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From Discontented Bostonians to Patriotic Industrialists: The Boston Associates and the Transcontinental Treaty, 1790–1825

LINDSAY SCHAKENBACH

In the last year of his life, John Adams shakily signed a letter to Thomas Handasyd Perkins thanking him for the “noble basket of grapes” he had sent from Europe. Since the late eighteenth century, the fortune Perkins had amassed from trading exotic goods, cotton, and slaves had established him as a member of the Massachusetts elite, and the old “merchant prince” of Boston was still wooing patrons with luxuries from overseas. Yet by the 1820s, Perkins’s sites were shifting from commercial to industrial ventures. A little over a year

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1 John Adams to Thomas Handasyd Perkins, 16 September 1825, Thomas Handasyd Perkins Papers, Massachusetts Historical Society (MHS), Boston.

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after John Adams ate his last grape and passed away, his son President John Quincy Adams toured Perkins’s Granite Railway, the first commercial railroad in the United States, which ran from Quincy to Charlestown, Massachusetts. Impressed by this nationally beneficial industrial undertaking, JQA praised Perkins’s “ardent public spirit” in his diary.  

Two decades earlier, though, Perkins and his friends had done everything in their power to undermine President Thomas Jefferson’s trade embargo, designed to forestall war with Great Britain. And when war came anyway, in 1812, those same businessmen supported New England’s secession from the Union. How, then, were these quasi-traitors just a decade later being lauded as public servants?  

One key to the puzzle lies in Florida. Secretary of State John Quincy Adams’s 1819 Transcontinental Treaty with Spain transferred over a million dollars of federal government funds to a select group of Boston merchants who subsequently invested them in what would become their most profitable financial undertaking: the Waltham-Lowell System, which soon represented the greatest concentration of industrial resources in the United States.  

The same commercial success that had prompted Federalists to oppose national policies in the century’s first decade brought a number of them back into the fold by the end of the second.  

When Adams negotiated with the Spanish minister Luis de Onís to acquire the Floridas and extend the United States’ southern boundary west to the Pacific coast, he agreed that the United States would assume five million dollars of American citizens’ claims against the Spanish government. Some of these claims centered on Spanish land grants made to American settlers in Florida. The men who stood to gain the most from this provision, however, were not Floridians but,
rather, a group of Boston businessmen known as the Boston Associates, who for decades had been involved in lucrative shipping ventures and insurance underwriting around the Gulf of Mexico. The organization, a loose network of investors, included men from such illustrious New England families as the Lowells, Lawrences, Cabots, Appletons, Perkinses, and Otises.4

In a journal article written thirty years ago, Carl E. Prince and Seth Taylor stressed the importance of U.S. government subsidies to the industrialization of New England.5 The claims payouts from the Transcontinental Treaty were one such source of funding, yet scholars have largely neglected the ways in which the state used its diplomatic powers to boost business in the nation’s initial decades. Underscoring the role of the national government in both economic development and territorial expansion, Brian Balogh argues that domestic and foreign policy were intertwined in such a way that the federal government’s management of international relations promoted trade opportunities and territorial expansion, which in turn enabled the government to subsidize economic development.6 Indeed, the Transcontinental Treaty not only yielded claims payments; it also expanded the territory in which slave-produced cotton could be grown for northern textile mills. The story of how the Transcontinental Treaty was negotiated and the benefits it yielded for northern businessmen demonstrates that, in the early republic, industrial development and state-sponsored expansion were mutually constitutive, a finding that challenges common conceptions that the federal government was weak in its infancy and that northern elites wholeheartedly opposed the expansion of slave territory.

4The Boston Associates were given their name by Vera Shlakman, Economic History of a Factory Town: A Study of Chicopee, Massachusetts (Northampton, Mass: Department of History, Smith College, 1935).
From Traitors to Treaty-lovers, Merchants to Industrialists

Before they came to celebrate the nation’s growth, however, Massachusetts Federalists protested nation-building policies that threatened commerce or the established social order. In the republic’s opening decades, they favored a system of political economy in which mercantile capital, aided by a national debt and central banking, would spur development, an approach that relied on time rather than territorial expansion. Because unobstructed commerce was essential to the Federalists’ vision for progress, they strongly opposed aggressive foreign policy measures that disrupted trade. Trade was, however, frequently impeded by Europe’s almost constant warfare. Following independence, the United States was in a difficult position because the French Revolutionary Wars engaged France and Britain, as well as less powerful European nations, in battle from 1792 until 1802. Although the United States practiced noninterference and attempted to trade freely with France and Britain, U.S. sailors faced hostility from both sides, neither of which wanted Americans trading with its enemies.

In April 1796, citizens of Beverly appointed Israel Thorndike to chair a committee charged with memorializing Congress to pass the Jay Treaty, designed to avoid war with the British, who had been pressing American sailors into service and occupying American forts. In their negotiations with Britain to end those practices, Alexander Hamilton and John Jay pushed for the opening of American trade in the West Indies and promised to repay merchants for ships seized by the British, two agreements the merchants applauded. Whereas most Jeffersonians opposed the treaty because it granted favorable trading status to Britain, America’s former colonizer, merchants were eager to maintain their profitable trade relations. But because

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the treaty privileged Anglo-American over Franco-American commercial relations, French seamen often disregarded Americans’ official stance of neutrality and seized their ships and goods.

Given the severe losses they incurred in their maritime struggles with the French, Federalist merchants disdained President Jefferson’s pro-French policies. Whereas Republicans saw the Louisiana Purchase as a patriotic exercise in expansion, Federalists thought it an ill-advised contribution to Napoleon’s coffers. In addition, Federalists worried that the purchase would shift the hub of commerce from northeastern ports to New Orleans, which in turn would decrease the value of eastern land, increase the South’s political power, and create an unwieldy legislative and administrative bureaucracy. Besides opposing Jefferson’s plans for expansion, Federalists objected to his stance toward Saint Domingue’s revolution against France. Given the severe losses they incurred in their maritime struggles with the French, Federalist merchants disdained President Jefferson’s pro-French policies. Whereas Republicans saw the Louisiana Purchase as a patriotic exercise in expansion, Federalists thought it an ill-advised contribution to Napoleon’s coffers. In addition, Federalists worried that the purchase would shift the hub of commerce from northeastern ports to New Orleans, which in turn would decrease the value of eastern land, increase the South’s political power, and create an unwieldy legislative and administrative bureaucracy. Besides opposing Jefferson’s plans for expansion, Federalists objected to his stance toward Saint Domingue’s revolution against France. Given the severe losses they incurred in their maritime struggles with the French, Federalist merchants disdained President Jefferson’s pro-French policies. Whereas Republicans saw the Louisiana Purchase as a patriotic exercise in expansion, Federalists thought it an ill-advised contribution to Napoleon’s coffers. In addition, Federalists worried that the purchase would shift the hub of commerce from northeastern ports to New Orleans, which in turn would decrease the value of eastern land, increase the South’s political power, and create an unwieldy legislative and administrative bureaucracy. Besides opposing Jefferson’s plans for expansion, Federalists objected to his stance toward Saint Domingue’s revolution against France. Given the severe losses they incurred in their maritime struggles with the French, Federalist merchants disdained President Jefferson’s pro-French policies. Whereas Republicans saw the Louisiana Purchase as a patriotic exercise in expansion, Federalists thought it an ill-advised contribution to Napoleon’s coffers. In addition, Federalists worried that the purchase would shift the hub of commerce from northeastern ports to New Orleans, which in turn would decrease the value of eastern land, increase the South’s political power, and create an unwieldy legislative and administrative bureaucracy. Besides opposing Jefferson’s plans for expansion, Federalists objected to his stance toward Saint Domingue’s revolution against France.

Federalists in the commerce-dependent Northeast continued to look outward, eager to enrich themselves and their nation with the world’s goods; Republicans, on the contrary, focused on growing the nation from within by annexing new lands. In the years leading up to the War of 1812, Nathan Appleton blamed the Republican administration for encouraging American land grabbing in British territory along the northern frontier. Such aggressive expansionist tactics, he insisted, produced undue tension with Britain, a key trading partner. His brother Eben was so disgusted that he refused to return

to the United States as long as President Madison remained in office, and from his European post, he continued to ship British merchandise to the U.S. despite the war.\textsuperscript{11} All of which is to say, the Associates were deeply dissatisfied with federal governance in the 1800s and early 1810s. Government seemed to be limiting, rather than promoting, economic opportunities and, thus, the Associates’ particular interests.\textsuperscript{12}

But despite their complaints, the Associates were growing wealthy. Merchants found ways around Jefferson’s 1807 Embargo. They smuggled goods, but more often they stockpiled them in safe ports. By storing British merchandise in Halifax, Montreal, and the West Indies, merchants like Nathan Appleton simply deferred a portion of their gains. And so, in 1809, when the Embargo was lifted, their incomes soared.\textsuperscript{13} Jefferson had sought to secure America’s position as a neutral nation, but the Embargo had had little effect beyond infuriating merchants and reinvigorating the commonwealth’s Federalist Party. Jeffersonians had dominated the state election of 1806, but in 1808, Federalists regained control of both houses of the Massachusetts legislature. They also turned on John Quincy Adams, who had supported both the Louisiana Purchase and the Embargo and who later accused the Federalists of attempting to divide the Union by voting him out of his U.S. Senate seat.\textsuperscript{14}

\textsuperscript{11}Gregory, \textit{Nathan Appleton}, p. 100.

\textsuperscript{12}By “interests,” I mean the motivations of certain businessmen to reap tangible benefits beyond what the larger community gains. I do not intend to imply, however, that these businessmen were only driven by self-interest or that their interests did not also reflect a desire to benefit the nation. By the early 1800s, “interest” was no longer necessarily incompatible with the national good. Cathy Matson and Peter Onuf assert that after the Revolution, the “value of union . . . became identified . . . with the real needs of existing interest groups seeking to shape national policy” (“Toward a Republican Empire: Interest and Ideology in Revolutionary America,” \textit{American Quarterly} 37.4 [Autumn 1985]: 530). For a discussion of the role of self-interest in the reconciliation of liberal capitalism with classical republicanism in the early republic, see Joyce Appleby, \textit{Capitalism and a New Social Order: The Republican Vision of the 1790s} (New York: New York University Press, 1984), and Steven Watts, \textit{The Republic Reborn: War and the Making of Liberal America, 1790–1820} (Baltimore: Johns Hopkins University Press, 1987).

\textsuperscript{13}Gregory, \textit{Nathan Appleton}, p. 38.

\textsuperscript{14}Forbes, \textit{Israel Thorndike}, p. 106.
THE TRANSCONTINENTAL TREATY

While opposing many of the policies that the South favored and distrustful of its political might, northern merchants were nonetheless profiting from their trade in southern plantation goods—many of which were shipped under Spanish jurisdiction. The Perkinses of Boston, for example, were recognized for their success as China merchants, yet a substantial segment of their income was generated from trading slaves and cotton in the Caribbean and Gulf of Mexico. T. H. Perkins, who would receive a significant share of the Spanish claims payouts, traded slaves until around 1810, two years after the practice had been officially banned in the United States. The Perkins Company, which T. H. inherited after his father’s death, had been heavily involved in the slave trade in the West Indies, particularly in Cape Francis, Saint Domingue. Although the company shifted a large portion of its business to the China trade in the 1790s, it maintained networks in both the Caribbean and the Gulf region. Walter Burling, the Perkinses’ slave trade business partner, moved his family to a plantation in Natchez in 1803, shortly after the United States acquired the Mississippi territory from Spain in 1798. Although the details are murky, it is clear that the Perkinses drew income from the Burling plantation. Their links to Natchez seem to have strengthened after Burling’s death, when they cared for his nephew and claimed profits from the plantation as late as 1818. Much of the Perkinses’ wealth, then, derived from the plantation system and from trade carried out in waters subject to European depredations, from which they experienced losses that would

17Walter Burling had land claims extending back to the 1790s, when the Spanish controlled the Mississippi Territory. See Thompson-Stahr, The Burling Books, p. 318.
18See W. Burling to James and T. H. Perkins, 9 February 1805 and 26 June 1807, T. H. Perkins Papers, MHS. With these letters is a slave inventory from Burling’s plantation. See also Thompson-Stahr, The Burling Books, p. 477.
become eligible for claims payments under the terms of the Transcontinental Treaty.

Other Boston Associates, including Israel Thorndike and Nathan Appleton, also enhanced their wealth with southern cotton. There is evidence that Thorndike sold Georgia upland cotton in Liverpool, and in 1787, he, the Cabot brothers, and others founded the Beverly Cotton Manufactory, the country’s first cotton mill. During the War of 1812, Appleton, a founder of the Waltham Company in 1813, relied on Amelia Island, off the northeastern coast of Florida, as a port for gathering and exporting cotton. These men, and other Associates, would go on to use income generated from trading cotton and other plantation goods to fund the Merrimack Valley industrialization project; thus, they profited from both the trade in and manufacture of cotton. With the advent of the Transcontinental Treaty, they would secure yet a third, related source of revenue.

Spain’s Crumbling Empire, American Rewards

In 1803, the peace that had followed the turmoil of the French Revolution came to an end when Britain and France resumed their hostilities in a conflict that would be referred to as the Napoleonic Wars (1803–15). The United States remained neutral, and so merchants like Thorndike and Appleton, who could capitalize on their favorable trading status in the face of other nations’ restrictions, were far from displeased that wars were once again raging in Europe. During America’s own embargo, a number of U.S. merchants resorted to Amelia Island, a Spanish-owned entity that the U.S. would acquire with the ratification of the Transcontinental Treaty, to bypass the trade restrictions in force between 1807 and 1812. The island, which promoted easy shipping up and down the east coast

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22 Forbes, Israel Thorndike, p. 61.
and to Europe, accounted for one tenth of Britain’s cotton imports. Northern merchants also conducted illicit trade out of St. Mary’s, Georgia, just north of Amelia Island, which was also under Spanish jurisdiction. By the early 1800s, Spain’s imperial power was stretched thin, both militarily and financially. The Spanish government, straining under the difficulty of managing creole discontent throughout the Americas and faced with Napoleon’s invasion of Iberia in 1808, lacked military manpower to effectively police its imperial borders and the ports and waters around Florida.

Spanish laxity allowed U.S. merchants to conduct their trade freely and to prosper; but Spaniards’ inadequate policing of naval violence in their waters also resulted in U.S. losses. These the merchants compiled into long lists of claims against Spain, losses they would turn to profit with the Transcontinental Treaty. Because many of the losses had been underwritten, shareholders in companies such as Massachusetts Hospital Life, the Boston Marine Insurance Company, and the Massachusetts Fire and Marine Insurance Company received a windfall, additional returns on their investment in claims that had long since been settled locally.

Along with disagreements over the United States’ border with New Spain, which included present day Mexico and a majority of North America west of the Mississippi River and south of Canada, a quarrel over shipping damages had plagued U.S.-Spanish relations for decades. The Transcontinental Treaty resolved this dispute to the great satisfaction of northern merchants, who had sustained the majority of the losses. The first sentence of Article IX declared that the United States and Spain would renounce all claims against each other. The Spanish government did not offer to repay its citizens for shipping damages; the U.S. government did. Article XI pegged the

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23Christopher Ward, “The Commerce of East Florida during the Embargo, 1806–1812: The Role of Amelia Island,” *Florida Historical Quarterly* 68.2 (October 1989): 179. There are no records of this trade because it was illegal in the United States.

extent of the U.S. pledge at $5 million. This simple assertion of U.S. responsibility to settle the claims against Spain was key to Federalist elites’ subsequent reconciliation with the national government. In the geographic breakdown of the claims’ distribution, New England would receive $1.8 million, Philadelphia $1.3 million, New York less than one million, Baltimore $600,000, and all areas south of the Potomac only $300,000 combined. A core group of Associates, including Perkins, Appleton, and Henry Cabot and their various insurance and trading companies, received over half of the claims paid to New England. The Boston Associates, who were in the midst of turning their commercial capital into the North’s textile industry, fared very well indeed.

It was not by chance that northern merchants, entrepreneurs, and investors received such favorable treatment from the U.S. government. During the year after the treaty was signed, U.S. Senator (Mass.) Harrison Gray Otis repeatedly urged the Senate to ratify it. Otis, linked by family, politics, and money to the Associates and an investor in the textile industry and shareholder in several Massachusetts insurance companies, understood that he and his Boston constituents stood to gain from the expansion of the United States into Spanish Florida.

Daniel Webster, the lawyer and, later, senator who would become the Associates’ political spokesman over the next several decades, was also keenly aware of the financial opportunities inherent in the acquisition of Florida. The political friendship Webster forged with the Associates had commenced during the 1815–16 session of Congress, when Webster (who was a member of the U.S. House from 1813 until 1817) met with

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28 Harrison Gray Otis to Sally Foster Otis, 28 February 1820, Harrison Gray Otis Papers, MHS.
Francis Cabot Lowell in Washington. Along with the Jackson brothers, Israel Thorndike, and Nathan Appleton, Lowell had incorporated the Boston Company in 1813. As a representative from New Hampshire, a state with robust commercial interests, Webster had opposed tariffs, but after meeting with Lowell, he modified his position to advocate a moderate cotton duty tailored to the Associates’ nascent manufacturing interests. The proposed tariff would help protect the company from foreign imports without cutting unduly into the merchants’ commercial profits.29 The same year he met Lowell, Webster moved to Boston to set up his law practice, and within a month he had attracted several elite clients, among them Senator Harrison Gray Otis and several of the Cabots and the Lowells.30 Two years before the Spanish Claims Commission was established, Webster secured a favorable settlement for Nathan Appleton regarding the capture of one of his ships during the War of 1812.31 In addition to providing legal services, as a legislator Webster promoted the Associates’ banking interests by supporting a specie-based national bank and facilitating strong ties to the Boston branch of the U.S. Bank.32 He also helped broker the Associates’ amicable relationship with the Republican administration, an odd role for him to play considering that he, like the Associates, was known to be a Federalist.

Newly elected President James Monroe arrived in Boston on 2 July 1817 and was favorably received. He met with several prominent Federalists, among them T. H. Perkins, who three years earlier had represented Massachusetts in the subversive Hartford Convention.33 Many Federalists believed that Webster had orchestrated Monroe’s visit to Boston to strengthen the southern president’s relationship with the northern

29Dalzell, Enterprising Elites, pp. 28–29.
31Gregory, Nathan Appleton, p. 127.
mercantile elite. Despite his Republican politics, Monroe was on cordial terms with a number of Federalist merchants. In addition to maintaining a mutually rewarding association with northern trading companies, such as John Jacob Astor’s American Fur Company, Monroe’s administration granted special political privileges to certain northern Federalists. After Monroe defeated New York merchant and politician Rufus King in the 1816 presidential election, he wooed King as an ally of the administration. To further that relationship, Secretary of State Adams sent King confidential briefings on the affairs of his office.\textsuperscript{34} King maintained a regular correspondence with a number of Massachusetts politicians and merchants, including his brother William, who would serve on the Spanish Claims Commission, and U.S. Senator Harrison Gray Otis. These ties suggest that northern Federalists were by no means ostracized from the Republican administration or its expansionist decision making. In fact, Daniel Webster ensured that his particular group of Federalist friends would benefit from it.

On 24 February 1819, just two days after the Transcontinental Treaty was signed, Webster wrote to a Boston merchant—most likely Peter Chardon Brooks, one of the wealthiest of the Associates—suggesting that “the Insurance Offices in Boston must have heavy claims of this character,” instructing him to inform Henry Cabot and others about the treaty’s provisions, and offering his services to the merchants of Boston.\textsuperscript{35} If a majority employed him, Webster hinted, he would devote all of his energies to maximizing their returns on the claims. Several months after the ratification of the treaty in February 1821, a group of Bostonians, including Brooks and Perkins, convened to commission Webster as their agent. Although Webster stated that he would not press claims for “losses [incurred] from smuggling, illicit trade, and the Slave trade,” in practice he did his

\textsuperscript{34}\textit{Weeks, John Quincy Adams and American Global Empire}, pp. 48–52.

\textsuperscript{35}The recipient of Webster’s letter is not definitively known, but the editors of the Webster papers, Alfred S. Konefsky and Andrew J. King, assume that it was Peter Chardon Brooks, based on the other correspondence between the two. Daniel Webster to [Peter Chardon Brooks?], 24 February 1819, in Webster, \textit{Legal Papers: The Boston Practice}, p. 201.
best to procure papers for even the more dubious cases. In correspondence with his legal associates, Webster indicated that some cases received more attention than others. Writing Boston broker Samuel Jaudon to update him on the progress of cases and memorials in June 1822, Webster commented, “some from Salem [the port from which Thorndike and others shipped their goods] you will observe to be well arranged.”

A year and a half later he instructed Alexander Bliss, who ran the Boston law office while Webster was in Washington for the Claims Commission, to take whatever measures necessary to strengthen Perkins’s case, even if the proper papers were missing. Appleton, Brooks, and Thorndike all made claims, which had been postponed due to lack of evidence, for losses in the West Indies—much of the West Indies trade involved the circumvention of U.S. shipping laws as well as the occasional transport of slaves—but Webster continued to work toward a settlement. The Associates could not have doubted that they had selected the right man for the job.

It also helped that they had contact with the commissioners. Webster was initially unhappy about the composition of the Spanish Claims Commission, a three-member committee formed by President Monroe in March 1821 with the advice of the Senate. Two of the members, Littleton Waller Tazewell of Virginia and Hugh Lawson White of Tennessee, were southerners with whom Webster had no personal connection. He did know the third member, William King, a former Massachusetts politician who had recently been elected the first governor of Maine. With Senator Otis, King owned several tracts of land in the District of Maine. Fortunately for the Associates, the commissioners turned to the merchants, especially Brooks,
Webster’s most prominent client, for advice on how best to assess shipping claims. In an extensive correspondence, Brooks instructed King on how to calculate the value of a ship’s freight and insurance; he requested government aid in securing shipping documents from Spanish ports; and, as a personal favor, he asked King for help in locating the partners of an insurance firm in Bath, Maine, so that he might collect papers related to the capture of one of his ships in 1797. The arrangement proved advantageous for Brooks; the commission approved most of his claims. Although there is no evidence that Brooks attempted to lobby the commissioners directly on his own behalf, he—and, by extension, the other Associates—had ample input in federal decision making.

Webster had known that northern insurance and trading companies, as well as individual northern merchants, stood to gain a greater proportion of the federal funds than southerners, who had claims stemming from Spanish land grants and lesser shipping ventures. In an 1822 letter to U.S. Representative Joseph Hopkinson of Philadelphia, Webster referred to the northern cases he represented as “the real commercial losses, which occasioned the Treaty.” His assertion intimates that the claims of northern merchants were Secretary of State Adams’s impetus in negotiating the acquisition of Florida. Although the insinuation overstates the links between business interests and diplomatic decision making, the rewards the Associates received from the treaty were not coincidental. With Articles IX and XI, Adams built into the Transcontinental Treaty an opportunity for Federalist merchants and insurers to enjoy financial gain. The treaty, an agreement to acquire southern land, was spurred not only by aggressive American incursions on Spanish territory but from pressure to settle shipping claims. And as it

40Webster, Legal Papers: The Boston Practice, p. 183.
41Peter Chardon Brooks to William King, 4 June and 3 August 1821, in Webster, Legal Papers: The Boston Practice, pp. 186–87.
42Webster to Bliss, 2 March 1822, in Webster, Microfilm Papers, reel 3.
brought new slaveholding territory into the United States, the treaty also ensured that New England merchants received sizeable rewards for their lucrative business ventures in Florida. Although Kinley Brauer argues that Massachusetts’ ostensibly anti-expansionist position between 1812 and 1848 reflected its citizens’ desire to halt the drift of power toward the South, the share of Spanish claims the Associates were able to capture suggests both their acquiescence on expansion and their political clout in the Monroe administration’s diplomacy, diplomacy championed by native son John Quincy Adams. In the years to follow, the Associates’ influence would by no means disappear.44

**From Enemies to Allies: The Boston Associates and the Federal Government in the 1820s and Beyond**

After the Spanish Claims Commission concluded its work, Adams continued both to endorse and to benefit from the Associates and other members of the mercantile and industrial elite. Although he and they had differed sharply over the War of 1812, Adams had supported their commercial interests earlier in the century, and after the war he had developed close personal relationships with some Associates. Israel Thorndike maintained an uneasy rapport with Adams during the 1810s, and the congressman and Harvard professor Edward Everett, a member of the Associates, became friendly with Adams and helped him establish ties to other Federalists. Indeed, by 1822 the Associates and their political allies had determined that “if any man [was] to be taken from the land of the pilgrims” to be president, JQA would be that man, and in 1827 Perkins and Webster organized Adams’s presidential reelection campaign.45

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Little wonder, then, that Adams would praise Perkins for his "truly patriotic undertakings" after Perkins offered Adams the opportunity to purchase fifteen shares in the "new factory stock."\footnote{John Quincy Adams to T. H. Perkins, 3 October 1827, T. H. Perkins Papers, MHS.} Although Adams and Perkins were both convinced that industrialization promoted national progress, they were also not averse to its personal rewards. Their mutually beneficial relationship persisted into the mid-nineteenth century, as Adams continued to back the trade and foreign policy goals of Boston's economic elite, while they in turn offered political, and possibly financial, assistance. During the Opium Wars (1839–42), he even took the side of Great Britain as a means of securing Perkins's and others' business interests.\footnote{John Belohlavek, who astutely called attention to "the political and financial intrigues that surrounded never-ending spoliations claims," has lamented the lack of scholarship on the ties between business interests and federal policy in the early republic. The same associations among businessmen, politicians, and diplomats that are evident in post–Civil War America, he suggests, are present in the opening decades of the nineteenth century. Wealthy merchants were often appointed to diplomatic posts, and many influenced naval decisions. Businessmen helped shape the nation's tariff policies, and some received privileged state information. And in} It is not a stretch, then, to suppose that Adams negotiated at least partly on behalf of Perkins and his friends when drafting the treaty with Spain.

Prior to drafting the treaty, Adams knew who had claims against the Spanish government. Merchants from all over the country inundated his office with requests for assistance in settling their claims. Responding to T. H. Perkins and his trading partners, Adams assured them, "every attention will be paid to your claim to which by its importance and its obvious justice it is entitled. ... [I]t would be peculiarly grateful to me to be instrumental in arriving at this result."\footnote{Weeks, \textit{John Quincy Adams and American Global Empire}, p. 196.} John Belohlavek, who astutely called attention to "the political and financial intrigues that surrounded never-ending spoliations claims," has lamented the lack of scholarship on the ties between business interests and federal policy in the early republic. The same associations among businessmen, politicians, and diplomats that are evident in post–Civil War America, he suggests, are present in the opening decades of the nineteenth century. Wealthy merchants were often appointed to diplomatic posts, and many influenced naval decisions. Businessmen helped shape the nation's tariff policies, and some received privileged state information. And in
the 1810s, John Jacob Astor’s loans to the federal government enticed President James Madison to defend Astor’s fur trading empire in the Pacific Northwest. It should not be surprising, then, that business interests influenced the construction of the Transcontinental Treaty.49

Let us return to the shares in “new factory stock” that Perkins granted to Adams. Any portrayal of Adams as an imperial visionary seems incomplete if financial interests are left unconsidered.50 The investment opportunity that Perkins and Israel Thorndike, another Associate who received federal funds from the Spanish Claims Commission, proffered Adams came two years after the commission’s final payouts. Perkins and Thorndike were able to extend their thanks to the architect of the advantageous treaty in the particular form they did because, as major recipients of the pact’s payouts, they had funneled those funds into industrialization projects that would yield lucrative returns for shareholders.

In the early 1820s, merchants turned increasingly to cotton manufacturing as an outlet for their surplus capital.51 And the Spanish Claims Commission certainly provided them with excess capital. When Francis Cabot Lowell established the Boston Manufacturing Company in 1813, he relied on the commercial fortunes of Boston, such as Perkins’s and Thorndike’s, for the financing with which to expand his Waltham System.52 In 1821, the year the Transcontinental Treaty was ratified, the Boston Manufacturing Company bought the Locks and Canal Company, of which Perkins became a proprietor, and began building the first mill at Lowell. The town of Lowell, constructed as a


50 Weeks, in his work on John Quincy Adams’s role in the Transcontinental Treaty, misses the specific connections between Adams and individual economic actors, even as he portrays the Transcontinental Treaty as an expression of the Monroe administration’s aggressive quest for economic resources. The treaty was not merely an expression of mercantilism; it was an exercise in making expansion more palatable for certain groups. See *John Quincy Adams and American Global Empire*, p. 3.


manufacturing center and incorporated in 1823, expanded, not coincidentally, during the era of the Spanish Claims Commission and its financial aftermath. Perkins, who received roughly $132,000 from the claims, invested $50,000 worth of stock in the Appleton Mill and $30,000 in the Lowell Mill and was selected titular president of the Appleton Company. Thorndike was one of the original backers of the Boston Manufacturing Company and invested more in the various textile ventures than any other individual.

The claims payouts also grew business by raising stock prices. Insurance companies that had long ago written off their claims gained substantial working capital and thus increased the value of their portfolios. The expectation of increased capital from the Claims Commission also enhanced the value of Appleton’s Merrimack Manufacturing Company. By May 1822, shares were drawing high prices from wealthy men eager to convert mercantile profit into promising industrial investment. Not just anyone, however, was welcome to participate; Appleton and his associates wanted to limit business opportunities to their families and friends. In 1822, they invited Daniel Webster to buy four shares. This was, perhaps, one way to thank him.

The Associates’ wealth came from a variety of sources, and so it is too much to say that the Spanish claims, the expansion of industrialization, and the shares offered to Adams were all mere horse trading. It is also hard to deny, though, that the timing looks suspicious. The Associates knew by 1819 that they would receive federal funds; in 1820, construction and production at Waltham and Lowell escalated rapidly; and by 1822, their investment in the China trade had tapered off, replaced by investment in domestic industry and trade. Canton became solely an outlet for manufactured goods. When one of Appleton’s China trade ships returned in 1819, she

was transferred directly to freighting cotton from the South—a shift that aided the national economy but also profited individual merchant-industrialists.\textsuperscript{58} Then, after the conclusion of the Spanish Claims Commission, at least two members of the Associates offered lucrative company shares to Adams.

Adams was certainly a visionary, but it seems he was an economic pragmatist as well. Although his treaty set the stage for American hemispheric dominance and signaled an imperial stance, some of his broad-ranging goals for the nation stemmed from specific regional interests.\textsuperscript{59} Adams’s eagerness to acquire Florida and the Northwest but not Texas—for which later administrations would campaign and wage war—requires further speculation (see map). Despite contemporary popular misconceptions, Adams did not have to cede claims to Texas in order to gain Florida. Adams and Monroe, who feared an unbalanced expansion of slave territory, chose not to negotiate for Texas because, quite simply, they did not want it. Onís had already agreed to cede Florida at the beginning of 1818; signing the treaty was delayed another year not because Adams tried to acquire Texas but because he struggled to gain as much of the Northwest as possible.\textsuperscript{60} In extending the U.S. boundary to the Pacific coast and laying the foundation for claims to the Oregon Territory, the treaty again betrays Adams’s determination to acquire rights of value to New England merchants, who were eyeing Pacific ports to facilitate trade with Asia, something Webster would advocate for his merchant-industrial friends in the 1840s.\textsuperscript{61}

The same men who in 1814 had entertained secession as a means of guaranteeing New England interests became friendlier to national decision making with the Transcontinental Treaty. An alliance between the national government and members of the Federalist Party over expansion and the economy

\textsuperscript{58}Gregory, Nathan Appleton: Merchant and Entrepreneur, pp. 112–13.

\textsuperscript{59}Weeks, John Quincy Adams and American Global Empire, pp. 3, 178.

\textsuperscript{60}Weeks, John Quincy Adams, p. 167.

runs counter, though, to the traditional narrative, which holds that after the 1790s, the only proponents and beneficiaries of expansion were southerners and westerners, with New England Federalists vehemently opposed to it.\textsuperscript{62} Robert Dalzell describes Massachusetts Federalists as fearful of corruption at the center, which would only worsen with government-sponsored expansion.\textsuperscript{63} Moreover, expansion would extend southern slave owners’ political dominance at the expense of northern merchants.\textsuperscript{64} Federalists’ threats to secede from the nation during the War of 1812 helped entrench their reputation as an obsolete political party that not only scorned, but could not affect,


\textsuperscript{63}Dalzell, \textit{Enterprising Elites}, p. 174.

national politics. Even historians who give credence to the legitimacy of Federalism as a political force emphasize its limits as a national party. Mired in their provincialism, northern Federalists were, some historians claim, unpatriotic opponents of the republic’s growth who were systematically outmaneuvered by southern slave-power expansionists until the advent of the Civil War. This story of northern anti-expansionism, though, leaves no room for the New England Federalists who pushed for the acquisition of Florida.

The delegates to the Hartford Convention, which included Otis and Cabot, had created a legislative program that sought to abolish slave representation and limit embargoes on foreign commerce. Yet by 1820, many of these men had softened their positions on both slavery and economic policies. Although Senator Otis purportedly favored the Tallmadge Amendment, which would have gradually eliminated slavery in the Missouri territory, he voted against it in 1819, and he and John Lowell worked to calm Massachusetts Federalists’ agitation over that defeat. I do not mean to suggest that Otis and fellow Associates wholeheartedly supported the addition of slave territory; rather, expansion was no longer completely out of line with their interests.

Scholarship on antebellum sectionalism and industrialization has tended to characterize the arrangement by means of which the plantation system underwrote industrial development as one of reluctant necessity. Northerners such as mill heir and “abolitionist” Amos Adams Lawrence, who toured the South

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67 See Doron Ben-Atar and Barbara B. Oberg, eds., Federalists Reconsidered (Charlottesville: University of Virginia Press, 1998), which challenges the portrayal of Federalists as either American traitors or fallen heroes.
in 1836 to establish business connections for several New England mills, help support Thomas H. O’Connor’s contention that northern businessmen supported slavery to preserve the union and grow northern business.\textsuperscript{69} Kinley J. Brauer points to a political rift between northern mercantile elites, who were morally opposed to slavery, and northern industrialists.\textsuperscript{70} But despite the general accuracy of Brauer’s argument, financial and political interests were not neatly segregated, and many Federalists-turned-Whigs did not take a moral or constitutional position on slavery. They took a profit-driven one.\textsuperscript{71} And they were not reluctant to manipulate the U.S. government’s expansionist policies to enforce it.

The Massachusetts legislature had agreed that the District of Maine, then under the commonwealth’s jurisdiction, could become an independent state if Congress approved the measure by 3 March 1820. In the federal body, however, Maine’s fate was linked to Missouri’s. Otis objected, but without Missouri, southern consent would not be forthcoming.\textsuperscript{72} If Maine were admitted to the union, Massachusetts stood to benefit, for the two states would split the district’s public lands, and the Massachusetts legislature would profit from the sale of millions of acres.\textsuperscript{73} Government funds, in turn, underwrote subsidies for industrial projects, including the construction of mills and roads. The Associates were now looking more favorably on an expanded Union.

In addition to accepting, and benefitting from, expansionist policies, the Associates and their cronies were also coming to


\textsuperscript{70}Brauer, \textit{Cotton versus Conscience}, p. 35

\textsuperscript{71}The Associates’ profit motives, however, did not prevent them from advocating societal improvement. Dalzell argues that the Associates’ business practices reflected a desire to temper the negative effects of modern industrial systems with traditional cultural values and social organizations (\textit{Enterprising Elites}, p. xii).

\textsuperscript{72}Forbes, \textit{The Missouri Compromise}, pp. 61, 73–74.

terms with popular domestic policies. By the late 1820s, Appleton, Webster, Otis, and others no longer bitterly attacked but in fact firmly supported protectionist measures because they would promote their manufacturing interests. And in 1830, Senator Daniel Webster eloquently celebrated American nationalism and New England patriotism in his congressional debate against South Carolina Senator Robert Hayne. Webster and his Federalist constituents were being gloriously reincarnated as Whig unionists.

The Associates’ newfound nationalism grew out of their commercial wealth, industrial development, and ever strengthening relationship with the federal government, which was initiated with the Transcontinental Treaty and the creation of the Spanish Claims Commission. The men who had contested national expansion now warmed to it. Adams, no longer ostracized from the Massachusetts elite, helped manage the terms of this expansion for them. The treaty he had skillfully negotiated was an impressive diplomatic feat that greatly extended U.S. territory and facilitated access to western ports. It also created capital for industrial investment and electoral success for Adams. The bill that would appropriate funds for the treaty’s claims payouts came before Congress during the presidential election of 1824. House Speaker Henry Clay, a candidate, opposed it as a means of attacking Secretary of State Adams, also a candidate. Others, however, even those who had previously disliked Adams, rallied around him. Northern merchants understood that “Mr. Adams’s friends must support the treaty.”

The Boston Associates backed the bill, of course, and they voted for the man they had vehemently opposed a little over a decade earlier. The Associates preferred Adams to the other major candidate, Andrew Jackson, for partisan and ideological reasons, but they

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also favored the politician who had encouraged territorial expansion in a way that benefitted them.

The expanded nation that John Quincy Adams helped build with his Transcontinental Treaty was constructed not just from the plantation system or from Indian land claimed by a European power but from a series of investments, political deals, and connected favors. And the industrialization of the North—the financial undertaking that relied on cotton and clothed the nation—developed out of commercial wealth raised partly with government help. The Boston Associates understood how to use this wealth to shape the early nineteenth-century political economy to their advantage. They created a privileged world for themselves in Boston, and at their counting houses they watched the twice-yielded profits from Florida, the newest slaveholding territory, roll in. By the early 1820s, the staunch old Federalists of Boston were beginning to adapt nicely to the politics of a rapidly expanding union.

Businessmen then, as now, appreciated the value of making friends with the right people. The Boston Associates knew that Daniel Webster and John Quincy Adams could help them make the most of U.S. territorial expansion, and so to them, one of the last vestiges of Spain’s empire proved to be a unique opportunity. Diplomacy with the disintegrating empire enabled northern merchants to receive federal government funds for trade from which they had already profited or had dismissed because it was illegal. The Associates’ well-placed friends took full advantage of the law to ensure that a fresh stream of capital flowed from slave territory to the Merrimack Valley to help underwrite their very “patriotic” undertaking. The Spanish Empire, from which the U.S. term “dollar” had recently originated, indirectly financed an expanding United States. Expansion was impelled in large part by northern business interests—business interests that included a desire to produce clothing for the nation. The Associates’ good fortune in Spanish Florida helped make possible the lovely, made-in-Massachusetts calicoes that westerners could now buy.

Thus the Boston Associates successfully transitioned from quasi-traitors to patriots, from traders to industrialists.
Merchants-turned-industrialists, such as Nathan Appleton, T. H. Perkins, Israel Thorndike, and Peter Chardon Brooks, had used their relationship with Daniel Webster to reenter national politics. Once a threat to the Union, old-time New England Federalists became citizens and politicians with a national, rather than a provincial, focus. In 1824 they joined Adams’s National Republican Party before becoming Whigs. Wealth generated from eighteenth- and early-nineteenth-century commerce, a foreign treaty, and the federal government enabled them to create a modern industrial economy that would propel the United States to national prosperity and economic independence from England. This wealth placated the Boston Associates. No longer disgruntled Bostonians but profitable industrialists, they now embraced the “ardent public spirit”—a spirit that helped fuse business and diplomacy to create economic opportunities, as well as misfortunes, for the new nation.

Federalists carried their fears of social disorder and many of their successful political tactics over into the Whig Party. See Dalzell, Enterprising Elites, pp. 167–74.

Lindsay Schakenbach received her B.A. from Connecticut College in 2006 and her M.A. from Tufts University in 2009. She is currently a Ph.D. student at Brown University studying early American history.