not already fixed in opposition, might have been persuasive. But it did not put to rest the purported dichotomy of free-trade theory and fact. He felt obliged to refute it for the rest of his life.

His refutation was complicated by one source of tension between theory and fact that Raguet, as a diplomat as well as a free trader, knew well. Free trade promoted the advancement of national industry, construed broadly, and wellbeing. So held the theory. But the fact was that completely free trade, as Raguet understood it, could only be achieved by two methods. One was a combination of diplomacy and tariff legislation that coaxed or coerced trade partners to relax their trade barriers as the United States relaxed its own. The other was to await an extraordinary coincidence: the United States and its partners deciding to relax their barriers independently. Failing both methods, the free-trade vision could be fulfilled only partly at best.

From that discouraging fact two others followed. First, partial fulfillment of the free-trade vision, by foregoing the material benefits for some of the potential beneficiaries, could be politically untenable. Second, if free traders tried to achieve the vision through diplomacy and coercive tariff legislation, then they risked appearing to accept, or even coming to accept, a notion that was antithetical to their theory. It was the notion that one country's reductions of trade barriers were in the nature of concessions. As concessions, they were prejudicial to the country's interests. They were granted only in exchange for compensating reciprocal concessions.

The dilemma was the same one that proponents of trade liberalization face today.<sup>2</sup> Raguet is interesting in light of the peculiar circumstances in which he faced it. During his mission in Brazil he was instructed to negotiate a treaty of commercial reciprocity with the Emperor's ministers. His instructions came from Henry Clay, who was then Secretary of State – and who also happened to be the chief political architect of the protectionist doctrine. A tantalizing opportunity for trade expansion could only be seized, it would have seemed, by accommodating protectionism and compromising free trade. What was a free trader to do?

The scant historical literature on Raguet does not take up the question. The most complete biographical essay written by authors personally acquainted with him, a work of twenty-five pages by Clement C. Biddle and Richard DeCharms, is valuable for its firsthand treatment of his familial relations, religious convictions, and professional activities. But of these aspects of his life, and even more of the intellectual and political problems that concerned him, the essay is no more than it professes to be: a "sketch." Only three works on Raguet of greater length have ever been produced. One, a dated M.A. thesis in Political Science from Columbia University, is a fair survey of several of his political views and economic ideas but makes no

reference to his sustained interest and changing opinions in the matter of commercial reciprocity. The same is true of a recent Ph.D. dissertation in History from the University of South Carolina, which has the added virtue of delving into more and useful detail about Raguet's affiliations with the causes of state rights and hard money. Finally, a Ph.D. dissertation in Education by a Brazilian scholar at the University of Pennsylvania gives an extraordinarily descriptive picture of Raguet's ancestry, where he lived, what he studied, and whom he knew. It is indispensable for examining his political economy in a detailed historical setting. But that is not its author's purpose. Her peculiar interest is in what she calls Raguet's "multicultural competence" and "autodidacticism."<sup>3</sup>

Until now, the published works on Raguet since Biddle and DeCharms's sketch were limited mainly to several paragraphs, one large part of a chapter, and two journal articles by Joseph Dorfman, Paul Conkin, and Thomas L. Martin. They offer useful reflections on Raguet's career and his ideas on banking and international trade. None, however, is concerned with the particular combination of tasks that contributed to the formation and evolution of his trade doctrine. A book about the Philadelphia Free Trade Convention of 1831 by W. Stephen Belko adds important new information to the stock of knowledge about Raguet, who was foremost among the convention's organizers. This essay draws upon Belko's treatment of the convention but, on the whole, covers different ground.<sup>4</sup>

That ground may be surveyed briefly. Condy Raguet was a leading contributor to free-trade doctrine in the United States. At one time he was also in an uncommon position of responsibility to translate the doctrine into policy. But the policy at issue, reciprocity, had an uncertain place in the doctrine: it was proposed by protectionists, too. Raguet had to negotiate

theoretically the dilemma of unilateralism versus reciprocity. He also had instructions to negotiate, in hard fact, a reciprocity treaty. This essay aims to show how he did both.

#### **TRADE DEBATES BEFORE RAGUET'S MISSION**

The years preceding Raguet's mission in Brazil were a time of protectionist ascendancy. The growth of U.S. imports after 1815, following the end of the wars in North America and Europe, depressed American manufacturers. The Panic of 1819 only increased the clamor for protection. Conventions and societies for the encouragement of manufactures by way of tariff protection sprouted up, and a Congress favorable to a protective policy was elected with Henry Clay as Speaker of the House.<sup>5</sup>

Glimpses of Raguet up to this time offer an image, however hazy, of his early views on the tariff and reciprocity. For a short while after attending the University of Pennsylvania, where he graduated probably in 1800, Raguet abided the will of his deceased father and studied law.<sup>6</sup> His father, Claudius Raguet, had emigrated from France in 1780 and soon become a prosperous Philadelphia merchant, ship owner, and privateer in the final years of the Revolutionary War. The elder Raguet charted a different course for his son, whom he willed to take up the profession of his brother-in-law, Jonathan Williams Condry, Esq., practitioner of the Philadelphia bar and erstwhile clerk of the United States Congress.<sup>7</sup> But Condry Raguet forsook his father's wishes to follow in his footsteps. He commenced his own "mercantile pursuits" first in a Philadelphia counting house and then as supercargo for two voyages to the island of Hispaniola in 1804-1806, where he lived on the second occasion for a period of seven months.<sup>8</sup> To make one's living as a merchant often implied liberal sympathies in trade policy – but in the particular case of Raguet,

whose public prominence was not yet large enough for his sympathies to be recorded or noticed, we cannot be sure.

Raguet's prominence grew after serving first as Captain and then Lieutenant-Colonel in the Pennsylvania militia during the War of 1812. It grew further, even before the war's end, when he sought and finally achieved election as a Federalist to the Pennsylvania House of Representatives in 1814.<sup>9</sup> Around this time Raguet developed an interest in political economy amidst the collections of the Library Company of Philadelphia, of which he had become a shareholder in 1810, and the Athenaeum, of which he was a founding member in 1814.<sup>10</sup> He collected more books through a religious connection. In his early adulthood, Raguet had become attached to the New Church of Emmanuel Swedenborg; he later gave a fellow disciple in London "some discretionary power in the purchase of Books upon Political Economy" to send back to Philadelphia. The shipment included a volume of *Parliamentary Debates*, reports of the Bullion Committee (1810), and an item by David Ricardo on "Currency" (presumably his *Proposals for an Economical and Secure Currency* [1816]), among other works.<sup>11</sup> Raguet honed his interest into expertise by making speeches to the Pennsylvania House and writing essays and reports on topical issues, especially money and banking, including an early "Inquiry Into the Causes of the Present State of the Circulating Medium of the United States" (1815). By 1816 he was not only a prosperous Philadelphia merchant and respected gentleman and public servant, but also president of the Pennsylvania Company for Insurance on Lives and Granting Annuities (later the First Pennsylvania Bank) and principal founder of the Philadelphia Savings Fund Society.<sup>12</sup> In 1818 he was elevated from the Pennsylvania House to the Senate. His responsibilities became weightier and his reports for the Commonwealth of Pennsylvania numerous.

Among Raguet's reports to the Pennsylvania Senate was what appears to be the first public document attributable wholly or largely to him that touched explicitly on tariffs and reciprocity. He was co-instigator and leading member of a committee of seven senators appointed to explain the "distressed and embarrassed state of the commonwealth" in the wake of the Panic of 1819.<sup>13</sup> Raguet's reflections on the problem must have been painful. The panic had cost him his fortune. He was reduced, according to his friends' later account, "from affluence to poverty."<sup>14</sup>

The explanation Raguet gave on behalf of the committee in January 1820 centered on the banking system. The cause of the general distress, he said, was "to be found chiefly in the abuses of the banking system, which abuses consist *first* in the excessive number of banks, and *secondly* in their universal bad administration." In short, a proliferation of banks had loaned in terrible excess of their capital; "individuals of every profession were tempted to embark in speculation" until "the dreadful day of retribution at length arrived."<sup>15</sup>

The speculative disease had symptoms that were manifested in international trade. According to Raguet, foreign imports, like domestic consumption in general, had grown beyond what was justified by the country's real resources. But he demurred at "the arguments advanced by some" that lack of protection for domestic manufactures had been instrumental in causing the distress. People in manufacturing towns might feel protection to be lacking, said Raguet, but not the "great mass of the people of the commonwealth." Nevertheless he communicated the committee's opinion that, "in the present circumstances of the world," the government should assist manufactures "by such public aid, as will prevent their prostration by the jealous rivalry of foreign states."<sup>16</sup>



Despite the committee's disavowal of the protectionist explanation of the Panic of 1819, the foregoing opinion might be read as an endorsement of protectionism. It was not quite that. A motion made jointly by Raguet and a Senate colleague two months later, in March 1820, clarifies what the committee meant in reference to "the present circumstances of the world." The protracted European wars, they observed, had created a large demand for U.S. products and promoted an extensive and beneficial trade. But, they added, "the same reciprocity which has been the foundation of a trade mutually advantageous, cannot in the nature of things continue to the extent which has heretofore prevailed."<sup>17</sup>

To wit, Europe's need for American agriculture would diminish in peacetime. Americans would have to create a demand at home for what they could no longer sell abroad; they would have to learn to manufacture the goods they had become accustomed to importing. But in this effort they would confront "the rivalry of foreign manufacturers, aided by the protection of their respective governments" conspiring to nip in the bud the future competition of American manufacturers. The trouble that Raguet and his colleague identified was not that the United States' specialization in agriculture was pernicious, but that specialization to the previous (and "advantageous") extent was impossible. It was not that American manufacturers faced foreign competition, but that the competition was "forced" by foreign governments. "Reciprocity," which in more fortuitous circumstances implied a liberal trade policy, implied in prevailing circumstances a degree of countervailing protection.<sup>18</sup>

If the argument sat uneasily with free trade, neither was it unambiguously protectionist. The emerging protectionist doctrine opposed importation on a large scale not in special circumstances but in most circumstances. The contrast is marked by the words of Mathew Carey, who wrote in April 1819 that Adam Smith was "duped by his own system." The myriad

mercantile restrictions and outright commercial prohibitions of the British government, which were “the antipodes of the doctrines of Adam Smith in the Wealth of Nations,” conferred in Carey’s view “immense advantages.”<sup>19</sup> Raguet, who was well and respectfully acquainted with Carey, did not go that far.

Raguet’s private letters show more precisely how far he went with Carey and where he parted ways. Among the societies promoting the encouragement of domestic manufactures that sprouted up during the Panic of 1819, Raguet served one as Secretary.<sup>20</sup> But when Carey invited him late in 1819 to sign a circular advanced by another, the Philadelphia Society for the Promotion of National Industry, Raguet declined, citing his disagreement with that society’s notions about the root cause of “the distress that has spread so generally through the country.” Presaging the content of his Senate report, Raguet laid blame not on trade policy but on the banking system. What was more, he explained, to endorse the notions of Carey’s society to the letter would be to abandon “the very basis of the system of political economy, upon which I am willing to stake my reputation as a publick man.”<sup>21</sup> On the other hand, the very next day he offered the same society his services to undertake a mission to Washington, D.C. to see whether the Government might provide additional protection to Pennsylvania manufacturers. He asked only that he should be reimbursed by the society and that he should present himself not as a partisan but “as a mere spectator of passing events.”<sup>22</sup>

A little over a year later, in correspondence with David Ricardo, Raguet expressed complete agreement with the “liberal sentiments ... relative to the intercourse between the United States and Great Britain” that his eminent correspondent had expostulated in a previous letter. Although “this nation ... must needs become a manufacturing one,” he continued, many people held the view “that if our attention is to be directed towards manufactures, it had better be

done without an artificial excitement.”<sup>23</sup> Raguet implied that he was among those many, but he did not say so unambiguously.

In his paces over the middle ground between free-trade principles and high-tariff expediency, Raguet could be seen as calculating, or, perhaps, vacillating. But a different view is no less tenable. He could be seen as endeavoring carefully, at a moment of economic emergency, to reconcile the principles of the new science of political economy with the political imperative of state action. He was not the only one to seek a middle ground, and, to be sure, some of his fellow travelers had notions that were calculated, uncertain, or even incoherent. The specific state action they contemplated was the tariff bill introduced in April 1820 by the Hon. Henry Baldwin of Pennsylvania, Chairman of the House Committee on Manufactures.

It was mainly to Baldwin that Raguet had directed his inquiries on behalf of Carey’s society; the bill that emerged four months later from Baldwin’s committee proposed to increase tariffs on most imported goods by one-third to two-thirds.<sup>24</sup> Speaking in support of the bill, Henry Clay, the champion of protection in the legislative arena, acknowledged that the maxim “Let things alone!” was indeed a “truth in the books of European political economists.” But it was misapplied insofar as it was thought to require passivity in response to “the operation of foreign governments” on domestic interests. “I am a friend to free trade,” Clay avowed, “but it must be a free trade of perfect reciprocity.”<sup>25</sup> Another of the bill’s supporters, Representative Charles Kinsey of New Jersey, expressed particular agreement with Adam Smith. Smith’s remark in Book IV of the *Wealth of Nations* that “the inland or home trade” was “the most important of all” appears to have been especially interesting to Kinsey, who drew from it, together with his unaccountably false belief that Smith favored the British Corn Laws, the lesson that the United States should therefore protect its manufactures.<sup>26</sup> What is notable in these

endorsements of tariff protection is that they did not dispute free-trade or Smithian principles in the more conspicuous manner of Mathew Carey. They claimed that, under the circumstances, the tariff bill was consistent with those principles. Raguet wrote in the same vein, although perhaps more candidly than Clay and more cogently than Kinsey.

The failure of Baldwin's tariff bill was a signal moment for advocates of a tariff for reciprocity. Although the House passed the bill with 98 votes in favor and 71 against, the Senate rejected it by a single vote.<sup>27</sup> But the rejection was presented as merely a vote to "postpone the bill until the next session."<sup>28</sup> Advocates and opponents alike treated the bill accordingly as a live issue through the Congressional recess of May to November 1820, and into the next session. One fact could not have escaped their attention: although the tariff had foundered in the Senate, other bills framed by the reciprocity argument, including one providing for countervailing tonnage duties on French ships and vessels, had passed both chambers with little or no controversy.<sup>29</sup> Tariff advocates may have supposed that if increases were pitched for purposes of reciprocity rather than protection *per se*, then the bill might yet pass.

Their supposition was supported by a history predating the last congressional session. The imposition of countervailing duties on French vessels was but the latest in a series of acts establishing the popularity, and also the meaning, of reciprocity after the War of 1812. The several acts were aimed at either establishing or relinquishing selectively, vis-à-vis some partners but not all, discriminatory duties on merchandise and tonnage. Even after the war's end the most important target remained Great Britain. The Reciprocity Act of March 3, 1815 promised to abolish discriminatory duties on the tonnage of a partner's ships as compared to U.S. ships, and on merchandise imported in a partner's ships as compared to U.S. ships, pending a reciprocal act by that partner.<sup>30</sup> Exactly four months later, with that act guiding their negotiations, U.S.

plenipotentiaries completed a reciprocity treaty with Great Britain. Its main achievements were, first, to provide for the reciprocal repeal of all duties discriminating between British and U.S. ships sailing directly between the two countries (i.e. national treatment in direct navigation); second, to provide reciprocal assurance that neither country would levy duties discriminating between imports of the other's merchandise and imports from the most-favored alternative partner (i.e. most-favored-nation treatment in trade).<sup>31</sup>

Subsequent reciprocity acts were drawn up mainly to rectify what Americans perceived as the lack of reciprocity in the latter treaty. Because it expressly did not provide for national treatment in *indirect* trade between the two countries – via the British West Indies, where U.S. ships were prohibited from trading – British ships had in fact a considerable advantage. Their exclusive access to the triangular trade allowed them to undercut U.S. ships plying directly across the Atlantic.<sup>32</sup> So Congress acted. An act of April 27, 1816 levied discriminatory duties on (among other things) cotton cloths originating beyond the Cape of Good Hope, meaning the British dominions in the East Indies. An act of January 14, 1817 imposed a \$2 per ton duty on ships embarking from ports where U.S. vessels were not allowed to trade – exempting ships enjoying privileges that might be granted by treaty with an amenable partner. More complicated but less subtle was an act of March 1, 1817, prohibiting the importation in non-U.S. ships of any merchandise except that which originated in the country to whose citizens the ship belonged, excepting ships of any foreign nation that had not adopted a similar regulation. In effect, the act prohibited British ships from carrying non-British cargoes to U.S. ports so long as Great Britain excluded U.S. ships from trading in the West Indies.<sup>33</sup> More acts in the same vein followed every year from 1817 to 1820.<sup>34</sup>

Like the bill for countervailing tonnage duties on French ships and vessels, reciprocity along these lines was uncontroversial.<sup>35</sup> Even such a navigation act as was passed on April 18, 1818 – which added “teeth” to the already biting one of March 1 of the previous year – passed with minimal opposition in both the House and the Senate.<sup>36</sup> The appeal of the policy cut through doctrinal allegiances to free trade and protection.

The problem that the free traders’ allegiance to the reciprocity policy posed for their case was embodied in William Bayard, President of the New York Chamber of Commerce. In December of 1819, Bayard led the Chamber in memorializing Congress in favor of countervailing tonnage duties on French ships. Over and above the standard tonnage duties and lighthouse levies for foreign ships, the French government had imposed additional tonnage duties for cotton, tobacco, and potash whenever they were imported in American rather than French ships. The memorialists considered the French duties “altogether disproportionate and unequal” and contrary to the principle of “fair reciprocity.” Upon reflection, they could “devise no expedient more likely to produce a favorable change in the present system of the French Government ... than the imposition of a heavy tonnage duty.”<sup>37</sup> Although the reasoning was plausible enough, it fit awkwardly with Bayard’s subsequent memorial, issued in November 1820, on behalf of a convention of merchants worried about the revival of the Baldwin tariff bill in the following session of Congress. The document reminded Congress of Adam Smith’s warning that heavy taxes on necessities were ““a curse equal to the bareness of the soil and the inclemency of the heavens’.” The proposed duties on foreign goods, it warned, would plunge the United States “still deeper into all those measures of prohibition and restrictions upon trade; of duties, premiums, and bounties; of stimulants to rear exclusive interests at the national expense,

which have contributed more than any other causes to bring the greatest commercial and manufacturing empire that the world ever saw to the very verge of destruction.”<sup>38</sup>

It could not have been difficult to see the counterargument that, if one wished at once to maintain “fair reciprocity” with foreigners and not to “rear exclusive interests” at home, then to impose countervailing duties on foreign ships and not on foreign goods, thereby securing reciprocity for American commercial interests while excluding manufacturing interests, would be a dubious method. At least Congressman Baldwin had no difficulty seeing the argument: he articulated it when reintroducing the tariff bill to the House on January 15, 1821. His Committee on Manufactures’ new report was replete with explicit appeals to the principle of reciprocity. “Let there be no system of restriction, but one of reciprocity, of liberal interchange,” read the report; “as one of the great family of nations, let our laws keep pace with theirs in liberality; let them even make the first friendly offer.” U.S. laws regarding foreign shipping already reflected those principles; “it is but for this Congress to apply its own principles to another co-ordinate and equally important branch of national industry.”<sup>39</sup> Baldwin even did Bayard the honor of reprinting his remonstrance for countervailing duties on French tonnage in the report’s appendix.<sup>40</sup> Clearly, free traders trafficking in the reciprocity petard risked being hoist by it.

Not all free traders were insensitive to the risk. Virginian farmer and statesman John Taylor of Caroline was so alert to it that he authored a jeremiad of almost 350 pages, *Tyranny Unmasked* (1822), in response to Baldwin’s committee report. “We have not gained a single victory in a twenty years’ war of restriction against restriction,” Taylor observed, “and the harder we strike the enemy, the more severely the blow recoils upon ourselves.” Not only had reciprocity never served the free-trade cause, it was appropriated by a class of people who, while feigning affinity with the cause, were working to kill it. The ultimate victims, Taylor reckoned,

were agriculturalists. Having been promised that retaliatory tariffs would eventually stimulate the home market and open foreign markets, they would be disappointed on both counts. “Invigorate us now with your blood, say the capitalists to the agriculturalists, and you shall bleed us in your turn, after both you and ourselves are dead. This is the proposed restricted-reciprocal free trade.”<sup>41</sup>

Such was the terrain of the tariff and reciprocity debate, and such were Condy Raguet’s contributions to it, for roughly the decade up to 1822. It will be observed that Raguet’s call for tariff protection toward the end of the period did not imply his devotion to protectionism, though it did put him in league with protectionists. On the other hand, his free-trade sympathies, such as they were, did not go as far in practice as William Bayard’s, let alone John Taylor’s. Nor did Raguet harbor any suspicion of reciprocity in the manner of Taylor. Like Clay, he championed reciprocity (in the form of countervailing duties not only on foreign tonnage but also foreign goods) for purposes of propping up domestic manufacturers in the short run and encouraging free trade in the long run. But in the latter purpose, unlike Clay, Raguet was probably sincere.

It will be observed, too, that despite his differences of opinion from protectionist proselytizers and politicians, Raguet had good reason to believe they were not so great as to disqualify him from service in the administration of the President James Monroe, an avowed friend of protection.<sup>42</sup> Indeed they were so narrow that his “taint of federalism,” as Secretary of State John Quincy Adams would later put it archly, was of little account.<sup>43</sup> Beginning in 1821, at Raguet’s behest, his friends petitioned the administration for an appointment abroad. They knew, as he freely admitted, that his financial misfortune required him to find a new source of income. To U.S. Representative Thomas J. Rogers of Pennsylvania, Raguet wrote, “If I had a chance of making money in a foreign country, I might in 7 to 10 years if I live, return to enjoy the residue



of my days in my native land.” He pinned his hopes on Latin America, where independence from Europe augured new consular positions, and where Raguet felt “a great interest in the Patriot cause.”<sup>44</sup> Conveniently, the South American diplomacy of President Monroe and Secretary Adams was of a piece with the reciprocity policy: both sought to establish the United States’ commercial prerogatives and dismantle exclusive privileges favoring one country or another. In peacetime, the privileges at issue were preferences for goods and ships of the Old World in the ports of the New. (The U.S. pressed for an equal footing.) In wartime, they were the rights of belligerents to search and seize ships and merchandise bound for enemy ports. (The U.S. sought to enlarge the rights of neutrals.)

Raguet had other qualities, besides, that recommended him for service in Monroe’s administration, especially in some consular or diplomatic capacity. He had lived abroad; he had been trained in law and had practiced both commerce and politics; he had friends in society and knew how to keep them, and even serve their interests, despite shades of difference of opinion. And yet his standing in law, commerce, politics, and society was not so great as to startle the European countries that were watching closely. As Monroe explained privately, his appointees to South America were not to be marked by any “*distinguished eclat*” lest they stir up European apprehensions about U.S. designs.<sup>45</sup> So wrote the President one day after submitting Raguet’s name to the Senate for its advice and consent regarding a possible appointment as U.S. Consul at Rio de Janeiro.<sup>46</sup>

#### **THE BRAZIL MISSION**

Raguet’s duties upon his arrival at Rio de Janeiro in September of 1822 were not, at least by official sanction, of a diplomatic character. They were supposed to be of the commercial and

informational kind usually befitting U.S. consuls.<sup>47</sup> But circumstances soon called upon Raguet to act above his pay grade. The regent of Brazil, Dom Pedro, had declared his country independent of Portugal just the day before Raguet's ship landed on September 8. War with the colonial master followed, and with it came obstructions of foreign commerce and impressment of foreign seamen. Raguet attended diligently to U.S. interests by interceding repeatedly with the Brazilian government, notwithstanding his modest status and correspondingly modest pay.<sup>48</sup> The revolution, then, was fortuitous for him: it justified his request to Adams for a more elevated rank and a salary that could sustain his family.<sup>49</sup> In approving the request, Adams made him "agent of the United States for commercial affairs" – a diplomatic position that would *not* signal U.S. recognition of Brazil's independence. When at last the U.S. determined to send that signal, in March 1825, Raguet was promoted to Chargé d'Affaires.

Raguet's promotion was one of the first acts of John Quincy Adams's Presidency, and his instructions among the first penned by Henry Clay as Secretary of State.<sup>50</sup> The instructions continued seamlessly Adams's reciprocity policy. To Clay, after all, reciprocity was not merely a passing enthusiasm: it was part and parcel of his "American System."

Clay's system looked at once outward to U.S. leadership and trade in the hemisphere and inward to the protection of domestic industry. The aims were not contradictory. The new countries of the hemisphere, Clay expected, would be a bulwark against British and European anti-Republicanism as well as a "vent" for surplus manufactures and grain, trading in return raw materials and consumables that presented no threat to U.S. producers. But commanding the trade of the hemisphere depended crucially on U.S. ships entering the ports of the hemisphere on equal terms with foreign rivals. Where they did not, "perfect reciprocity" required reciprocal restrictions of trade – with the offer, perhaps, of reciprocal abandonment of restrictions. Clay

endorsed forcefully the United States' policies along those lines in relation to the West Indies trade. He had long had, and still had, greater hopes for trade with South America.<sup>51</sup>

On that subject, therefore, Adams and Clay were of like minds. When Adams was Secretary of State, he had directed his chargé in Buenos Aires to “strenuously maintain the right of the United States to be treated in every respect on the footing of the most favoured; or as it is more properly expressed, the most friendly nation ... and should you negotiate a Treaty of Commerce you will make that principle the foundation of all its provisions.”<sup>52</sup> Now Clay dispatched to Rio de Janeiro, in words similar to Adams's, a warning to the newly invested Chargé Raguet: “France and Great Britain will probably strive to obtain for themselves peculiar advantages in the trade with Brazil ... You will resist, firmly, and constantly, any concessions to the Commerce or Navigation of either of those two powers, which are not equally extended to the Commerce and Navigation of the United States.” Clay also gave Raguet the prerogative to propose a treaty of amity, commerce, and navigation. Its general aims would be to give Brazil better terms in navigation in return for eliminating the preference, to the extent of 9% ad valorem, that Brazilian customs gave to British goods over American ones.<sup>53</sup>

The treaty was a project that would consume much of Raguet's attention but deliver few positive results. Impeding him were, first, the untimely receipt and strange paucity of his diplomatic credentials and instructions from Washington and, second, the outbreak of war between Brazil and the United Provinces of the Rio de la Plata over the disputed territory of the Banda Oriental in present-day Uruguay. The impediments were consequential not only to the effectiveness of Raguet's diplomacy, but also to his later career and thought as a political economist and polemicist.

At the moment Clay wrote Raguet's instructions, conditions were ripe for the negotiation of a commercial treaty. By Raguet's account, beginning in February 1825 the Brazilian government anticipated the arrival of the British diplomat, Sir Charles Stuart, to mediate between itself and Portugal. Although Brazil's independence was not in doubt, the new nation might have drawn some advantage from being able to "boast, as least, of having been recognized by one Foreign Power."<sup>54</sup> The arrival of Raguet's credentials as Chargé d'Affaires would have served that end; the more concrete evidence of U.S. recognition manifested by a treaty would have served even better. But a mishap at sea caused the credentials to be waylaid in Buenos Aires. They did not reach Rio de Janeiro until the 23<sup>rd</sup> of October, by which date Charles Stuart had already done his work, Brazil's independence from Portugal was recognized by the mother country, and U.S. recognition "was no longer a matter of any sort of consequence."<sup>55</sup>

Raguet followed his instructions nonetheless, and, proposing a treaty, found the Brazilian government willing if not eager to proceed. He informed Clay of the fact, adding some observations about the disadvantages Americans suffered from Brazil's discrimination in favor of Great Britain.<sup>56</sup> Because he had been given permission only to propose a treaty – not to negotiate one, as he was plainly eager to do – he could do no more than leave the matter at that and await additional credentials and instructions. Meanwhile, the eruption of hostilities between Brazil and Buenos Aires made the treaty's prospects more remote. Brazil declared war and a blockade of all enemy ports in December 1825.<sup>57</sup> The remainder of Raguet's mission would be devoted mainly to remonstrating against Brazilian violations of professed U.S. commercial rights.

At the beginning of the blockade, his remonstrations were courteous assertions of principle. Informed by a careful reading of U.S. diplomatic correspondence with European

governments, Raguet explained to the Brazilian Foreign Minister immediately and at length the international law of blockades as construed by his own government. Because a blockade was not to be proclaimed capriciously or enforced arbitrarily, in order to be legal it had to be effective. A merely “paper blockade,” consisting of proclamations but not warships in harbors, amounted to the belligerent’s threat to harass neutral seamen and merchants unpredictably with “advantages not due to the positive force of his arms.” The United States denied the legality of an ostensible *general* blockade of Argentina by a country such as Brazil because the besieged had too many ports, and the besieging too few ships, to make the blockade *generally* effective. What was more, even if the blockade were legal, in order to capture or confiscate legally any ships violating it, the belligerent had to have given prior warning of its existence. Not even the “refinements of modern sophistry,” averred Raguet, could shake “this just and equitable rule.”<sup>58</sup>

Because he was not expressly instructed to write such a letter, the assuredness of Raguet’s tone was, by his own account, greater than he felt. He “accordingly waited with much anxiety” for confirmation from Clay of the correctness of his position he adopted.<sup>59</sup> Correspondence with Washington took about two months each way, give or take a couple of weeks – yet he received no word through August of 1826. At the end of that month, still without a word of approval from Clay, he faced a severe test of the principles he had expounded the previous December.

On August 29<sup>th</sup>, the brig *Ruth* of Philadelphia, bound originally for Buenos Aires, was led into the harbor of Rio de Janeiro by a Brazilian warship that had intercepted it at sea. The *Ruth*’s course, according to the testimony of its supercargo, had already been diverted to Montevideo after intelligence of the blockade was received from a passing ship. But because it was intercepted hundreds of miles east of both ports, there was no independent evidence of its being

bound for one or the other.<sup>60</sup> It was captured nonetheless and a “prize crew” of twelve Brazilians boarded to steer it in convoy to Rio. During the passage, all of the *Ruth*’s crew except the cook, ten men in total, were taken prisoner on the warship; the supercargo claimed that some were pressed temporarily into service onboard. Upon reaching Rio’s harbor all ten were transported to a Brazilian prison ship, the *Prézéganga* – “the common receptacle of convicts, murderers, and pirates,” as Raguét put it to the Minister of Foreign Affairs – there to confront “the most revolting scenes of vice, profligacy and misery, which the human mind can imagine.”<sup>61</sup>

From the American point of view, here was an incident of illegal blockade, and more. The norms of executing blockades were violated in detail, from removing the crew from their vessel to impressing them on another vessel to imprisoning them under poor conditions after reaching safe harbor. Particularly shocking to Raguét was the base treatment of the *Ruth*’s captain, mate, and above all its supercargo, whose position he had occupied in another time and place and whose status he must have identified with closely. Upon learning of the incident he tracked down the Minister of Foreign Affairs at a tea party, reminding him that Americans valued their liberty “at a greater price than all property; and that if Brazil was desirous of avoiding a war with the United States, she must respect that liberty.” Not even the Brazilian who ranked highest in his esteem was spared his fury. To José da Silva Lisboa, a distinguished political economist and apostle of Adam Smith whom Raguét had presented recently for membership to the American Philosophical Society, and who also happened to be the Minister’s chief clerk, he pledged that if the crew of the *Ruth* were not released without delay, he “would go to the end of the world” to prove Brazilians “not to be a civilized people.”<sup>62</sup>

That such harsh language was extraordinary in diplomatic discourse, and that it was likely to offend the Brazilian government, Raguét knew well. He also knew that it might incur

the censure of his own government. But, then again, so might a lack of zeal or effectiveness in support of its interests, which he thought to be under extraordinary assault. Without instructions to the contrary, and mindful that “publick duty should outweigh all calculations of private interest,” he resolved to continue to express himself unflinchingly “in the language of truth.”<sup>63</sup> To his hazard, he would do so not only to the Brazilian Foreign Ministry but also to Secretary Clay.

To Raguet, the incident of the *Ruth* was no unique occurrence. It was the last straw. “My residence in this country, of four years,” he wrote to Clay, had been “nothing but a continued record of wrongs inflicted by this Government and its officers, upon our commerce, our citizens, and our national honor, in return for numerous acts of kindness and forbearance.” The inflictions could be stopped only by a show of determination from the President and Secretary of State that had been conspicuously lacking. What were needed were “positive and determinate instructions, as would enable me to speak to this Government in the only language that can cause respect for our rights, I mean, language addressed to its fears.” For such instructions he had waited expectantly. But, he added pointedly, “in this expectation, I have thus far been disappointed.” He had not received “a single line” from Clay, or anyone else in the State Department, for nearly a year and a half. And without being able to say credibly that his government backed specific “decisive measures” – such as his own recall and a rupture of relations if the Brazilian government should not immediately surrender and pay damages for all U.S. vessels seized illegally – he despaired of his ability to defend U.S. interests, to say nothing of advancing them. Presenting the argument in a more positive light, but no less urgently, he exhorted, “*Now* is the moment to make *our* nation respected by *this*. *Now* is the moment to make this Government *feel* the influence, which we are destined to maintain in this hemisphere of liberty – and if it be

desirable to negotiate [sic] a treaty of commerce, perhaps *now* is the moment, when the footing of the most favoured nation might be obtained as the price of a reconciliation ...”<sup>64</sup>

One can hardly imagine a more forceful expression of the principle of reciprocity. It was couched, too, in words that might have been expected to appeal to Clay, as they echoed Clay’s past speeches in Congress. But it would take some time to learn whether the exhortation had its desired effect.

In the first few months of the interim, Raguet experienced more frustrations followed by some qualified successes. The controversy over the *Ruth* was compounded, through November 1826, by additional incidents involving the capture of American vessels and seamen.<sup>65</sup> In December, however, the Brazilian government notified Raguet that its navy would thereafter interdict only those neutral vessels directing themselves unmistakably toward blockaded ports, not those encountered on the high seas with the possible destination of Montevideo. The new policy was offered up in the manner of a favor, not in acceptance of U.S. principles, and it was not accompanied by payment of damages for past acts. Still, the rationale for it – namely, the Emperor’s wish “to avoid such disputes as that which exists with respect to the brig *Ruth*” – allowed Raguet to believe that his harsh expressions were having some good effect. And at the end of the month he received word from Clay, who wrote that the President had seen “with approbation” his “zealous exertions to prevent, in the existing war between the Brazils and Buenos Ayres, and abuse of the law of blockade.” The letter was dated 22 October and referred to Raguet’s actions *before* those on behalf of the *Ruth* beginning in late August. But he read it nonetheless as an endorsement of his general course.<sup>66</sup>

Another part of the letter, however, was troubling. It contained unexpected instructions on the matter of the commercial treaty. Since November of 1825, Raguet had been awaiting the



credentials to negotiate the treaty that he had already proposed at Clay's behest, which overture the Brazilian government had already accepted. Consistent with Clay's initial instructions and according to Brazilian wishes, the negotiations were to take place at Rio. The new letter suggested inexplicably that Raguet should "ascertain if there exist a disposition" on the part the Brazilian government to negotiate a treaty, and, if so, that he should attempt to move the seat of negotiation away from Rio. But if the Brazilians showed a "decided preference" to negotiate at Rio, then the President would "acquiesce ... and send instructions to open such a negotiation, accordingly."<sup>67, 68</sup>

Raguet read the letter as more evidence of his superior's fecklessness. The instructions, he replied, left him in a "state of considerable embarrassment." He had expected to be told to negotiate, not to make a renewed offer to negotiate at (perhaps, but not necessarily) another place. He could hardly do the latter "without an apology for the non-fulfillment of the existing engagement, or without the assigning of some reasons for departing from a proposal of our own." Beyond being discreditable, though, such an offer would be disadvantageous. If the Brazilians were given an opportunity to negotiate further over the negotiations, and so to delay them, then they would probably seize it. For, by Raguet's lights, "the science of political economy has not yet made sufficient progress in this country to qualify the government for the belief, that a treaty of reciprocity with the United States, would be other than one by which they would profit more than Brazil."<sup>69</sup> He advised again that negotiations should begin in Rio as soon as possible, and awaited again the necessary credentials.

Again, however, before any instructions arrived, a dispute erupted between Raguet and the Ministry of Foreign Affairs. It would prove to be the final one. A former U.S. warship that was under private ownership, the *Spark*, had arrived in Rio on January 27<sup>th</sup> for the purpose of its

sale to the Brazilian government. When the Minister of Marine saw fit to buy only its guns, not the ship, the captain determined not to sell and instead to set sail for Montevideo in search of another buyer. Before leaving port, he took on double the passengers and crew that he had upon arrival. His reason, as Raguet related the incident, was his discovery during the passage to Rio that the smaller crew was insufficient for the ship.<sup>70</sup> Cleared by customs, and receiving the customary visit for inspection and approval of paperwork before final departure, the *Spark* exited the harbor. Several miles from land, it was intercepted and boarded by the commander of an armed Brazilian steamboat under orders of the Minister of Marine – in whose mind its usefulness as a warship, its increase in crew size, and its destination “for the waters of La Plata” aroused suspicions concerning its “true character.”<sup>71</sup> Most of the *Spark*’s crew was taken prisoner aboard the steamboat and a prize crew was substituted for the short trip back to the harbor. There it was subjected to a rigorous and damaging inspection, resembling to Raguet “the ransacking of a vessel by a band of freebooters,” and Raguet himself was called upon to controvert “the strong suspicion of her being a privateer bound for Buenos Ayres.”<sup>72</sup>

In its barest details, the interdiction of the *Spark* was bound to appear to Raguet as a violation of American maritime principles similar to that of the *Ruth*. In fact he considered it worse. It was “one of the most deliberate and high-handed insults against our flag and national honour.” It was committed, moreover, “by the express orders” of the Brazilian government. And he read the request that he should explain the ship’s character as an “official insult.”<sup>73</sup> (Raguet deigned reply that although he would have complied cheerfully before *Spark* had been cleared to sail, “in the present state of the affair ... he declines giving any explanations.”<sup>74</sup>) The aggravating circumstances related mainly to the timing of the Minister of Marine’s orders to the intercepting steamboat. The government held that the Minister was only informed of the crucial

piece of information, to wit, the *Spark*'s unusually large crew, after the ship had "crossed the bar" to exit the harbor, and only after that did he issue the orders to the steamboat. Raguet claimed that there was "scarcely a Brazilian or Foreigner in Rio de Janeiro" who did not know the steamboat to have been the first vessel to disembark, and hundreds knew besides that the steamboat's commander received his orders the night before.<sup>75</sup> If Raguet's claim was correct, then the *Spark*'s clearance for departure would appear to be merely a ruse to facilitate its interdiction at sea and subsequent ransacking; and the only motive he could conceive for that was to render the ship unfit for use by either enemy or friend.

Seeing "not a shadow of doubt" that the Brazilian government had plotted to confiscate and damage American property, harass American citizens, and cover its tracks with official lies, Raguet notified the Foreign Minister of his withdrawal from the Court of Brazil and requested his passports.<sup>76</sup> To Clay, he wrote that he had no dignified alternative: his action was "the *ultima ratio* of a People which sincerely desires to preserve the relations of peace with all the world upon honourable terms." Although he was lauded roundly by Rio's expatriates, he was uncertain enough of his superiors' sharing their sentiments – or perhaps he had enough political intuition – that he saw fit to affirm his preparedness "to meet all the consequences, even though one of them should be, my being offered up as a sacrifice on the altar of publick good."<sup>77</sup>

A short while later, on the eve of his departure for the United States, Raguet received the first unhappy indication that his intuition was keen. Clay's response to his report on the *Ruth* affair reached him on March 30<sup>th</sup>. Without denying the "strong character of some of those injuries" for which Raguet had demanded redress from the Brazilian government, Clay observed that "it is the fate of all maritime nations, neutral in maritime wars, to find their commerce and navigation often exposed to serious vexations." If the United States believed such vexations to

warrant war, as Raguet had intimated to the Minister of Foreign Affairs, then its history would have been marked by hardly a year of peace. Nor was that the only reproof that Clay had the “painful duty” to convey. The President “would have been better satisfied,” he went on, if Raguet had avoided such “provoking and irritating expressions” as the one about “civilized people” that he had tried with José da Silva Lisboa. As to the point that “decisive measures” were needed to countervail the catalog of wrongs committed against the United States, Clay reminded him that the decision rested with the President. If Raguet was impatient or dissatisfied with the decision, then he should simply recollect that the President “is enabled, at this distance, to take a calmer view of things than you are.”<sup>78</sup>

Among the few authors who have assessed Raguet’s diplomacy, most stand nearer to Adams’s and Clay’s point of view than to the disappointed chargé’s. They behold the failed diplomacy of a man of flawed character. Nobody questions his intellect or dedication to his duties: William R. Manning, for instance, takes note of the remarkable erudition that he and his Brazilian counterparts displayed in their voluminous correspondence. But in the same breath Manning supposes that Raguet’s impatience got the better of his judgment. L. F. Hill, while admitting that he could have benefitted from more timely instructions, judges him to have been impetuous. Daniel Joseph Ahearn, Jr., determines that he had an undiplomatic disposition. Antonia Fernanda Pacca de Almeida Wright calls him irascible and wonders whether he had an explosive temperament. All of these assessments echo that of Adams, who complimented him publicly for his “zeal” but gauged him privately to be a man of “temper and want of judgment, who took blustering for bravery and insolence for energy.”<sup>79</sup>

I wish to promote a different view. The foregoing assessments credit mainly witnesses who were interested in putting the onus for the diplomatic fracas on Raguet – above all Adams.

It requires no doubt of Adams's sincerity to suppose that a fair assessment would balance his impressions with others that were equally well informed but different. Of these there were several. As Zelia Sá Viana Camurça observes, "it is known that Condy Raguet was not a man who lost his temper easily. Quite the contrary, he was known by his contemporaries as a gentleman of kind and sober manners."<sup>80</sup> Such contemporaries included his most distinguished compatriots in Rio, who took some pains to make known their opinion of the character of Chargé Raguet. At the end of his mission, during a public dinner in his honor, a committee of five of them headed by William Wright, then U.S. consul, offered their "testimonial of their unqualified and perfect approbation" of his conduct. In carrying out his official duties, they declared, Raguet had been "patient and temperate."<sup>81</sup>

In the final analysis, temperament is a dubious explanation of Raguet's threats to the Brazilian government and his requests for threats from Washington. A likelier explanation is that they were consequences not of his personal disputatiousness but his principles of diplomacy.

Months before the incidents of the *Spark* and *Ruth*, Adams declared to Congress *his* principles. "In the intercourse between nations," he said, "temper is a missionary, perhaps, more powerful than talent. Nothing was ever lost by kind treatment, Nothing can be gained by sullen repulses and aspiring pretensions."<sup>82</sup> The declaration manifests the standard by which Adams sized up Raguet. It also presents a debatable proposition. Is indeed *nothing ever* lost by kind treatment? If kindness is shown to a recalcitrant friend or hostile foe, one loses at least an opportunity to signal that recalcitrance or hostility will not be received kindly. Reciprocity, as the policy was understood in the early nineteenth century and advocated by Raguet no later than 1819, was justified by the belief that the opportunity should not be lost. Adams subscribed to that

belief, at least in theory. In fact, he was more ambivalent about it than Raguet, who, during his Brazil mission, embraced it completely.

#### FROM DIPLOMAT TO DOCTRINAIRE

Besides expressing approbation of Raguet's conduct, the committee of his admirers in Rio wished that his deeds would be "gratefully appreciated" at home.<sup>83</sup> As it happened, upon his arrival in New York on May 31, 1827, after six weeks at sea, he found that his deeds had already been deprecated. The Brazilian government had dispatched hurriedly a messenger in advance of Raguet to press its side of the story.<sup>84</sup> Even before the messenger's arrival, the pro-administration *National Intelligencer*, having caught an early whiff of the controversy, speculated that Raguet's conduct might not have been "altogether that which the occasion called for."<sup>85</sup> Once the Brazilian side of the story was out, speculation hardened into conviction.

On May 30, the Brazilian chargé in Washington assured Clay of "the pacific views of his Majesty the Emperor of Brazil" and the Emperor's readiness to settle the *Spark* dispute to the United States' satisfaction. All that was required was the dispatch to Rio of a new and more suitable American representative and a public statement of the American government's disapproval of Raguet's conduct. Clay declined to make the second concession on the grounds that, in regards to Raguet's departure from the Court of Brazil, he was "accountable to his own government, and to that only." But Clay also made known that the departure was "without orders" and Raguet's "personal act." What was more, the Brazilian government need not fear the interruption of relations that might have been expected to follow from the act. "No such interruption exists at Washington," Clay assured, and the President would willingly nominate a successor to Raguet given the promise that American claims would be settled promptly.<sup>86</sup>

Raguet's "sacrifice on the altar of publick good," as he had foreseen it, was settled in Washington on the very day he landed in New York. As the *National Intelligencer* saw it, the government had only observed "the principles on which it is desired that our diplomatic intercourse with Brazil should be conducted" while demonstrating the necessity of "temperance and courtesy on the part of its functionaries."<sup>87</sup>

President Adams, for his part, announced in his annual message to Congress that Raguet's conduct had "not been disapproved" by him. But privately, when debriefing Raguet in Washington, he told him that a better course would have been to await instructions. Perhaps a stronger signal of the President's private disapproval was his unwillingness to give Raguet another diplomatic position. The former chargé, back in his country but without an income, faced the maddening task of defending himself against an allegation of his unfitness for public trust that was implied but not openly stated. As Raguet put it, "the public was left to judge for itself, whether the term 'not disapproved' was such, as in diplomatic usage, was or was not intended to express an unqualified approval." His continuing absence from government service must have been evidence enough, to most minds, to make the judgment. Yet when he petitioned Congress to divulge his diplomatic correspondence and to hold a public investigation to clear his name, he was met with the response that, as the President had not disapproved of his conduct, there was nothing to clear. And his petitions against a phantom allegation only reinforced the notion about his temperament that he was intent to combat.<sup>88</sup>

Political circumstances alone, however, would have ensured that Raguet did not lack allies. He had come home to a political climate considerably more poisonous than that which he had left five years before. One toxin was the alleged "corrupt bargain" in the alliance between Adams and Clay that denied Andrew Jackson the presidency in 1824. By the summer of 1827 it

had not dissipated in the least.<sup>89</sup> Another source of controversy that was redoubled in 1824 and had not waned was the tariff act of that year. The act, which F. W. Taussig has called “the first and most direct fruit of the early protective movement,” achieved most of the protectionists’ aims in the skirmishes of 1819 to 1822.<sup>90</sup> Its opponents protested bitterly. Southerners in particular warned of “governmental usurpations”; the Virginia General Assembly resolved that the act, which transferred property from one portion of the country to another, was “unconstitutional, unwise, unjust, unequal, and oppressive.”<sup>91</sup> The unconstitutionality of the tariff was a new and ominous allegation – yet protectionists pressed their cause still further, especially in respect to woolens. Mathew Carey was co-ringleader of a convention assembling in Harrisburg, Pennsylvania, in July of 1827 to support a bill “for the promotion of manufactures and the mechanic arts,” especially woolens.<sup>92</sup> The convention and its address provoked the opposition of a committee of Boston free traders: their 196-page counter-report, authored by Henry Lee, an affluent Boston merchant and political economist, took on the larger purpose of refuting systematically the American System. Lee assailed Henry Clay as much as Mathew Carey, and, in so doing, advanced a version of the unconstitutionality argument that had lately been used in the South.<sup>93</sup> In short, Raguet was not the only one with a grievance against his political masters. In many quarters, and not only in the South, the grievances had reached a fever pitch. They were heightened by a widespread belief that the political maneuvers and public legislation of John Quincy Adams, Henry Clay, and their abettors were virtually, or even literally, unlawful.

As the election of 1828 approached and Raguet’s efforts to force a public reckoning with him continued, his case took on symptoms of the same fever. Anti-administration newspapers like the *New York Evening Post* and the *New York Argus* took his side against the likes of the



*National Intelligencer*.<sup>94</sup> By his own account, Raguet “resolved, that if access to the Legislature of the nation, and through it to the bar of public opinion, could only be obtained through a party channel, to such party channel would I apply.”<sup>95</sup> He appealed to the Jacksonian opponents of the politicians who had cut him loose. Although the appeal could not have improved appreciably the odds of restoring his diplomatic status – not, at least, in an administration led by Adams and Clay – it opened up different opportunities.

To the majority of Jackson’s supporters in the presidential campaign of 1828, especially those in Northern entrepôts and Southern plantations, the Hero of New Orleans’s victory in the Electoral College in early December came with urgent necessity of undoing the highly protectionist “Tariff of Abominations” of the previous May.<sup>96</sup> To undo it would require constant proselytizing against the protective system in the manner that *Niles’ Weekly Register* had long done in support of it. Anyone discerning or desperate enough might have seen an opening, in a notoriously unlucrative profession, for a man with a certain combination of qualities: disciplined in the epistolary arts, knowledgeable of government, well read in the new science of political economy, and ready to enter the bruising fray of political controversy against the advocates of protection (most notably Henry Clay). Raguet had demonstrated the first three qualities even before his Brazil mission; circumstances during and after its end could not have failed to instill in him the fourth; and he was indeed both discerning and desperate.<sup>97</sup> He founded in Philadelphia and began writing and editing *The Free Trade Advocate and Journal of Political Economy*, the first issue of which was dated January 3, 1829.

From his first paragraph Raguet left no doubt about his aim. It was to demolish, through a searching examination of its “labyrinth of error,” the policy that had “latterly been distinguished by the appellation of ‘The American System’.”<sup>98</sup> The policy error he had in mind was not U.S.

government expenditures for internal improvements, nor was it encouragement of republican governments throughout the hemisphere. He meant the American System's other part: the imposition of high or prohibitive duties on foreign manufactures "for the express purpose of thereby affording, what is called *protection* to those individuals, who propose to manufacture similar commodities within the United States." The synecdoche was, presumably, a way of also taking aim at Henry Clay without naming him.

The *Free Trade Advocate's* general arguments against protective duties drew from the common stock of early nineteenth century political economy. They followed the tradition of Adam Smith, as refined by David Ricardo and Jean-Baptiste Say; their gist was expressed in the newspaper's banner, which read "LAISSEZ-NOUS FAIRE." To wit, "legislative interference in favour of any particular pursuit of industry, necessarily forces capital and labour from one occupation to another." The new occupation, being an "artificial" one, was necessarily less productive of national wealth than the old and "natural" one. Besides being inefficient, such interference was immoral. Tariffs in particular were "inseparably connected with an act of injustice, by which a tax is levied upon one portion of the people, for the benefit of another portion."

These were but the previews of Raguet's arguments that he set out in the first issue. In subsequent issues he spun them out in myriad ways. Nobody has credited him with originality in doing so – not even Raguet, who could hardly be accused of forgetting that he was chiefly an "advocate." Edward Stanwood says aptly that he "was a strong and a keen writer, quick to see the weakness in an adversary's position and persuasive in presenting his own views." His qualities earned him plaudits for disseminating political-economic ideas if not devising them.<sup>99</sup>

For this essay's purpose, Raguét's unoriginality in propounding the principles of free trade matters little. What matters is how he proposed to achieve free trade when, as a matter of fact, not only the United States but also its partners practiced protection. The theory that Raguét appropriated from Smith, Ricardo, and Say spoke mainly to the question of why free trade should be established, not how.

To be sure, the canonical authors upon whom Raguét relied were not silent on the question of reciprocity and countervailing duties. But they spoke to it only briefly: they were not sure that it was, after all, a question of political economy. Smith did not include retaliation among the good reasons for laying duties upon foreign merchandise. (They were, first, national defense; second, eliminating the preference for foreign goods that would otherwise come with domestic excises.) Retaliatory tariffs were instead a "matter of deliberation." On one hand, they might have good effects "when there is a probability that they will procure the repeal of the high duties or prohibitions complained of." On the other, that probability was small – and if repeal did not follow, then one would be left not only with the foreign duties or prohibitions but also one's own country's duties, which amounted to "a real tax upon the whole country." In any event, the deliberation was not within the realm of, as Smith put it in this instance, "the science of the legislator." It was the province of "that insidious and crafty animal, vulgarly called a statesman or politician."<sup>100</sup>

Say wrote similarly but more stridently. "Import duties and prohibitions have often been resorted to as a means of retaliation," he observed, while also noting, "this is the favourite plea, and the basis of most commercial treaties." If retaliation induced a partner to abandon its own duties and prohibitions, then it would prove to be expedient "as a matter of mere policy." But one should keep in view that it was an act of vengeance that worked in the first place against

oneself. “The only point in question,” Say affirmed, “is this, what degree of vengeance you are animated by, and how much you will consent to throw away upon its gratification.” As for treaties intended to reverse the damage by way of reciprocal concessions, they were the proper objects of “odium,” because “the concession to one can only be rendered effectual by refusal to others.” Far more enlightened was the commercial policy of the provinces of La Plata and St. Domingo, which had lately “opened their ports to foreigners, without any demand for reciprocity, and are more rich and prosperous than they ever were.”<sup>101</sup>

Raguet, it bears mentioning, knew particularly well the edition of Say’s *Treatise on Political Economy* from which the foregoing passages are drawn. It was produced in 1821, with a new translation of the introduction and additional notes, by his childhood friend, fellow political economist, and constant interlocutor, Clement C. Biddle – with whom Raguet avowed his “harmony of opinion” on most political subjects.<sup>102</sup> He thought well enough of it to give a copy while in Brazil to José da Silva Lisboa, the economist and diplomat whom he esteemed so highly.<sup>103</sup> One wonders what Lisboa thought, as he perused the book, about Raguet’s overtures for a commercial treaty.

What Raguet himself had thought during his Brazil mission has been noted. In the thick of the *Ruth* controversy, he had advised Clay that “the footing of the most favored nation might be obtained as the price of a reconciliation.” At a calmer moment a few months later, before the incident of the *Spark*, he had offered further that “no hesitation can be made to the immediate opening of a negotiation” for a commercial treaty. The negotiation “would at all events enable us to ascertain how far the american system [sic] would be likely to be embraced by this Government.”<sup>104</sup> To Raguet, no doubt, the American System had not then been freighted with the same meaning he saw in it in 1828. He had used the term, presumably, in reference to the treaties

Clay had supported and the United States had signed with Colombia in 1824 and Central America in 1825.<sup>105</sup> Those treaties were variations of the model that Raguet had expected the United States to propose with Brazil – the first centered on the most-favored-nation (MFN) principle for trade in each nation’s goods and for navigation, the second on MFN for trade in each nation’s goods and the national-treatment principle for navigation.<sup>106</sup> As far as commercial treaties went, they were among the most liberal in the world. But Say’s admonition still applied: even the Colombian and Central American treaties, and any other that might be modeled after them, could be rendered effectual only by an implied threat. Simply put, *without a treaty the concessions would not be granted; if they were not granted, then the partner would suffer discrimination*. As Chargé d’Affaires, Raguet had approved of that prospect. He did so not in submission to his boss, but earnestly and by his own deliberation.

Exactly two years later, as founder of the *Free Trade Advocate*, he appeared to disapprove. “There are some who will admit the truth of our position in the abstract,” he observed in his introductory essay, “but who will maintain, that the free trade policy is only advantageous when generally adopted, and that where it is departed from by one nation, it is for the interest of others, with whom she trades, to follow her example.” Raguet would not countenance any contradiction of principles by facts. “To adopt the restrictive system merely because another nation has adopted it,” he countered plainly, “would be as absurd, as a man to tie his hands, that he might diminish his power to work, merely because other persons, with whom he dealt, had the folly to tie theirs.”<sup>107</sup> But the “restrictive system” that Raguet resisted in his introduction was one calculated, by his description, to levy duties on British manufactured goods in order to countervail the British Corn Laws. Would he hold to the same principles with respect not only to goods but also to navigation?

In the event, Raguet would not, at this time, positively repudiate as a free-trade doctrinaire what he had sought as chargé. But he did not restrain himself merely for pride in his past position or consistency with past deeds, and he did not fail to devise a painstaking justification. To accept the reciprocity principle and the corollary of countervailing and discriminating duties, in navigation if not goods trade, was indispensable for advancing the cause of free trade – for a while at least. The occasion for Raguet’s justification of reciprocity was the publication, first in the *National Intelligencer*, of a pair of letters by former President Madison dated September and October, 1828, on the awfully fraught question of the constitutionality of protective tariffs.

Those who argued the unconstitutionality of tariff protection grounded their argument in a strict reading of Article I, Section 8. In clause 1, Congress’s power “to lay and collect Taxes, Duties, Imposts and Excises” was qualified by the stipulation that it should be used for three legitimate purposes: “to pay the Debts and provide for the common Defense and general Welfare of the United States.” Protection for domestic producers was not specified. In clause 3, Congress’s power “to regulate Commerce with foreign Nations” was circumscribed by the word “regulate,” which some disbelieved to mean levying duties, because that had already been disposed of in the foregoing clause; and “Commerce,” which some disbelieved to encompass any more than the transportation of goods, not their production. The first and third clauses of Article I, Section 8 came closest to granting Congress the power to levy tariffs for the protection of domestic producers. If the power did not exist there, then it did not exist anywhere. On that everyone agreed. But in the weighty opinion of President Madison – a Virginian at odds with the Virginia General Assembly, and an author of the Constitution besides – the power did exist. He focused on the third, or commerce, clause.

His focus was not altogether sharp. He misquoted the clause repeatedly, saying that it granted the power to regulate “trade” with foreign nations. According to common usage, claimed Madison, “to regulate trade” connoted not only regulation of the act of trading but also encouragement of the production of tradable things, particularly manufactures. (He could have made the same claim with respect to “commerce” but it might not have rung as true: that word had come to be associated rather more with the act of trading than the stuff traded.<sup>108</sup>) As for the notion that “to regulate” did not mean to levy duties, he brushed it aside, observing that the distinction could hardly be maintained in practice. Finally, and compellingly, he observed that his interpretation was not his alone: it had been around since the first congress, wherein a number of fellow sons of Virginia, of both the Federal and anti-Federal parties, “did not hesitate to propose duties and to suggest even prohibitions in favour of several articles of her production,” from coal to hemp to beef.<sup>109</sup>

There rested Madison’s legal case against the unconstitutionality argument. To it he added a pragmatic case. If it were not admitted that the power to regulate trade embraced encouragement of domestic production, then neither food staples nor “the essential implements for the public safety” would be ensured a home market. Stretching the point, he proffered that, given the “Let us alone” theory animating the unconstitutionality argument, “it would follow that no monopolizing or unequal regulations of foreign nations could be counteracted.” Other countries’ ships would be protected by navigation laws that the United States would be powerless to countervail; the merchant marine, the bulk of the navy during wartime, would wither away. In sum, acceptance of the argument would be tantamount to rejection of reciprocity, which was “the only rule of intercourse among independent communities.” The consequence would be a humiliating subservience to foreign powers.<sup>110</sup>

Madison's pragmatic case conflated goods and commerce, just as his legal case did. But it was shrewd. It presented those making the unconstitutionality argument as proponents of national weakness. It thus confronted free traders with a dilemma: maintain the argument and appear craven in the public view, or renounce the argument and rely on the same stock that had notably failed to turn the public against protection. After the protectionist mobilization of 1827 had begotten the Tariff of Abominations of 1828, the dismay of the prior year had turned to alarm. Political scion, lawyer, and reformer Henry D. Sedgwick of New York City and Stockbridge, Massachusetts, declared that "the people have not listened to the proof that this system is baneful – they are bound to listen to the proof that it is illegal."<sup>111</sup> Plenty of free traders put their hopes in that prospect, but plenty more feared it.

Rauget understood the peril. He devoted twelve pages of his newspaper to reprinting and analyzing Madison's letters, maneuvering carefully around both horns of the dilemma. His approach was inspired unmistakably by Smith and Say. Pledging to subject Madison's arguments to "the maxims of the science to which they relate," he would avoid direct engagement with the legal case (which did "not appertain to the province of political economy") and proceed to examine the pragmatic one.<sup>112</sup>

Where Madison argued that countervailing duties were necessary for the support of the merchant marine, Rauget acknowledged that he was, perhaps, right. But the reason had nothing to do with "*economical principles*," in light of which such duties were always unwise. Retaliation against foreign restrictions would cause trade to be more restricted – and "what would be thought of a man in want of provisions, who should insist upon it, that no bread was better than half a loaf?" The reason for retaliatory duties could only be seen in light of "*national policy*." If naval glory and power hung in the balance, then a country might decide – "and very



justly too we think” – that some “sacrifice in her economical calculations” were appropriate. The appropriate instrument, then, would be a countervailing duty on the tonnage of foreign ships. Although it would undoubtedly be prejudicial to the economic interests of the country, it could possibly be expedient as a “way to maintain a navy for the defence of her commerce and her harbours.” And it was precisely this instrument, Raguet added (violating for a moment his promise not to treat questions of law), that the Constitution afforded in Article I, Section 8, clause 3, “to regulate Commerce with foreign Nations ... .”<sup>113</sup>

On its face, Raguet’s argument would seem to have helped free traders to dodge the charge of cravenness at the cost of forfeiting the contest. But he added two qualifying points. First, even as “national policy,” it was “manifestly unwise and impolitic to retaliate upon a nation, which it was certain would retaliate again.” This dubious point he defended by substituting one purpose for another. The purpose that he had already accepted as legitimate, in agreement with Madison, was to provide for a national merchant marine; now he assumed it was “to let the offending nation see the folly of her measures, and to induce her to abandon her selfish and illiberal policy.” If the offender would see no folly, then retaliation was worse than useless. Whether in such a case retaliation would be useless for protecting the merchant marine, he did not say.<sup>114</sup>

Second, the possible expediency of countervailing tonnage duties did not apply to countervailing goods duties. Great Britain, the presumptive offending nation, had in fact lowered its duties lately on American cotton. But, Raguet allowed, suppose that it had not. Or consider the offense of Britain’s Corn Laws, which hindered exports of American flour. Either way, what would be achieved with a retaliatory refusal to buy British manufactures? “It has not the character of national policy to recommend it, which attaches to the countervailing duty on

tonnage,” Raguet answered; “the protection of commerce and the defence of the nation, cannot be urged as reasons for its adoption.”<sup>115</sup> His defense of this point, too, was conspicuously silent on an obvious question. What if manufactures imported from Britain were, as Madison had put it, “essential implements for the public safety”? To put it plainly, if duties on foreign tonnage were justified in order to encourage the American merchant marine, and so in wartime to float a navy, then why not impose duties on foreign woolens in order to encourage the American textile manufactory, and so to clothe an army?

Madison’s argument was built upon on an opportune conflation of goods and commerce, Raguet’s upon a questionable distinction between them. Still, if one accepted Raguet’s distinction then his accomplishment was impressive. He trimmed the unconstitutionality argument so as to spare its advocates from the brunt of Madison’s criticism. But he did not wholly refute it: if the exigencies of “national policy” were to be found only in navigation, not other branches of industry, then neither economic nor national considerations could be cited to justify protection for manufactures. One could agree with Raguet and proceed to argue that, because protection of such goods did not provide for either the common defense or the general welfare, and because it did not relate to “commerce,” it was unconstitutional. Or one could agree with him and proceed to make only economic and moral arguments against protection. If the protective system was to be overturned (and Raguet to build his list of subscribers) then free traders of different convictions on the constitutionality question would have to share some common doctrinal ground. Raguet had just surveyed it. The doctrine embraced: (1) unilateral repeal of protective duties on goods irrespective of their constitutionality; (2) reciprocity and countervailing duties in navigation when expedient.

### REVERSES OF FREE-TRADE RECIPROCITY

Underlying the ground that Raguet had staked out for a free-trade consensus were numerous circumstances that were bound to change. As they did, the ground shifted, particularly in respect to free traders' limited embrace of reciprocity. The first shift happened within the year.

In July, 1829, Secretary of State Martin Van Buren instructed the new Minister to Great Britain, Louis McLane, to open negotiations with the United States' most important trade partner.<sup>116</sup> The precise subject of the negotiations was a matter of much public conjecture – so much that Van Buren followed up with another letter to McLane warning him of the “rumors and speculations” about his mission.<sup>117</sup> Raguet was complicit in spreading the rumors. In his issue of *The Free Trade Advocate* for August 8, he repeated a report from unnamed sources that McLane had been instructed to negotiate a treaty “upon the basis of a modification of our tariff, and of the British corn laws.” Attentive readers might have expected Raguet to look askance such a deal, which would substitute reciprocity for the rule of unilateral liberalization of trade in goods. In fact, although he paused to wonder about the correctness of circumventing the express will of the people's representatives in Congress with the instrument of a treaty, he overcame his hesitation and endorsed the idea warmly. Such a treaty would “permit the manufactures of one country, where they can be produced to the best advantage, to be freely exchanged for the flour of the other country, where grain can be produced to the best advantage.” And lest his readers suppose that he considered reciprocity to be merely a second-best option, he pointed out that if the Corn Laws were repealed unilaterally and without any preferences, then the additional British demand for foreign wheat would be met by continental Europe and the Black Sea region. American farmers would reap the benefits of more liberal trade with Great Britain *only* if it were secured by treaty.<sup>118</sup>

The reports about McLean's instructions were false: they concerned navigation, especially in the West Indies. As for protective duties on goods, Van Buren kept them deliberately off the table: he doubted that Great Britain would bargain away the Corn Laws, and anyway it was the United States' "right and their duty" to persevere in protection for manufactures.<sup>119</sup> Raguet's partial retreat from his doctrine may have appeared to be moot. In fact, it signaled a precarious pliancy on his part that would soon find new expressions.

When Congress convened in December 1829, Raguet's prospects were improving and his influence increasing. He had moved his editorial efforts to Washington, D.C. and expanded them under the aegis of a new periodical, *The Banner of the Constitution*. It was ampler in scope than its predecessor: it was designed to supply more numerous and varied facts in support of true theories. But the overarching principles were the same: individuals were held to be better stewards of their interests than governments, exchange was mutually beneficial, and, notably, it was "an error to suppose ... that the interests of a country are to be promoted by counter restrictions."<sup>120</sup>

Because Raguet took credit for the reciprocity treaty with Brazil signed lately by his successor ("I cannot but think that the treaty ... was the fruits of the course I pursued"<sup>121</sup>), he undoubtedly had in some exceptions to the erroneousness of counter restrictions. Sorting the valid exceptions from invalid ones in light of free-trade doctrine would require his constant attention. Tariff reform was high on the agenda of the 21<sup>st</sup> Congress, but no realistic reform would be a pure free-trade measure. He would have to decide what kind of reform was adequate to gain his endorsement.

Among the several reform bills introduced, Raguet's opinions on two of them, both founded upon reciprocity, are especially significant. The first was unveiled in February of 1830

by Congressman Cambreleng of New York City, chairman of the House Committee on Commerce. Cambreleng issued a lengthy report detailing the state of American trade and navigation and supporting new legislation. His chief concern was trade between the United States and Great Britain, which was “embarrassed with restrictions.” Most of the restrictions, he determined, were of the United States’ own making: while Great Britain had lately been dismantling its prohibitions and substituting moderate duties, “we have been substituting restrictions for free trade.” Among the more egregious were U.S. tariffs on woolens, cottons, glassware, and rolled iron, which had risen in some cases (depending on the particular product) to 168%, 125%, 70%, and 180%, respectively. Cambreleng’s proposal: to create a maximum duty on all goods imported from any particular partner of 30% *ad valorem*, which duty would apply whenever it was determined that the partner had done the same. The proposal would have created, in effect, a two-column tariff for all goods whose tariffs stood above 30%. The low-tariff column would have applied to countries remaining in the United States’ good graces from year to year as well as those wishing to cement their “reciprocating commercial privileges” with a treaty. Raguet reprinted Cambreleng’s entire 72-page report in serial form throughout six issues of *The Banner of the Constitution*. He did not neglect to append his own editorial comments.<sup>122</sup>

Raguet’s comments were wholly and effusively positive. He judged Cambreleng to have produced “*the most able and masterly exposition of the practical operation of restrictive laws, that has ever been submitted to Congress.*” Whereas Adam Smith, Jean-Baptiste Say, and Benjamin Franklin had explicated ably the principles at issue, he continued, Cambreleng had demonstrated them with particulars. The congressman had not only maintained “in an argumentative, sound, and logical manner, the grand essential *theories* of free trade” but had also proved them “by the adducing of the most conclusive *facts*, collated in the form of tables.”<sup>123</sup>

Later Raguet commented specifically on the report's two-column tariff-reciprocity proposal, when it was introduced as a bill for debate in the House. It was meant to appeal to the "*moderate* portion of the tariff party," he admitted, but that fact did not counsel against it. The moderates advocated a restrictive policy only "upon the ground of retaliation," which was legitimate. The bill, which was designed upon the same ground, was "completely calculated to prepare the way for that kind and friendly intercourse with foreign nations which all Christians [sic] and philanthropists ought to desire."<sup>124</sup>

The second bill eliciting Raguet's opinions did not rank as high in his estimation. Senator Thomas Hart Benton of Missouri proposed similarly to reduce or abolish duties on imports of numerous goods, and on the tonnage of ships, from countries offering equal favors to the United States; and to levy a tariff of 33 and 1/3 percent on a smaller number of goods, namely furs and raw hides, imported from countries that did not reciprocate the United States' free admission of them by giving "equivalent advantages."<sup>125</sup> In the case of the republics of South America, which exported furs and hides and could not be expected to want similar goods from the United States, the "equivalent advantages" would consist of tariff concessions for some other U.S. products. If they did not offer concessions, "the penalty of their own election falls upon them."<sup>126</sup> Like Cambreleng's proposal, Benton's required a determination of other countries' reciprocal tariff reductions in order to activate reductions in U.S. tariffs. Like Cambreleng's, Benton's would therefore create a two-column tariff, the high-tariff column being framed as a set of countervailing duties. The difference was that, for two goods of particular interest to Western states, instead of a partner's reciprocal treatment resulting in U.S. duties being lowered to 30%, the partner's non-reciprocal treatment would result in U.S. duties being raised to just over 30%. To Raguet, the difference mattered. Although Benton's proposal was founded upon "a great deal

of sound and orthodox reasoning,” the part concerning furs and hides did not “correspond with the views maintained by this Journal.”<sup>127</sup>

In his next issue Raguet restated those views. It was common with advocates of high duties, he began, “and even with some who strongly incline to the doctrine of free trade,” to argue for restrictions of trade with countries that restricted trade with the United States. A simple example would show the fallacy of the argument. “The proposition, we are to combat, asserts, that if the Buenos Ayrean Government should lay a duty on flour, it would be good policy in our Government to lay a corresponding duty on hides, that is, that we should be benefitted by such countervailing duty.” If Buenos Aires imposed a duty on U.S. flour of 50%, or perhaps even higher, then a Pennsylvania farmer would sell less flour there and could afford to buy fewer hides. But he could still afford to buy some hides – say, half the original number. If the U.S. government retaliated with a duty on Buenos Aires hides, then he could afford less than half. The government’s action “would be precisely like that of a man, who, by way of retaliation upon another for a supposed wrong, should fall to work and pull his hair out of his own head, as some foolish children do.” Repeating his argument against Madison from the year before, Raguet concluded that a countervailing duty was justifiable only if there was good reason to believe the original offender could be “coerced into an abandonment of his error.” If not, then it would only cause mischief. Anyway, “as a permanent system, it is always to be avoided.”<sup>128</sup>

The homily was directed unmistakably against Benton’s bill.<sup>129</sup> The crux was that while Cambreleng’s countervailing-duty proposal was a Christian and philanthropic boon, Benton’s was a foolish bungle. The gap between the proposals was rather narrow for such widely different assessments. But Raguet wished to promote the closest approximation to a free-trade bill that the

politics of the moment would permit. In such circumstances a narrow gap could seem, or could be made to seem, wide indeed.

As an exercise of Raguet's growing influence, more important than his endorsement of Cambreleng's reform proposal was his spearheading, the next year, a massive convention of free-traders from fifteen states ranging from Maine to Mississippi. Between 150 and 350 delegates, according to different accounts, convened at the Musical Fund Hall in Philadelphia between September 30 and October 7, 1831. The call for participants was issued from Raguet's own house by a coterie of southern and northern free traders, the latter group including (in addition to their host) Henry D. Sedgwick, his brother Theodore, and Clement C. Biddle, among others.<sup>130</sup> The convention, they declared, would "be the reverse of the Harrisburg Convention" of 1827. It would gather and disseminate information promoting tariff reform; specifically, it would produce "a petition or memorial, to be addressed to the next Congress, for the purpose of obtaining a modification or repeal of the existing Tariff."<sup>131</sup> In the event, Raguet was the convention's secretary.<sup>132</sup>

William S. Belko tells in detail the story of the Philadelphia Free Trade Convention.<sup>133</sup> What remains to be said here concerns its implications for free-trade and protectionist doctrines and their treatment of reciprocity. Two weeks before the convention, Raguet reiterated the views that had led him to applaud the rumors of trade negotiations with Great Britain and to support Cambreleng's bill. To the question of whether the Constitution's commerce clause (Article I, Section 8, clause 3) permitted the levying of duties on tonnage and imports, at least for purposes of retaliation, Raguet answered, "unhesitatingly, yes." He also stated explicitly what he had implied when applauding the rumored negotiations with Great Britain and Cambreleng's bill: contrary to his own argument against Madison, retaliatory duties could target not only a



country's shipping but also its goods. But the constitutionality of such duties depended crucially on Congress's purpose. Congress was permitted to "regulate" commerce, not to diminish it – so, if the commerce clause were to authorize a tariff act, "the act must be instituted for no other purpose than to secure a removal of the offensive provision." According to Raguett, the Tariff of 1828 did not meet that requirement: "for, had this been the case, our laws would have been special, not general: their provisions would have been specifically applied to particular nations, regulating the duties with some reference to those against which they were retaliatory."<sup>134</sup> On the eve of the Free Trade Convention, its chief organizer was arguing that the Tariff of 1828 was unconstitutional because it was insufficiently discriminatory! The convention was badly needed not only for its stated aims but also to help free traders to think through their position.

In fact, the free-trade men had various positions, especially on the constitutionality question. The fact was manifest most dramatically on the sixth day, when the delegates debated an "Address to the People of the United States" delivered by John Berrien of Georgia on behalf of the convention's General Committee. The address was calculated to bridge the differences between the delegates from several states, especially but not only in the South, who disputed the constitutionality of the tariff, and those mainly from New York and New Jersey who affirmed it. After emphasizing the wrongs inflicted by the tariff system, the address observed that "a numerous and respectable portion of the American people, do not merely complain that this system is unjust, but they question the right to establish it."<sup>135</sup> Specifically, although they admitted Congress's power to levy duties and countervail foreign commercial regulations, and thus to provide protection incidentally, they denied its power to do so for that purpose principally. But it was conspicuously "they" to whom the complaint was attributed, not "we." By

airing the complaint respectfully without professing to agree with it, the General Committee hoped to avoid any dispute among the body of delegates.

That hope was immediately dashed. Some delegates wished to inveigh against the tariff only on the grounds of its inexpediency – or perhaps, as Theodore Sedgwick suggested, its offensiveness to God – and omit any expression whatsoever of the unconstitutionality argument. Others thought the argument was not expressed strongly enough: Judge Johnston of South Carolina thought that under no circumstances should the legality of protection, even incidental, be admitted to tariff advocates. “All they have contended for, is, that it is an incidental power,” he said. “Shall we concede to them all they demand?”<sup>136</sup>

The address was approved by the majority of delegates, but not before the weaknesses of the moderate form of the unconstitutionality argument, which happened to be the form Raguet’s favored, were amply demonstrated. A dueling tariff convention held in New York from October 26 to November 1, including Carey, Niles and over 500 others, pounced on the weaknesses. In their own address, protectionists mocked the free traders’ concessions. So a bunch of tariff skeptics held protection to be unconstitutional but accepted Congress’s powers to give protection incidentally and to countervail foreign legislation. “Are not these concessions,” goaded the tariff advocates, “inconsistent with the main proposition?” Protectionist tariffs, they claimed, were usually designed precisely to protect manufacturers from the unequal competition of other countries. They were “no other than so many acts passed *to countervail the injurious commercial regulations of foreign states.*”<sup>137</sup> Given the claim, it followed that the unconstitutionality argument spelled out in the Philadelphia address was not only wrong, it was irrelevant. As for the practical wrongs of protectionist tariffs, which the protectionists now equated with countervailing duties, the New York address called attention to the longstanding system of

countervailing duties on tonnage embraced similarly by foreign countries and the United States. The system was not especially controversial. Thus it would appear that “those who have taught us their theory of free trade, are too wise to practise it.” The appearance held even where countries reduced their duties reciprocally: far from acknowledging the benefits of free trade, they were demonstrating that “trade can only be carried on between nations by mutual agreement; and mutual protection leads to reciprocity as the only equitable arrangement.”<sup>138</sup>

Theodore Sedgwick, for one, saw the muddle that free traders had gotten themselves into. To Henry Lee, who had partial responsibility for composing a memorial to Congress on behalf of the Philadelphia convention, Sedgwick expressed doubt that free traders had expressed plainly enough what “free trade” meant – or that they even knew what they meant. “This produces confusion in the minds of the people,” he continued, “and gives our adversaries a great advantage.” Sedgwick offered what he meant by the term: “*equal duties* and no *preferences*, no *protection*.” And he offered correspondingly a suggestion for writing the memorial. “I hope my dear Sir, that we shall no longer tamper with this subject – any half way will I think now be considered, and ought to be, as mean & timid – it will do no good, it will be unintelligible to the people.”<sup>139</sup> Thus Theodore Sedgwick and Judge Johnstone, who opposed each other vehemently on the unconstitutionality question, were of one mind on a more basic question. Compromises to expediency were, in fact, inexpedient. Whether the compromise pertained to the legal, practical, or moral argument for free trade, the same conclusion held. Acceptance of discriminating duties in any industry, for any purpose, in any circumstances, undermined the free-trade cause.

As it turned out, the memorial was altered from its original design and divided into parts. Former Treasury Secretary Albert Gallatin, another of the convention’s leaders, composed the “Memorial of a Committee Appointed by the Free Trade Convention” in close consultation with

Raguet and some others. It was a document of 55 pages presenting already a fairly comprehensive statement of the free traders' case. Lee went further, writing an *Exposition of Evidence in Support of the Memorial to Congress* that was more than three times longer. True to their titles, the documents complemented each other. While both manifested a wish to hew generally to Sedgwick's advice, both departed from it in crucial particulars.<sup>140</sup>

"Equal duties" was indeed their plea. The memorialists called "for a uniform duty," whatever would be its rate, so that "all the sections of the country, classes of society, and individuals" would maintain approximately the same relative positions they would have had with no duties at all. The memorialists were not, however, indifferent as to the rate: they suggested 20 to 25 percent ad valorem in place of the current duty that amounted on average to perhaps 40 percent.<sup>141</sup> If their suggestions had been offered without important qualifications and accompanied by calls for (1) a domestic excise equal to the tariff, and (2) a ban on differential treatment of imports from different countries, then, even with a tariff of 20 to 25 percent, Sedgwick's advice would have been followed to the letter. Equal duties, no protection, and no preferences, without any "half way."

But they added qualifications in every respect. Equality of duties, they admitted, need not apply to items necessary for the national defense, nor to luxuries or raw materials. Import duties that were not balanced by domestic excises were regrettable, but "the people prefer, in time of peace, duties raised on the importation of foreign merchandise to any internal tax," and they would not quarrel with the people on that count. Finally, retaliatory laws and the differential treatment they entailed were an evil – except when they were not! "Retaliatory measures may be resorted to with more or less success, according to circumstances; and as they may be more or less adapted to the object in view, for the purpose of inducing a nation to alter her policy or

conduct.”<sup>142</sup> If retaliation did have that object in view, then, elaborated Lee, it only “met taxation by taxation – not to restrict and restrain trade, but to make it more free.”<sup>143</sup> (“Most capital,” Raguet commended Lee on the part of the *Exposition* containing that last point.<sup>144</sup>) These arguments had already been tried and turned against their proponents. They could hardly be relied upon to clear up the “confusion in the minds of the people” that Sedgwick apprehended and, according to him, the likes of Carey and Niles exploited.

Gallatin’s memorial and Lee’s *Exposition*, which were together supposed to constitute a decisive free-trade manifesto, did not put to rest Sedgwick’s apprehensions or the protectionists’ rebuttals. What did so at last was not persuasion but precipitation of a crisis. South Carolina’s nullification of the tariff in November 1832 threatened disunion and disaster unless a compromise was struck. Henry Clay introduced the compromise in the Senate on February 12, 1833. The free list was to be enlarged and all other duties were to be reduced, by stages, to a maximum 20% *ad valorem* in 1842. After that year, duties were to be laid as necessary to raise revenue for “an economical administration of government.” This was rather less a compromise than an utter capitulation to the position staked out by Gallatin and Lee for the Philadelphia conventioners. Its cause, by Clay’s own account, was the prospect of an even worse outcome for tariff advocates and the country if the controversy were allowed to linger.<sup>145</sup>

After the enactment of the Compromise Tariff on March 2, 1833, in nearly the form that Clay first introduced it, protectionists and free traders alike were loath to disturb it. They had retreated from the brink, and most did not wish to return anytime soon. The tariff controversy quieted down.

The quiescence was not without its costs. In the midst of the nullification crisis, in December, 1832, Raguet had discontinued *The Banner of the Constitution* to prepare the ground

for an even more ambitious undertaking: a daily paper promoting the same principles.<sup>146</sup> The events of the following months made not only the bigger undertaking, but also the *Banner* itself, unviable. Scaling back his plans, in August 1833 he established a bimonthly periodical, *The Examiner, and Journal of Political Economy*, which was “devoted to the advancement of the cause of state rights and free trade.” But the value of publishing even as frequently as that was questionable. Raguet’s peculiar rationale was that, precisely because the rancor had subsided, “men may now calmly sit down and reason together upon those vital questions of constitutional law and public policy.”<sup>147</sup> By the end of 1834 he acknowledged that the men so seated were too few to sustain his paper.<sup>148</sup> He kept it afloat until the next summer and finally sold it to the owner and editor of the *United States Telegraph*, Duff Green, who held similar state-rights convictions and, since late in Jackson’s first term, a similar animus against the President.<sup>149</sup>

The tariff question lay dormant through the Panic of 1837 and its immediate aftermath. It reawakened around 1840, when the end of the initial nine-and-a-half year term of the Compromise Tariff loomed two years ahead. In a debate of that year on public expenditures, Senator Calhoun of South Carolina warned his colleagues that when the moment to adjust the tariff arrived, he would “resist all attempts to draw more money from the pockets of the people than is absolutely necessary, with rigid economy, to the just and constitutional wants of the Government.” He would insist, in other words, that his colleagues continue to honor the compromise. Although Clay professed his intention to do just that, his remarks to the effect that he would nevertheless “meet prohibitions with prohibitions” aroused suspicion.<sup>150</sup>

The suspicions of free traders grew in 1841. Rep. Henry A. Wise of Virginia saw designs afoot to reinstate protection, albeit under a different name that would not openly controvert the Compromise Tariff. “Gentlemen will not violate the compromise,” he observed; “Oh no! they

will not violate the compromise as they understand it; yet they can do all the mischief I dread within the terms of their comprehension!”<sup>151</sup> The comprehension at issue was that duties could be raised ostensibly for purposes of retaliation. To do so was arguably consistent with the “economical administration of government” because it would convince foreign countries to drop their barriers to U.S. exports – and what could be more economical than that? An article reproduced in *Niles’ National Register* presented the argument ably. The United States imported from France double the value of goods that traveled in the opposite direction, while subjecting French goods to one-third the duties. Duties on silks and linens, of which France was a leading exporter, had been eliminated by the Compromise Tariff; they should be revised upward to the maximum 20%. Duties on wine had been cut in half by the Tariff of 1832; they should be restored. Such “reciprocative and retaliative duties” would be just; they would be consistent with the compromise; they might cause the French government to change its ways; and if they did not, then “we have the ability to produce ourselves” the same goods. To be sure, those statesmen whose understandings of political economy were based on “fine spun theories” would not like the proposal, but anyone who applied the test of “practical experience” would see its virtue. Not as a protective measure, of course, but merely as a means of inducing foreigners “to extend to us the same liberality we have *ever* manifested toward them.”<sup>152</sup>

The proposal was the core of the tariff law enacted in September 1841.<sup>153</sup> Raguet, now President of the Philadelphia Chamber of Commerce and ailing gravely from bronchitis, responded as the author of the foregoing newspaper article expected a theoretician to do. He did so despite the awkward fact that his own occasional argument for reciprocity was not so different from the one that now piqued him.

The response was his last published work. To compose it, he recycled his countervailing-duties article, cited previously, from *The Banner of the Constitution* of March 6, 1830. There were differences: instead of a 50% tariff, he now supposed that Buenos Aires imposed a 20% tariff on U.S. flour, and he went on to apply his lesson particularly to the case of France. Instead of likening the retaliating country to a child pulling out his own hair, it was now a man cutting of his nose to spite his face. But the substantial difference lay in the exceptions that Raguet admitted to “the impolicy of countervailing duties.” In 1830, he had admitted the desirability of retaliation if there were “*a reasonable probability* that the original aggressor ... can be coerced into abandonment of his error.” A decade later, it was “too dangerous to be resorted to, without something like *a positive conviction* that it will be successful.”<sup>154</sup>

The danger that Raguet referred to was the obvious one: an endless war of mutual retaliation. There was another danger that he did not name but that he acknowledged, intentionally or not, in this final adjustment of his doctrine. Allowances for reciprocity, as Theodore Sedgwick and Judge Johnstone had warned, undermined the free-trade argument. They cleared the way, perhaps, for achieving immediate and possibly important political objectives and diplomatic triumphs. But they also fostered the argument and the legislation that Raguet expended his last efforts in resisting.

### CONCLUSION

A final element of Raguet’s last article is worthy of note. He reserved his severest scorn not for the “impolicy” that was his main subject, but rather for his longstanding *bête noire*, the supposed opposition of theory and practice. What ignoramuses and quacks, he scoffed, were those self-



professed “*practical men*” who offered “with an air of triumph, as if they put an end to all doubt on the subject, ‘one fact is worth a thousand theories’”!<sup>155</sup>

It is an irony of Raguet’s life, and of the early-to-mid-19<sup>th</sup> century tariff and trade controversies, that he was so provokable by the theory-versus-fact trope. The long sweep of his career, encompassing his words and deeds as state politician, diplomat, newspaper editor, and executive, does not manifest any theoretical rigidity. Try as he did repeatedly to demonstrate that there was no necessary discrepancy between theory and fact, his record demonstrates it better – albeit in a way he would not have cared to admit. In Raguet’s hands, the free-trade doctrine of the time was a malleable thing. In light of the problem of reciprocity, it admitted, often with unintended consequences, continual adjustments to political and economic facts.

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#### NOTES

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<sup>1</sup> Editorial, *Free Trade Advocate and Journal of Political Economy* (Philadelphia) 1, no. 21 (23 May 1829): 335.

<sup>2</sup> See for instance Jagdish Bhagwati, “Introduction: The Unilateral Freeing of Trade versus Reciprocity,” in *Going Alone: The Case for Relaxed Reciprocity in Freeing Trade*, ed. Bhagwati (Cambridge: MIT Press, 2002), 1-30.

<sup>3</sup> Clement C. Biddle and Richard DeCharms, “Biographical Sketch of Condy Raguet,” *The Newchurchman* 2 (July 1843): 264-288; Daniel Joseph Ahearn, Jr., “Condy Raguet” (M.A. thesis, Columbia University, 1938); H. Arthur Scott Trask, “The Constitutional Republicans of Philadelphia, 1818-1848: Hard Money, Free Trade, and State Rights” (Ph.D. diss., University of South Carolina, 1998); Zelia Sá Viana Camurça, “Condy Raguet: His Life, Work, and Education” (Ph.D. diss., University of Pennsylvania, 1988).

<sup>4</sup> Joseph Dorfman, *The Economic Mind in American Civilization, 1606-1865*, 2 vols. (New York: Viking Press, 1946), vol. 1, 363-364, 386; vol. 2, 602-603, 610-612; Paul Conkin, *Prophets of Prosperity: America’s First Political Economists* (Bloomington, Ind.: Indiana University Press,

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1980), 215-221; Thomas L. Martin, “Neglected Aspects of the Economic Thought of Condé Raguét,” *History of Political Economy* 19, no. 3 (1987): 401-413; Thomas L. Martin, “The Free Enterprise Philosophy of Condé Raguét,” *The Journal of Private Enterprise* 3, no. 1 (1987): 41-48; W. Stephen Belko, *Unifying the Anti-Tariff Men: The Philadelphia Free Trade Convention of 1831* (unpublished manuscript, August 12, 2010), Microsoft Word file.

<sup>5</sup> Murray N. Rothbard, *The Panic of 1819: Reactions and Policies* (Auburn, Ala.: Ludwig von Mises Institute, [1962] 2002); Edward Stanwood, *American Tariff Controversies in the Nineteenth Century*, vol. 1 (Boston: Houghton, Mifflin & Company, 1903), 169, 179-180; Taussig, Frank W., *The Tariff History of the United States* (New York: G. P. Putnam’s Sons, 1892), 68.

<sup>6</sup> Camurça, “Condé Raguét,” 79-88.

<sup>7</sup> Biddle and DeCharms, “Biographical Sketch,” 265; Camurça, “Condé Raguét,” 68.

<sup>8</sup> Condé Raguét, “Memoirs of Hayti – For the Port Folio. In a Series of Letters,” *Port Folio, A Monthly Magazine, Devoted to Useful Science, the Liberal Arts, Legitimate Criticism, and Polite Literature* (Philadelphia) 1, no. 5 (1809): 369-370; Camurça, “Condé Raguét,” 93-95.

<sup>9</sup> *Ibid.*, 158-163.

<sup>10</sup> *Ibid.*, 140.

<sup>11</sup> *Ibid.*, 117.

<sup>12</sup> *Ibid.*, 144-146, 148-156; James M. Wilcox, *A History of the Philadelphia Savings Fund Society, 1816-1916* (Philadelphia: J. B. Lippincott Company, 1916), 11-13.

<sup>13</sup> Commonwealth of Pennsylvania, *Journal of the Senate of the Commonwealth of Pennsylvania* (Harrisburg: Christian Gleim) 30 (1819-1820): 7-8, 11, 221-236.

<sup>14</sup> Biddle and DeCharms, “Biographical Sketch,” 269.

<sup>15</sup> Commonwealth of Pennsylvania, *Journal of the Senate* 30 (1819-1820): 223, 228, 230.

<sup>16</sup> *Ibid.*, 231.

<sup>17</sup> *Ibid.*, 456.

<sup>18</sup> *Ibid.*

<sup>19</sup> Mathew Carey, Lyman Beecher, and Samuel Jackson, *Addresses of the Philadelphia Society for the Promotion of National Industry*, 5<sup>th</sup> ed. (Philadelphia: James Maxwell, 1820), 26, 38-39.

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<sup>20</sup> Citizens Friendly to American Manufactures, “American Manufactures: An Adjourned Meeting of the Citizens of the City and County of Philadelphia, Friendly to American Manufactures” (Philadelphia, 1819).

<sup>21</sup> Raguet to Carey, 16 Dec. 1819, Mathew Carey Papers, Edward Carey Gardiner Collection, 227A, Historical Society of Pennsylvania. Camurça (“Condy Raguet,” 170) misreads this letter. By her account it is a repudiation rather than assertion of a banking-related cause of the crisis.

<sup>22</sup> Raguet to Carey and Samuel Jackson, 17 Dec., 30 Dec., 1819, Mathew Carey Papers. Raguet’s service to Carey’s Philadelphia Society for the Promotion of National Industry is what Rothbard (*Panic of 1819*, 161) appears to have had in mind in saying that, at the time of his Senate report, Raguet was “only of late a protectionist himself.” The remark rates rather highly Raguet’s appreciation of protectionism immediately before his report. It also implies his having undergone a conversion around the time that he wrote it. The evidence I have seen supports neither the remark nor its implication.

<sup>23</sup> Raguet to Ricardo, 19 Apr. 1821, *Minor Papers on the Currency Question, 1809-1823*, ed. Jacob H. Hollander (Baltimore: Johns Hopkins Press, 1932), 201.

<sup>24</sup> Raguet to Carey, 30 Dec. 1819, Mathew Carey Papers; *Annals of Congress*, 16<sup>th</sup> Cong., 1<sup>st</sup> Sess.: 1914-1915. The foregoing pages in the *Annals of Congress* include a table comparing the duties proposed by Baldwin’s bill with those existing in 1820. The text of the bill is printed elsewhere: see “Commercial and Manufacturing,” *Niles’ Weekly Register* (Baltimore) 18, no. 449 (15 April 1820): 133.

<sup>25</sup> *Annals of Congress*, 16<sup>th</sup> Cong., 1<sup>st</sup> Sess.: 2046, 2036.

<sup>26</sup> Adam Smith, *An Inquiry Into the Nature and Causes of the Wealth of Nations*, vol. 1 (Oxford: Clarendon Press, [1784] 1979), 435; *Annals of Congress* 16<sup>th</sup> Cong., 1<sup>st</sup> Sess.: 2148-2149.

<sup>27</sup> Stanwood, *American Tariff Controversies*, vol. 1, 192-193.

<sup>28</sup> *Annals of Congress* 16<sup>th</sup> Cong., 1<sup>st</sup> Sess.: 672.

<sup>29</sup> *U.S. Statutes at Large* 3 (1820): 605; *Annals of Congress*, 16<sup>th</sup> Cong., 1<sup>st</sup> Sess.: 696, 2246.

<sup>30</sup> *U.S. Statutes at Large* 3 (1815): 224.

<sup>31</sup> Vernon Setser, *The Commercial Reciprocity Policy of the United States, 1774-1829* (Philadelphia: University of Pennsylvania Press, 1937), 186; William M. Malloy, *Treaties, Conventions, International Acts, Protocols and Agreements Between the United States and Other Powers, 1776-1909*, vol. 1 (Washington, D.C.: Government Printing Office, 1910), 624.

<sup>32</sup> F. Lee Bennis, *The American Struggle for the British West India Carrying-Trade, 1815-1830* (Bloomington, Ind.: Indiana University Studies No. 56, 1923), 35.

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- <sup>33</sup> *U.S. Statutes at Large* 3 (1816-1817): 310, 344, 351.
- <sup>34</sup> *Ibid.* (1817-1820): 369, 460, 510, 602.
- <sup>35</sup> Bennis, *American Struggle*, 52-53.
- <sup>36</sup> Setser, *Commercial Reciprocity Policy*, 227.
- <sup>37</sup> *American State Papers: Commerce and Navigation* 2: 403-404.
- <sup>38</sup> *American State Papers: Finance* 3: 543.
- <sup>39</sup> *American State Papers, Finance* 3: 596.
- <sup>40</sup> *Ibid.*, 637-639. Hezekiah Niles published an item that pointed up more explicitly the difficulty of Bayard's position. See "Application of Principles," *Niles' Weekly Register* 20, no. 507 (26 May 1821): 193.
- <sup>41</sup> John Taylor, *Tyranny Unmasked* (Washington, D.C.: Davis and Force, 1822), 193, 69.
- <sup>42</sup> Stanwood, *American Tariff Controversies*, vol. 1, 161.
- <sup>43</sup> *Memoirs of John Quincy Adams*, ed. Charles Francis Adams, vol. 6 (Philadelphia: J. B. Lippincott & Co., 1875), 285.
- <sup>44</sup> Camurça, "Condy Raguet," 183-184.
- <sup>45</sup> Monroe to Jonathan Russell, 12 March 1822, *The Writings of James Monroe*, vol. 6, ed. Stanislaus Murray Hamilton (New York: G. P. Putnam's Sons, 1902), 211.
- <sup>46</sup> *U.S. Senate Executive Journal*, 17<sup>th</sup> Cong., 1<sup>st</sup> Sess., 13 March 1822, 278.
- <sup>47</sup> The duties and distractions of U.S. consuls in Brazil, including Raguet, are described in detail by Mary Ellis Kahler, "Relations Between Brazil and the United States, 1815-1825, with Special Reference to the Revolutions of 1817 and 1824" (Ph.D. diss., American University, 1968), 228-241.
- <sup>48</sup> "To the Public," *The Banner of the Constitution* 1, no. 17 (13 Feb. 1830): 129.
- <sup>49</sup> L. F. Hill, *Diplomatic Relations Between the United States and Brazil* (Durham, North Carolina: Duke University Press, 1932), 27.
- <sup>50</sup> William Spence Robertson, "The First Legations of the United States in Latin America," *Mississippi Valley Historical Review* 2, no. 2 (Sept. 1915): 210; William R. Manning, "An Early

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Diplomatic Controversy between the United States and Brazil,” *Hispanic American Historical Review* 1, no. 2 (May 1918): 126. The instructions may be found in *Diplomatic Instructions of the Department of State, 1801-1906* (Washington, D.C.: National Archives, 1945), All Countries 10 (15 July 1823-30 Dec. 1825): 266-270.

<sup>51</sup> Henry Clay, “On American Industry,” Speech in the U.S. House of Representatives, 30 and 31 March, 1824, *Life and Speeches of Henry Clay*, vol. 1, ed. James Barrett Swain (New York: Greeley & McElrath), 227, 243, 253; “On the Emancipation of South America,” Speech in the U.S. House of Representatives, 24 March 1818, *ibid.*, 92.

<sup>52</sup> Adams to Caesar A. Rodney, 17 May 1823, *Diplomatic Correspondence of the United States Concerning the Independence of the Latin-American Nations*, vol. 1, ed. William R. Manning (New York: Oxford University Press), 191.

<sup>53</sup> Clay to Raguet, 14 Apr. 1825, in *Diplomatic Instructions*, All Countries 10: 267. Raguet’s explanation of the correspondence may be found in “To the Public, No. II,” *Banner of the Constitution* (Washington, D.C.) 1, no. 18 (17 Feb. 1830): 137.

<sup>54</sup> “To the Public,” *Banner of the Constitution* 1, no. 17 (13 Feb. 1830): 129.

<sup>55</sup> *Ibid.*

<sup>56</sup> Raguet to Clay, 23 November 1825, Official Letters of Condy Raguet 2: 5-18, Historical Society of Pennsylvania (hereafter cited as Official Letters).

<sup>57</sup> Manning, “Early Diplomatic Controversy,” 129.

<sup>58</sup> Raguet to Visconde de S. Amaro, 13 Dec. 1825, *American State Papers: Foreign Relations* 6: 1023-1025.

<sup>59</sup> “To the Public, No. II,” *Banner of the Constitution* 1, no. 18 (17 Feb. 1830): 137.

<sup>60</sup> The Brazilian commander testified that the location of interception was 34° 10’ south latitude, 52° 40’ west longitude; the American, 34° 21’ south latitude, 52° 28’ west longitude (*American State Papers: Foreign Affairs* 6:1034, 1040). Both points are between 50 and 100 miles off the coast of Brazil and are nearer to that coast than to either Montevideo or Buenos Aires, which are by sea around 200 and 300 miles, respectively, to the west.

<sup>61</sup> Raguet to Minister of Foreign Affairs, 9 Sept. 1826, *American State Papers: Foreign Relations* 6: 1037; Raguet to Clay, 23 Sept. 1826, Official Letters 2: 141.

<sup>62</sup> Raguet to Clay, 1 Sept. 1826, Official Letters 2: 132, 133. Lisboa’s political economy and his contributions to Brazilian commercial policy have been discussed recently by José Luís Cardoso, “Free Trade, Political Economy, and the Birth of a New Economic Nation: Brazil, 1808-1810,” *Revista de Historia Económica* 27, no. 2 (2009): 183-204. Camurça (“Condy Raguet,” 134)

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mentions Raguet's appreciation of Lisboa and recommendation of him for membership in the American Philosophical Society. Lisboa's election to the Society in July of 1825, as well as Raguet's in 1822, is documented in *Proceedings of the American Philosophical Society* 27, no. 131 (Nov. 1889): 149.

<sup>63</sup> Raguet to Clay, 23 Sept. 1826, Official Letters 2: 145.

<sup>64</sup> Raguet to Clay, 23 Sept. 1826, Official Letters 2: 142-144.

<sup>65</sup> Raguet to Clay, 31 Oct. and 4 Dec. 1826, Official Letters 2: 176-188, 201-205.

<sup>66</sup> Order of the Marquis de Paranagua, 29 Nov. 1826, *American State Papers: Foreign Relations* 6: 1051; Clay to Raguet, 22 Oct. 1826, *ibid.*

<sup>67</sup> Clay to Raguet, 22 Oct. 1826, *Diplomatic Instructions, All Countries* 11: 167-168. The letter is excerpted and annotated in "To the Public, No. II," *Banner of the Constitution* 1, no. 18 (17 Feb. 1830), 137. In it, Clay acknowledges receipt of all of Raguet's correspondence through the summer of 1826 (i.e. all letters prior to that of September 1, 1826, about the *Ruth*). Missing correspondence is therefore apparently not the reason for Clay's redundant instructions regarding the commercial treaty.

<sup>68</sup> The particular site to which Clay wished to move the seat of negotiation was Tacubaya, Mexico, where the abandoned Congress of Panama was expected to reconvene. Clay had invested much effort in planning and defending U.S. participation in the hemispheric body, which was the subject of considerable rancor in the U.S. Congress. See Halford L. Hoskins, "The Hispanic American Policy of Henry Clay, 1816-1828," *Hispanic American Historical Review* 7, no. 4 (1927): 460-478; also Jeffrey J. Malanson, "The Congressional Debate Over U.S. Participation in the Congress of Panama, 1825-1826: Washington's Farewell Address, Monroe's Doctrine, and the Fundamental Principles of U.S. Foreign Policy," *Diplomatic History* 30, no. 5 (2006): 813-838. Matters of commerce and navigation might be negotiated with special success at a Pan-American congress, Clay explained to his appointed envoys, because the outcome of the negotiations would have "the sanction of all America." Besides, "treaties might be concluded in the course of a few months at such a congress ... which it would require many years to consummate, if, indeed, they would be at all practicable by separate and successive negotiations conducted between several powers at different times and places" (Clay to Messrs. John Sergeant and J. R. Poinsett, 8 May 1826, in U.S. Senate, *International American Conference, Volume 4, Historical Appendix: The Congress of 1826, at Panama, and Subsequent Movements Toward a Conference of American Nations* [Washington, D.C.: Government Printing Office, 1890], 116). Whether or not Clay's attempt to negotiate in a Pan-American setting was sound, it proved to be unproductive. The U.S. envoys did not make it to the Panama Congress on time, and the Tacubaya Congress never convened. See Arthur P. Whitaker, *The Western Hemisphere Idea: Its Rise and Decline* (Ithaca, N.Y.: Cornell University Press, 1954), 46.

<sup>69</sup> Raguet to Clay, 9 Jan. 1827, Official Letters 2: 221, 223-224.

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<sup>70</sup> Raguet to Clay, 12 March 1827, Official Letters 2: 236-247.

<sup>71</sup> Minister of Foreign Affairs to Raguet, 7 March 1827, *American State Papers*, Foreign Relations 6: 1065.

<sup>72</sup> Raguet to Clay, 12 March 1827, Official Letters 2: 240; Minister of Foreign Affairs to Raguet, 7 March 1827, *American State Papers*, Foreign Relations 6: 1065.

<sup>73</sup> Raguet to Clay, 12 March 1827, Official Letters 2: 236, 245.

<sup>74</sup> Raguet to Minister of Foreign Affairs, 7 March 1827, *American State Papers*, Foreign Relations 6: 1065.

<sup>75</sup> Raguet to Clay, 12 March 1827, Official Letters 2: 246.

<sup>76</sup> Raguet to Clay, *ibid.*, 241, 246; Raguet to Minister of Foreign Affairs, 8 March 1827, *American State Papers*, Foreign Relations 6: 1065.

<sup>77</sup> Raguet to Clay, 17 March 1827, Official Letters 2: 251.

<sup>78</sup> Clay to Raguet, 20 Jan. 1827, *American State Papers*, Foreign Relations 6: 1067. Raguet was eventually able to prove that Clay could have done his “painful duty” much earlier. Raguet’s letter of 1 September 1826, in which he described his resort to what Clay later called “provoking and irritating expressions,” was already received by the State Department on October 17, five days before the date of Clay’s letter expressing approval of Raguet’s exertions. See “To the Public, No. V,” *Banner of the Constitution* 1, no. 21 (27 Feb. 1830): 161.

<sup>79</sup> Manning, “Early Diplomatic Controversy,” 134-135; Hill, *Diplomatic Relations*, 54-55; Ahearn, “Condy Raguet,” 17; Antonia Fernanda Pacca de Almeida Wright, *Desafio Americano à Preponderância Britânica no Brasil, 1808-1850* (Rio de Janeiro: Departamento de Imprensa Nacional, 1972), 178-179. Adams’s allegation of Raguet’s blustering and insolence is quoted by Manning, “Early Diplomatic Controversy,” 144-145.

<sup>80</sup> Camurça, “Condy Raguet,” 218.

<sup>81</sup> “To the Public, No. III,” *Banner of the Constitution* 1, no. 19 (20 Feb. 1830): 145.

<sup>82</sup> John Quincy Adams, Message to the U.S. House of Representatives, *House Journal*, 19<sup>th</sup> Cong., 1<sup>st</sup> Sess., 17 March 1826, 351.

<sup>83</sup> “To the Public, No. III,” *Banner of the Constitution* 1, no. 19 (20 Feb. 1830): 145.

<sup>84</sup> Raguet, “To the People of the United States,” supplement to the *Philadelphia Gazette*, 30 May 1828, in Official Letters of Condy Raguet, Historical Society of Pennsylvania.

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<sup>85</sup> “The United States and Brazil,” *Daily National Intelligencer* (Washington, D.C.) 15, no. 4465 (18 May 1827): 3.

<sup>86</sup> J. Silvestre Rebello to Clay, 30 May 1827, *American State Papers*, Foreign Relations 6: 823-824; Clay to Rebello, 31 May 1827, *ibid.*

<sup>87</sup> “Relations with Brazil,” *Daily National Intelligencer* 16, no. 4799 (17 June 1828): 3.

<sup>88</sup> John Quincy Adams, Message to Congress, 4 Dec. 1827, *American State Papers*: Foreign Relations 6: 628; Manning, “Early Diplomatic Controversy,” 144; Raguét, “To the People”; Hon. Edward Everett, “Complaint of Condé Raguét Against the Brazilian Government,” U.S. House Doc. No. 480, 20<sup>th</sup> Cong., 1<sup>st</sup> Sess., *American State Papers*, Foreign Relations 6: 864-866.

<sup>89</sup> See the claims and counterclaims by Jackson and Clay in July 1827: “Mr. Clay and General Jackson,” *Niles’ Weekly Register* 32, no. 830 (11 Aug. 1827): 399; “Mr. Clay’s Speech,” *Niles’ Weekly Register* 32, no. 829 (4 Aug. 1827): 375. The toxin spread. At one dinner given in Clay’s honor, a supporter offered first to fight all Jackson men present, and then, having heard no takers, “proposed, in order to prove that Mr. Clay did not make a corrupt bargain with John Quincy Adams, to fight his weight in *Wild Cats*” (*Daily National Intelligencer* 15, no. 4537 [11 Aug. 1827]: 3).

<sup>90</sup> Taussig, *Tariff History*, 74.

<sup>91</sup> Chauncey Samuel Boucher, *The Nullification Controversy in South Carolina* (Chicago: University of Chicago Press, 1916), 2; “Virginia Resolutions,” *Niles’ Weekly Register* 32, no. 814 (21 Apr. 1827): 139.

<sup>92</sup> For documents relating the Harrisburg convention, see “General Convention, Of Agriculturalists and Manufacturers, and Others . . .,” *Niles’ Weekly Register* 32, no. 830 (11 Aug. 1827): 388; and “Address of the Committee,” *Niles’ Weekly Register* 33, no. 839 (13 Oct. 1827): 100.

<sup>93</sup> Henry Lee, *Report of a Committee of the Citizens of Boston and Vicinity, Opposed to a Further Increase of Duties on Importations* (Boston: Nathan Hale, 1827), 78-99.

<sup>94</sup> The *National Intelligencer* identified its opponents in the matter of Raguét as “the Evening Post, the New York Argus, and others of the same kidney” (“Relations with Brazil,” vol. 16, no. 4799 [17 June 1828]: 3).

<sup>95</sup> Raguét, “To the People.”

<sup>96</sup> Belko, *Unifying the Anti-Tariff Men*, 11-13.

<sup>97</sup> According to Biddle and DeCharms (“Biographical Sketch,” 271): “After his return from Brazil, Mr. Raguét had to endure severe trials and many privations. Those who, like him, have



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been suddenly deprived of wonted means of support, alone know how difficult it is immediately to strike out into new ways of employment: and it is only such as have experienced them, that can appreciate the trials and difficulties of those sudden revulsions of fortune, in which men are at once reduced from affluence, or competence, to comparative destitution.”

<sup>98</sup> “On the Principles of Free Trade,” *Free Trade Advocate and Journal of Political Economy* 1, no. 1 (3 Jan. 1829): 1.

<sup>99</sup> Stanwood, *American Tariff Controversies*, vol. 1, 297.

<sup>100</sup> Smith, *Wealth of Nations*, v.1, 467-468.

<sup>101</sup> Jean-Baptiste Say, *A Treatise on Political Economy*, vol. 1, trans. from the 4<sup>th</sup> ed. by C. R. Prinsep, with a trans. of the introduction and additional notes by Clement C. Biddle (Boston: Wells and Lilly, 1821), 161-163.

<sup>102</sup> Condy Raguet, *A Treatise on Currency and Banking*, 2<sup>nd</sup> ed. (Philadelphia: Grigg & Elliot, Booksellers, 1840), iii. Clement Cornell Biddle (1784-1855) was a second cousin to Nicholas Biddle (1786-1844) of Second Bank of the United States fame. See “Genealogical Chart 1” appended to the Scope and Contents Note for the Biddle Family Papers, Special Collections Department, University of Delaware Library.

<sup>103</sup> Raguet sent the book by way of Lisboa’s son: Raguet to Bento da Silva Lisboa, 3 May 1825, Official Letters 1: 124.

<sup>104</sup> Raguet to Clay, 23 Sept. 1826, Official Letters 2: 144; Raguet to Clay, 9 Jan. 1827, *ibid.*, 224.

<sup>105</sup> So Raguet later said explicitly, in bracketed text, when quoting his foregoing remark to Clay. See “To the Public, No. II,” *Banner of the Constitution* 1, no. 18 (17 Feb. 1830): 137.

<sup>106</sup> Later, in instructions to Raguet’s successor, Clay did present the Colombia treaty and especially the Central America treaty as models: Clay to William Tudor, 29 March 1828, *Diplomatic Instructions*, All Countries 12: 77-83.

<sup>107</sup> “On the Principles of Free Trade,” *Free Trade Advocate* 1, no. 1 (3 Jan. 1829): 10-11.

<sup>108</sup> E.g. Say, *Treatise on Political Economy*, 5.

<sup>109</sup> “Letters of Mr. Madison,” *The Free Trade Advocate* 1, no. 3 (17 Jan. 1829): 35.

<sup>110</sup> *Ibid.*, 35-36.

<sup>111</sup> Henry D. Sedgwick, “From the New-York Evening Post: Mr. Clay’s Speech at Cincinnati” (Checklist of American Imprints 9146, 1830), 9. The author died early (1785-1831) and was eclipsed historically by other members of his prominent family. Sketches of him and his

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contributions appear in works about his relatives: see *Life and Letters of Catherine M. Sedgwick*, ed. Mark Dewey (New York: Harper & Brothers, 1871), 434, 441; and especially “Political Portraits No. XVII: Theodore Sedgwick,” *United States Magazine and Democratic Review* 7, no. 26 (February, 1840). I thank William S. Belko (*Unifying the Anti-Tariff Men*, 149) for bringing the essay by Henry D. Sedgwick cited here to my attention.

<sup>112</sup> “Mr. Madison’s Letters,” *The Free Trade Advocate* 1, no. 3 (17 Jan. 1829): 40.

<sup>113</sup> *Ibid.*, 42.

<sup>114</sup> *Ibid.*

<sup>115</sup> *Ibid.*, 44.

<sup>116</sup> Van Buren to McLane, 20 July 1829, House Doc. 22, 21<sup>st</sup> Cong., 2<sup>nd</sup> Sess., 3-15.

<sup>117</sup> Van Buren to McLane, 5 Aug. 1829, *ibid.*, 15.

<sup>118</sup> “Negotiations with Great Britain,” *The Free Trade Advocate* 2, no. 6 (8 Aug. 1829): 93-94.

<sup>119</sup> Van Buren to McLean, 20 July 1829, House Doc. 22, 12.

<sup>120</sup> Editorial, *Banner of the Constitution*, 1, no. 1 (5 Dec. 1829): 8.

<sup>121</sup> “To the Public, No. II,” *Banner of the Constitution* 1, no. 18 (17 Feb. 1830): 137. The treaty provided for reciprocal MFN treatment for trade in goods and national treatment in navigation. It may be found in *Treaties, Conventions, International Acts, Protocols, and Agreements Between the United States of America and Other Powers, 1776-1909*, vol. 1, ed. William M. Malloy (Washington, D.C.: Government Printing Office, 1910), 133-143.

<sup>122</sup> U.S. House Committee on Commerce, *Report of the Committee on the Commerce and Navigation of the United States*, prepared by Hon. Churchill C. Cambreleng, 21<sup>st</sup> Cong., 1<sup>st</sup> Sess. (8 Feb. 1830), 29, 26, 67, 43-48; *Banner of the Constitution* 1, nos. 23-28 (March 6, 10, 13, 17, 20, 24, 1830).

<sup>123</sup> Editorial, *Banner of the Constitution* 1, no. 22 (3 March 1830): 176.

<sup>124</sup> *A Bill to Amend the Navigation Laws of the United States*, H.R. 449, 21<sup>st</sup> Cong., 1<sup>st</sup> Sess. (30 April 1830); Editorial, *Banner of the Constitution* 1, no. 41 (8 May 1830): 328.

<sup>125</sup> “Abolition of Unnecessary Duties – Acquisition of Equivalent,” *Banner of the Constitution* 1, no. 22 (3 March 1830): 170.

<sup>126</sup> *Ibid.*, 171.

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<sup>127</sup> Editorial, *ibid.*, 175.

<sup>128</sup> Editorial, *The Banner of the Constitution* 1, no. 23 (6 March 1830): 183.

<sup>129</sup> The bill that Benton proposed originally was introduced finally as three separate bills, S. 123, S. 124 and S. 125, all on the same day (21<sup>st</sup> Cong., 1<sup>st</sup> Sess., March 8, 1830). The part of the proposal that Raguet disliked became S. 124.

<sup>130</sup> Belko, *Unifying the Anti-Tariff Men*, 15, 17.

<sup>131</sup> “Anti-Tariff Convention, From the *New York Evening Post*,” by “A Lover of His Country,” *Banner of the Constitution* 2, no. 30 (22 June 1831): 233; also “Anti-Tariff Convention,” unsigned, *ibid.*

<sup>132</sup> *Journal of the Free Trade Convention ... and their Address to the People of the United States, to which is Added a Sketch of the Debates in the Convention* (Philadelphia: T. W. Ustick, 1931), 7.

<sup>133</sup> Belko, *Unifying the Anti-Tariff Men*.

<sup>134</sup> Editorial, *Banner of the Constitution* 2, no. 42 (14 Sept. 1831): 333.

<sup>135</sup> *Journal of the Free Trade Convention*, 33.

<sup>136</sup> *Ibid.*, 69, 64.

<sup>137</sup> “Address of the New York Convention, To the People of the United States,” *Niles Weekly Register* 41, no. 1051 (12 Nov. 1831): 205.

<sup>138</sup> *Ibid.*, 211.

<sup>139</sup> Theodore Sedgwick to Henry Lee, 5 Dec. 1831, Lee Family Papers, Massachusetts Historical Society.

<sup>140</sup> Albert Gallatin, “Memorial of the Committee Appointed by the Free Trade Convention.” U.S. House Doc. 82, 22<sup>nd</sup> Cong., 1<sup>st</sup> Sess. (30 Jan. 1832), 5-6; Henry Lee, *Exposition of Evidence in Support of the Memorial to Congress* (Boston: Boston Press, 1832).

<sup>141</sup> Gallatin, “Memorial,” 5-6.

<sup>142</sup> *Ibid.*, 6, 23-24.

<sup>143</sup> Lee, *Exposition*, 5.

<sup>144</sup> Raguet to Lee, 26 Jan. 1832, Lee Family Papers.

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<sup>145</sup> *U.S. Statutes at Large* 4 (1833), 630; Stanwood, *American Tariff Controversies*, v.1, 397, 399, 410.

<sup>146</sup> “To The Friends of State Rights and Free Trade Throughout the Union,” *Banner of the Constitution* 3, no. 57 (31 Dec. 1832): 445.

<sup>147</sup> “Address To the Friends of State Rights and State Remedies.” *Examiner, and Journal of Political Economy* (Philadelphia) 1, no. 1 (7 Aug. 1833): 1.

<sup>148</sup> “To Subscribers,” *Examiner, and Journal of Political Economy* 2, no. 11 (24 Dec. 1834): 173.

<sup>149</sup> The transaction is evidenced in “*From the United States Telegraph: The Political Examiner*,” *Examiner, and Journal of Political Economy* 2, no. 26 (22 July 1835): 412; on Duff Green in this connection, see William S. Belko, *The Invincible Duff Green: Whig of the West* (Columbia: University of Missouri Press, 2006), 243-247.

<sup>150</sup> *Congressional Globe*, 26<sup>th</sup> Cong., 1<sup>st</sup> Sess., Appendix, 441, 443.

<sup>151</sup> *Congressional Globe*, 26<sup>th</sup> Cong., 2<sup>nd</sup> Sess., Appendix, 290.

<sup>152</sup> “Reciprocity of Trade: From the Mobile Journal of Commerce,” by “Commerce,” in *Niles’ National Register* (Baltimore) 10, no. 12 (22 May 1841): 183-184.

<sup>153</sup> *U.S. Statutes at Large* 5 (1841), 463.

<sup>154</sup> Editorial, *Banner of the Constitution* 1, no. 23 (6 March 1830): 183, emphasis added; Condy Raguet, “The Impolicy of Countervailing Duties,” *Merchants’ Magazine and Commercial Review* 6, no. 1 (1842): 21.

<sup>155</sup> *Ibid.*, 11.