

## Searching for Federal Aid: The Petitioning Activities of the Chesapeake and Delaware Canal Company

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### I INTRODUCTION

On 4 April 1808, Albert Gallatin submitted his “Report of the Secretary of the Treasury on the Subject of Public Roads and Canals.” This report became well known as the first national planning initiative for roads and canals, aiming to develop communications, economic markets, and national unity. American Revolutionary leaders, including George Washington, had previously contemplated building a national transportation network from their local perspectives. The first Secretary of the Treasury, Alexander Hamilton, had also envisioned some kind of transportation network in the famous Report of Manufactures in 1791; but, unlike Gallatin, Hamilton proposed no concrete plan and simply emphasized the importance of a transportation network for the emerging republic. Nevertheless, the debates over national internal improvements changed greatly during the Jefferson administration, especially after the Louisiana purchase. Changing his position from that of his first inaugural address, President Jefferson became a major advocate for national internal improvements. It was in this context that Gallatin’s report appeared. The report urged the federal government to take a powerful lead in promoting the development of transportation, and set out a

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framework whereby federal financial support provided for within the United States' Constitution could be offered to companies incorporated at the state level.<sup>1</sup> After this report appeared, various bills concerning internal improvements were discussed along with Gallatin's plan. The Pope-Porter bill in 1811, and Calhoun's Bonus bill, vetoed by President Madison in 1817, can be seen as vestiges of Gallatin's report. Moreover, the issue of national internal improvement became the first element of Henry Clay's American System in the 1820s. However, the crucial concept, provided by Gallatin's report, of a conjunction between national planning and the distribution of federal aid may not actually have originated with Gallatin himself. Previous discussions in Congress, before 1807, concerning federal aid to the Chesapeake and Delaware Canal, and to the Ohio Canal companies, doubtless had an impact on Gallatin's report. The Chesapeake and Delaware Canal Company, incorporated in three states, had been particularly implicated in Gallatin's historic work through a series of petitions as well as through their chief engineer, Benjamin Henry Latrobe.

This paper focuses on the Chesapeake and Delaware Canal Company's strategy in their search for federal aid.<sup>2</sup> By looking at this case, we can see that the so-called nationalists in early America were not always the only or even the main proponents of nationalistic rhetoric. Petitions to the federal government reveal that the promoters of transportation developments, while motivated primarily by economic concerns, also deployed a nationalistic language and vision in order to obtain federal funding. The case of the Chesapeake and Delaware Canal project offers an example of this kind of strategy. This particular project, however, differed from other, similar cases in three major ways. First, this was an interstate project, unlike the Erie Canal of New York. Second, the project seems to have been closely associated with Gallatin's national design, although the exact nature of this connection remains to be clarified through analytical study of the Chesapeake and Delaware Canal project, as well as of Gallatin's life and work. Third, the project was finally constructed by means of federal financial and technical support. The difficulties of obtaining national aid in the early republic were compounded by strong opposition that was grounded in sectional interests, and by the fact that the jurisdiction of the federal government tended to be restricted. In this paper, by examining the company's activities with respect to obtaining public financial support, I will examine how the company tried to overcome the problem of the Constitution and, as a

result of this attempt, how the Chesapeake and Delaware Canal Company's petitions contributed to the production of Gallatin's report.

## II THE CHESAPEAKE AND DELAWARE CANAL PROJECT

The Chesapeake and Delaware Canal Company was incorporated between 1799 and 1801 in the states of Maryland, Delaware and Pennsylvania, for the purpose of forming a navigable canal between Chesapeake Bay and the Delaware River. The planned canal was not intended actually to pass through the state of Pennsylvania; but this state had had a great interest in the commercial artery provided by inland navigation in the period before the War of Independence. In Pennsylvania, the idea of a convenient waterway appealed to many people. Thomas Gilpin of Philadelphia, one of the early projectors of the trans-peninsular canal, made surveys for building a canal on the peninsula and proposed the construction of a Chesapeake and Delaware Canal in order to increase Philadelphia's trade during the 1760s. Gilpin, as a member of a survey committee, working jointly with the American Philosophical Society, participated in surveying the lower counties of Delaware in 1769 and 1770. The committee ascertained the practicability of a canal. However, their activities did not result in the actual construction of the planned canal because of the inadequate level of canal engineering expertise at that time, and the American Revolution.<sup>3</sup> After the revolution, the Chesapeake and Delaware Canal project and other internal improvement projects in Pennsylvania were resumed.<sup>4</sup> The construction of this canal had been a project of long-standing interest to Philadelphians, and it was their enthusiasm that advanced the interstate canal project. The Legislature of Pennsylvania, therefore, played a significant role in creating this canal company. The three states involved in this projected canal—Maryland, Delaware, and Pennsylvania—did not take an equal role in promoting the project. This was because the projected canal, which undoubtedly benefited Philadelphia, posed some potential problems to the other states. "Maryland was concerned about a precipitous decline in Baltimore's Susquehanna trade if the canal were built; Delaware was worried about the loss of its lucrative carrying trade across the peninsula."<sup>5</sup> Pennsylvania, therefore, had to concede to the other two states' requests in the setting up of the canal company. The Legislature of Maryland at first passed "An act to incorporate a company for cutting and making a canal between the river Delaware and the Chesapeake

bay,” on December 7, 1799. Maryland had previously promoted Susquehanna navigation projects in order to develop Baltimore’s commercial interests, and the legislature had incorporated the Susquehanna Canal Company for the purpose of digging a canal along the river from the Pennsylvania line to the tidewater in 1783. The Legislature of Pennsylvania, however, resisted the improvement of the Susquehanna between Weight’s Ferry and the Maryland Line.<sup>6</sup> Maryland’s canal act, therefore, requested the Legislature of Pennsylvania to declare the Susquehanna River a highway and to remove obstructions therein in order to bring the act into effect.<sup>7</sup> Furthermore, Delaware’s canal act in January 1801 set out two further conditions that related to Pennsylvania. One condition was that the state of Delaware would have the right to access freely and subscribe to the papers of Pennsylvania’s land office. The other was that the Legislature of Pennsylvania would repeal a portion of the quarantine laws within the port and city of Philadelphia. Pennsylvania’s concessions to Maryland and Delaware led to the birth of the Chesapeake and Delaware Canal Company.<sup>8</sup> Thus, the canal project was faced with the problem of different interests among the three states right from the beginning.

Each act authorized their respective legislatures to open books for subscriptions to the amount of 500,000 dollars, in shares of 200 dollars each, and appointed men to manage them. In addition, the acts provided for the company’s business organization by setting up initiatives such as a general meeting of stockholders and the election of a president and nine directors. Furthermore, they defined the powers of the president and directors, and set up tolls.<sup>9</sup> The subscription books for the Chesapeake and Delaware Canal Company were opened on 1 March 1802. The company was established at the stockholder’s first meeting in May 1803, and the members of the board were elected. Joseph Tatnall of Delaware was named president of the board. Of the nine directors, four were from Pennsylvania—including Joshua Gilpin, a son of Thomas Gilpin—three from Maryland, and two from Delaware. The number of directors reflected the distribution of subscribers by area. In June a six-man survey committee was appointed for the purpose of “examining and surveying the several places most suitable for the canal route.” Benjamin Henry Latrobe and Cornelius Howard of Baltimore were employed as engineers. However, Howard soon resigned and Latrobe became chief engineer of the canal company.<sup>10</sup> It was Latrobe who later played an important role in the company’s solicitation of public aid.

On 4 June 1804, the board reported what was deemed to be the most suitable route for constructing the canal at a general meeting of the stockholders. Thirty-two surveys had been conducted in the peninsular area. The board had to take many factors into account in deciding which canal route to select, including the terrain, the nature of the soil, the elevation of the ground, the available water supply, and the depth of the entrances at both ends, as well as the existence of established trade routes and the cost of construction. As a result of the surveys, it became clear that the shortest route was not necessarily the best.<sup>11</sup> The canal route that was actually chosen was the upper route, from Welch (Welsh) Point on Elk River to Christiana Creek, near Mendenhall's Landing. In addition to the decision on the canal's route, the board also reported that the cost of the canal project had gone up. "From the estimates, made by the engineer, of the cost of the route adopted, it appears that the work contemplated in its full extent, and upon a scale adequate to the greatness of the object, will amount to 560,000 dollars, which includes the purchase of the water-right but excludes the purchase of the land."<sup>12</sup>

Construction of the first part of the feeder, from Elk Forge to a point near Aikentoan (Glasgow) in Delaware, began on 2 May 1804, and work progressed until 1 December 1805.<sup>13</sup> However, the company suffered from a lack of funds, and all the company employees were released in December 1805. The expenditures for the surveying and the construction work already undertaken were well above the estimates. "Less than \$20,000 remained on hand in June 1805, and no more money was received from the stockholders during the third year." Part of the feeder had been completed, but construction came to a halt at this point.<sup>14</sup>

The Chesapeake and Delaware Canal Company had encountered a number of obstacles. The lack of subscriptions emerged as the most crucial problem. The project required much more capital than the canal acts had provided, and the board had not been able to obtain even the original amount of capital that had been designated through subscriptions. There were, in addition, unexpected problems that confronted the company during the actual construction. Not only was the nature of the ground on the feeder route more difficult to work with than the surveyors had originally calculated, but there were also serious problems with regard to labor. The company had had to collect the workmen and then provide them with accommodation, and had also had to cope with rioting involving Irish workmen and the local inhabitants. Furthermore, expenses such as the purchase of tools and machinery for cutting the canal added to the

cost.<sup>15</sup> The rising cost of the construction, coupled with a lack of additional subscriptions and the unexpected problems that had arisen in the course of construction, resulted in the suspension of the canal project.

### III THE SEARCH FOR FEDERAL AID

The Chesapeake and Delaware Canal project was expected to connect two bays: from Welch Point, at the junction of Back Creek to the Elk River, on the Chesapeake Bay side, and then to Christiana Creek, about three miles above Wilmington, on the Delaware River side. The distance, by the line of the canal, was calculated to be nearly 21 miles. The depth of the canal was planned to be 7 feet 6 inches, so that vessels of between 40 and 70 tons, or even one hundred tons, would be able to pass through.<sup>16</sup>

The board, with Latrobe, had asked the state legislatures for public aid so that the company could resume the project, but their solicitation met with no success over the period 1804 to 1805. Finally, in December 1805, they decided to petition for federal support.<sup>17</sup> They presented "The Memorial and Petition" to Congress, along with a text called "Observations respecting the projected Canal."<sup>18</sup> The idea of petitioning for federal aid was not unfamiliar to the board. Latrobe was a strong supporter of public infrastructure improvement generally, and had pointed to the necessity for federal aid from the outset of the project. When the company had been unable to collect sufficient funds through subscriptions in 1802, he had insisted that the Chesapeake and Delaware Canal project was an enterprise of national importance. He outlined the benefits of federal support thus: "If the Government were authorized by an act to subscribe to a commanding number of the deficient Shares, a Canal might then be executed and planned with a view to the general good of the Union, whereby local interests and private speculation might be deprived of that influence over the Work."<sup>19</sup> Having failed to obtain financial aid from the state legislatures, federal aid seemed to offer the only way for the board to successfully carry out their project. The idea of federal aid for this kind of project had, in fact, been supported by the President of the United States, Thomas Jefferson, in his second inaugural address in 1805. He had proposed using surplus revenue, left over after the redemption of public debts, for public infrastructure improvements with an amendment of the Constitution. Jefferson's message had given hope to the Chesapeake and Delaware Canal Company that they might receive federal support.

Persuading Congress to assist their project was a problem of some dif-

difficulty for the board, because the company was actually a private corporation, though incorporated in three states. The board simply stated that the Chesapeake and Delaware Canal project was an enterprise of considerable national interest and that, therefore, the federal government should be involved in it. They pointed out that opening the proposed canal of 21 miles between the two bays would save about 500 miles of circuitous navigation around the seacoast. Furthermore, it was noted that this canal could constitute the beginning of a vast system of interior navigation that would connect the southern states with the northern states. Therefore, it could be expected to enlarge domestic commerce, develop internal communication, and bind together far-flung parts of the country. In addition, the board claimed that the canal would undoubtedly increase national security in the event of an attack by sea, and they reminded congressmen and senators of just such a situation by pointing to the Revolutionary War. Thus, the board stressed the national significance of the Chesapeake and Delaware Canal from a number of different points of view.

The "Observations" provided Congress with more details on the proposed canal project than the "Petition" did alone. The document offered examples of public works undertaken in ancient and modern states, and noted the economic benefits, topographical advantages and national unity factors involved in this project. It also played up the general enthusiasm the projected canal had generated in the population, all by way of persuading Congress to fund the project. The content of the "Observations" is, for the most part, very similar to that of the "Petition", but there are several points relating to the "Observations" that should be noted.

With regard to the discussion of the development of the domestic market, the "Observations" looked at specific products produced by different states, and pointed out the difficulties involved in transporting bulky products, such as agricultural or mineral products, by using the existing, inadequate inland navigation network. They noted that this problem had not only prevented the United States from developing its internal trade, but had also increased the nation's dependence on foreign trade. In the case of coal, they pointed out that the price of coal brought from Liverpool was as cheap as that brought from the James River.<sup>20</sup> In this respect, they concluded that the completion of the Chesapeake and Delaware Canal would provide the United States, as a whole, with a vigorous commercial artery.

As for improvements to the national infrastructure, the board believed

that the federal government should assist their work for the following reasons: first, because of the difficulties of obtaining state support for an interstate project, and second, on the basis of the history of other national works undertaken by the federal government. The Chesapeake and Delaware Canal project illustrates the dilemma of an interstate project that, inevitably, is caught between the conflicting interests of the states involved. In the case of this canal project, the states of Delaware and Maryland were, from the beginning, less enthusiastic in their support of the enterprise than was the state of Pennsylvania. Discord among the three states made progress difficult, and compelled the board, finally, to search for national patronage. In the "Observations" the board stated that the project's "importance as a national work, and as an undertaking that one state relies on the other to attempt, prevents its receiving the full support of either, and compels it to look to Congress for aid and protection as a national work."<sup>21</sup> The board situated their Chesapeake and Delaware Canal project in the context of previously undertaken national works, such as the Cumberland Road project, the lighthouses, and the fortification system, and thus promoted the idea of federal financial aid to the company. The board also pointed, indirectly, to ways in which federal aid could be delivered. The following statement illustrates this nicely: "It is by no means proper, or within the province or abilities of the committee to point out how such aid should be delivered - whether through subscription to a number of shares, or by means of a specific grant, such as has been given to harbor, road, and light-house projects in the past, as well as to other works of a similar nature, or through other means not mentioned here, for this is a matter that must be left wholly to the superior knowledge and discretion of the Legislature."<sup>22</sup>

The series of petitions from the Chesapeake and Delaware Canal Company remained unsuccessful until 1825, despite the fact that the Senate made generally positive resolutions regarding the idea of federal aid to the proposed canal. The first petition from the company was referred to a committee on the Chesapeake and Delaware Canal Company at the end of January 1806. On March 21, a Pennsylvania senator and member of this committee, George Logan, made a report that was favorable to the company.<sup>23</sup> This committee report stressed the national importance of the proposed canal and urged the national government to assist the proposed canal. It was stated that, "The committee are of the opinion that it is among the first duties of Government to promote public improvements of a general nature. No work deserves the character of public improve-

ments more than canals. The one proposed by the petitioners is of the first magnitude and importance; it, therefore, well deserves the assistance and encouragement of the Government.” The report also suggested that a grant of land from the national government be awarded to the company, instead of direct aid, as a method of public support.<sup>24</sup> The proposition of a grant of lands in the Western Territory constituted an offer of substantial financial support from the national government to the Chesapeake and Delaware Canal Company. However, the proposed resolution was not finally adopted in the Senate.

In the House of Representatives, the committee on the Chesapeake and Delaware Canal Company had already submitted a negative report on the matter of public support for this project before the debate in the Senate.<sup>25</sup> Their opposition was based, chiefly, on the volatile international situation at that time.

The third general report on the Chesapeake and Delaware Canal Company was presented to stockholders on 2 June 1806.<sup>26</sup> Joseph Tatnall, the president, and the directors had no alternative but to report on the failure of their petitions, which had been aimed at obtaining public support for the canal project. At this point the company’s finances were in critical condition, due to insufficient subscriptions. Public support was absolutely necessary if the project were to be resumed.

Like the national legislature, the three states involved in the Chesapeake and Delaware Canal project had also been hesitant in their support of the company. In his “Opening Address to the Assembly,” on 4 December 1806, the Governor of Pennsylvania, Thomas McKean, suggested that the company request national aid rather than state aid. Governor McKean was not indifferent to the improvement of the public infrastructure by the state government; in the same message he advocated state support for the building of roads and the improvement of inland waterways within the state.<sup>27</sup> However, he did not prioritize interstate projects such as the Chesapeake and Delaware Canal. The board, therefore, was forced to look to federal aid.

The petition from the Chesapeake and Delaware Canal Company was submitted again, and, on 13 January 1807, referred to a Senate committee consisting of James A. Bayard of Delaware, Abraham Baldwin of Georgia, and Samuel L. Mitchill of New York. On February 5, the committee introduced the former Logan’s report and the resolution that had been reached in the last session.<sup>28</sup> During the discussion in the Senate, a lengthy speech was delivered by the Delawarean senator, Bayard, in

which he advocated assistance for the proposed canal project on the grounds that it was an enterprise of national improvement.<sup>29</sup> Bayard's argument was not unknown to the senators. It had emerged as the central idea in the company's petition, in the context, it should be noted, of national debates concerning support for the Chesapeake and Delaware Canal project.

Bayard's argument stressed, primarily, the value of the internal communication network that would be created by the Chesapeake and Delaware Canal, and by other projected canals. Bayard pointed out how such enterprises would bring about the development of the American economy and enhance political unity. "Thus," he noted, "we see how an unbroke chain of interior navigation can be formed, binding together all the Atlantic States, securing in time of war and facilitating in time of peace, the internal trade of the country."<sup>30</sup>

Another important objective of Bayard's speech was to deflect any criticism of federally funded internal improvements. Bayard emphasized that the present state of the national treasury was such that it should inspire confidence, not the anxiety that the congressmen seemed to feel. In his view, the surplus revenue could become a financial resource for improvements to the public infrastructure. His argument probably reminded the senators of Jefferson's sixth annual message, as well as his second inaugural address. At the beginning of this session, President Jefferson, in his sixth annual message on 2 December 1806, had once more advocated the undertaking of national internal improvements using surplus revenue, following the redemption of public debts. Bayard was fully aware of Jefferson's new national vision, and gave expression to this in his speech, in which he interrogated the constitutional objections to national internal improvements. He noted, "It is admitted that the Constitution does not expressly give the power to cut canals; but we possess, and are in daily exercise of, the power to provide for the protection and safety of commerce, and the defense of the nation." Bayard attempted to situate the building of canals in the same context of national power that had led to the construction of lighthouses, piers and other public buildings. He also considered that public internal improvements contributed powerfully to "the safety of commerce and the defense of the nation."<sup>31</sup> This interpretation of the Constitution would enable the federal government to support specific canal projects, such as the Chesapeake and Delaware Canal. As a way of financing the canal project, Bayard proposed a grant of public lands to the company.

The resolution introduced by Bayard was passed 20 to 6, and Bayard, William B. Giles of Virginia, and Henry Clay of Kentucky were appointed to a committee to bring forth a bill.<sup>32</sup> An overwhelming majority passed the resolution itself, but the bill authorizing the sale and grant of a certain quantity of public land to the Chesapeake and Delaware Canal Company was not passed in the Senate. John Quincy Adams of Massachusetts strongly opposed the bill in discussion, because the Chesapeake and Delaware Canal project was supported by Clay, who had also introduced a bill for federal aid to the Falls of the Ohio. Adams sternly warned of the collusion of local interests. Adams proposed a resolution asking the Secretary of the Treasury to submit to the Senate a general plan of road, canal, and river improvements. While Adams's resolution was promptly defeated, his original idea was ultimately adopted in a resolution introduced by Thomas Worthington of Ohio. The debate over federal aid to the Chesapeake and Delaware Canal Company also produced another resolution. In this resolution, the Senate ordered the Secretary of the Treasury to provide "a plan for the application of such means as are within the power of Congress, for the purpose of opening roads, and making canals" on 2 March 1807.<sup>33</sup> The report, submitted to the Senate by Albert Gallatin, on 4 April 1808, is known as the "Report of the Secretary of the Treasury on the Subject of Public Roads and Canals."

#### IV TOWARD THE FASHIONING OF THE REPORT ON PUBLIC ROADS AND CANALS

By way of preparation for the report to the Senate, Albert Gallatin delivered a list of queries to collectors of customs throughout the country.<sup>34</sup> A director of the Chesapeake and Delaware Canal Company, Joshua Gilpin, answered a questionnaire on the canal project and sent comprehensive information to Gallatin on 4 January 1808.

The primary purpose of Gilpin's letter was to provide Gallatin with the company's data. Gilpin, however, also had another objective. He made a strong appeal to Gallatin concerning the necessity for federal aid to the Chesapeake and Delaware Canal Company on the basis that it could not expect financial support from the three states in the future. Gilpin noted: "The representatives of Pennsylvania have so many local objects of the kind in the interior counties, and these are constantly brought into competition with it, so as to prevent its obtaining any aid

from thence. The State of Delaware is too feeble in its resources to grant supplies for any work of this kind, and in the State of Maryland, altho' interested parties of the counties contiguous to the Chesapeake are partial to the Canal, the city of Baltimore and other parts of the State, view it with no little jealousy."<sup>35</sup> Gilpin stressed that federal patronage was the company's only hope if work on the project was to resume. He also stated that, "The success of the work would be ensured by its becoming an object of the care and assistance of the National Legislature." This was because, "moderate aid from Congress" would not only encourage the subscribers to complete their payments, it would also attract new subscriptions. The restoration of public confidence in the Chesapeake and Delaware Canal project would enable the company "to raise further funds either by new subscriptions, by loans, or through various other means authorized by the Acts of Incorporation."<sup>36</sup> On behalf of the board, Gilpin advised Gallatin that the means of federal aid should be in the form of "a loan or subscription of a number of shares" to the company.

Gallatin's report was the first to set out a national scheme for internal improvements that brought together already completed as well as projected roads and canals.<sup>37</sup> Gallatin, with the help of Latrobe, digested and coordinated the vast amount of data he received on turnpike roads and canals, and developed a vision of the United States that was connected both politically and economically through improvements to the transportation network.<sup>38</sup> The report anticipated that the federal government, superior to every local concern, would become a promoter and coordinator for the development of internal communication. The national plan of the report focused on the following projects: 1) great canals to run from north to south, along the Atlantic sea coast; 2) communication between the Atlantic and western waters; and 3) communication between the Atlantic waters and those of the Great Lakes and the St. Lawrence River. Gallatin estimated the total cost of general improvements to be in the region of 20,000,000 dollars. It was suggested that the healthy financial situation during times of peace would enable the federal government to create a public fund for national internal improvements. In conclusion, the report suggested that indirect support, through subscription to a portion of the shares of the stocks of companies, offered a feasible and also constitutional form of federal aid to private companies.<sup>39</sup>

The Secretary's report had a huge impact on the Chesapeake and Delaware Canal Company, as well as on a number of other projects, because Gallatin had advocated federal aid for the company through

loans or subscription to a portion of the shares of the company. Furthermore, Gallatin placed a high value on the national utility of the Chesapeake and Delaware Canal Company, and the Susquehanna Canal and the Dismal Swamp Canal companies, and advocated financial aid for them on that basis. He also suggested a subscription to the Ohio Canal, and to the Pittsburgh Road projects.<sup>40</sup> In fact, through Latrobe's letter of March 1808, Joshua Gilpin and the other directors had already recognized that Gallatin's forthcoming report would be favorable for their company.<sup>41</sup> The report was more than the company had expected. It may be noted that the strategic location of the Chesapeake and Delaware Canal, from a political, economic, and military point of view, intersected well with Gallatin's vision of national unity. Looking at companies as potential recipients of federal aid, Gallatin had selected a number of projects for aid that met his requirements. According to the general plan that appeared in the report, the Chesapeake and Delaware Canal and the Dismal Swamp Canal were situated on the main canal route from Massachusetts to North Carolina. The Susquehanna Canal, the Ohio Canal, and the Pittsburgh Road were connected with the Ohio River, or with a branch of the river, that went to the Atlantic Ocean, and were situated on the route from east to west.<sup>42</sup> Gallatin gave serious consideration to these routes of communication. The projected Chesapeake and Delaware Canal was designed for inland navigation along the Atlantic seacoast. It was also indirectly connected with the Susquehanna River and formed a route to the west. Gallatin had selected several projects on the basis that they contributed to an efficient transportation network. He saw each project as designed to "shorten distances, facilitate commercial and personal intercourse, and unite by a still more intimate community of interests, the most remote quarters of the United States."<sup>43</sup> The success of these transportation and commercial routes depended on their effectual connection to other routes. The Chesapeake and Delaware Canal was particularly well located with respect to Gallatin's national vision. It may be said that, collectively, the repeated petitions from the company, Latrobe's report, and Gilpin's letter, prompted Gallatin to elaborate the concept of national planning in relation to internal improvements. It should also be noted that Gallatin himself had actually been involved in Pennsylvania's internal improvement policies in the early 1790s, when he was in the state legislature.<sup>44</sup> His strong connection with Pennsylvania was undoubtedly a factor in his support for the Chesapeake and Delaware Canal in his report. Furthermore, with regard to Gallatin's

proposal of the means of public support to a private company, one can say that the series of petitions from the Chesapeake and Delaware Canal Company, along with Gilpin's letter to the Secretary of the Treasury, played a part in prompting Gallatin's implementation scheme for national development. Gallatin noted the following:

The monies may be applied in two different manners: the United States may with the assent of the states, undertake some of the works at their sole expense; or they may subscribe a certain number of shares of the stock of companies incorporated for the purpose. Loans might also in some instances be made to such companies.<sup>45</sup>

Gallatin did not put forward the method for the delivery of aid that had been proposed at previous sessions in the Senate on federal aid to the Chesapeake and Delaware and the Ohio Canal companies. The method of public aid that Gallatin advocated was that which Joshua Gilpin had previously suggested to him. One could assume, therefore, that the form of Gallatin's proposal originated, in large part, from Gilpin's letter.

The Report on Public Roads and Canals is one of Albert Gallatin's most important works. It was Gallatin's cognitive ability that synthesized and organized the massive amount of information that was collected throughout the country, and it was Gallatin who introduced a national internal improvement plan that was constitutional, yet it must also be said that the interaction between Gallatin and people involved in the Chesapeake and Delaware Canal project, notably Latrobe and Gilpin, was vital to his formulation of a national scheme in his Report on Public Roads and Canals.

## V EPILOGUE

Gallatin's report offered encouragement to the Chesapeake and Delaware Canal Company. At the second session of the tenth Congress, after the appearance of Gallatin's report, the Chesapeake and Delaware Canal Company resubmitted the same petition that it had presented in 1805 to Congress. The company was confident that public aid would be provided for two reasons. The first of these reasons was the recommendation of public support for the Chesapeake and Delaware Canal Company that had been made in Gallatin's Report on Public Roads and Canals. The second was the final annual message of President Jefferson. In the message, Jefferson reiterated his ideas about public internal im-

provements. Furthermore, following the failure of the embargo policy, there were military reasons to view the national utility of the Chesapeake and Delaware Canal project in terms of the national security benefits offered by the canal. In spite of these favorable conditions, the company failed to obtain any federal aid in the final session of the Jefferson administration, just as it had failed in previous sessions. The Senate passed a bill entitled "An act authorizing the sale and grant of a certain quantity of public land to the Chesapeake and Delaware Canal Company." The bill, however, was unsuccessful in the House of Representatives on 3 March 1809.<sup>46</sup> Efforts undertaken by the board of the Chesapeake and Delaware Canal Company to obtain public aid continued until 1825.

The example of this canal project reveals not only the difficulties that can beset interstate projects, but also the possibilities that such projects can open up for envisaging a national system for the improvement of public infrastructure. It was President Jefferson's second inaugural address that initiated the possibility of a national planning system. His message inspired the Chesapeake and Delaware Canal Company's petition for federal aid. Although the Chesapeake and Delaware Canal and the Ohio Canal Companies received no federal financial aid, it turned out that those congressional debates on the issue of federal financial support produced fruitful results in another way, namely, Gallatin's Report on Public Roads and Canals of April 1808. Conflicting arguments over national internal improvements arose from both the federal and the state or local sides, and closed off the possibility of constitutional federal financial aid to individual enterprises.

The suspended Chesapeake and Delaware Canal project was revived in 1821, and received additional subscriptions from the states of Pennsylvania, Delaware, and Maryland. The company resurveyed the canal route with the help of United States army engineers and began the construction of the lower route in 1824.<sup>47</sup> At the closing session of the Monroe administration the company, together with the Dismal Swamp Canal Company, which was also interstate, finally succeeded in obtaining federal support. The federal government subscribed to 1,500 shares, to a value of 300,000 dollars, of the capital stock of the company. The canal project was regarded as an enterprise of national character from a military and a commercial point of view, despite opposition that was grounded in strict interpretation of the Constitution.<sup>48</sup> The company also received additional funds, 150,000 dollars in March 1829, under the John

Quincy Adams administration. In the same year, the Chesapeake and Delaware Canal Company finally finished construction and the canal was opened on October 17.<sup>49</sup>

### NOTES

<sup>1</sup> See, Hisayo Kushida, "The Problems of Internal Improvement in the Jefferson Administration (1)(2)," *The Hokkaido Law Review*, 47 (1996): 915-964, 1154-1200.

<sup>2</sup> The best study of the Chesapeake and Delaware Canal's history is Ralph D. Gray's *The National Waterway: A History of the Chesapeake and Delaware Canal, 1769-1985*, 3rd ed. (Urbana: University of Illinois Press, 1989). John Lauritz Larson's, *Internal Improvement: National Public Works and the Promise of Popular Government in the Early United States* (Chapel Hill: The University of North Carolina Press, 2001) is the most comprehensive and best work for the history of improvement politics in antebellum America.

<sup>3</sup> *Letters to the Honorable Albert Gallatin, Secretary of the Treasury of the United States; and Other Papers relative to the Chesapeake and Delaware Canal* (Philadelphia: John W. Scott, 1808), 4; *The Memorial and Petition of the President and Directors of the Chesapeake and Delaware Canal Company* (Washington City: R. C. Weightman, 1809), 24; Joshua Gilpin, *A Memoir on the Rise, Progress, and Present State of the Chesapeake and Delaware Canal, accompanied with Original Documents and Maps* (Wilmington: Robert Porter, 1821), 4-5.

<sup>4</sup> Larson, *Internal Improvement*, 24-25.

<sup>5</sup> Gray, *The National Waterway*, 10.

<sup>6</sup> Lee William Formwalt, *Benjamin Henry Latrobe and the Development of Internal Improvements in the New Republic, 1796-1820* (New York: Arno Press, 1982), 66-69.

<sup>7</sup> *A Collection of the Laws relative to the Chesapeake and Delaware Canal, passed by the legislatures of the states of Maryland, Delaware, and Pennsylvania, subsequent to the year 1798* (Philadelphia: L. R. Bailey, 1823), 15.

<sup>8</sup> *A Collection of the Laws*, 37-38; George Edward Reed ed., *Pennsylvania Archives*, 4th ser., vol. 4 (Harrisburg: WM. Stanley Rav, 1900), 471.

<sup>9</sup> *Ibid.*, 3-15, 19-34, 42-46.

<sup>10</sup> Gilpin, *A Memoir*, 7.

<sup>11</sup> *First General Report of the President and Directors of the Chesapeake and Delaware Canal Company, June 4, 1804* (Philadelphia: John W. Scott, 1804), 15.

<sup>12</sup> *Ibid.*, 16-17.

<sup>13</sup> Gray, *The National Waterway*, 18-19.

<sup>14</sup> *Ibid.*, 21.

<sup>15</sup> *Ibid.*, 20-21; Formwalt, *Benjamin Henry Latrobe*, 107-15.

<sup>16</sup> The information relied on the "Observations" and Gilpin's letter. There are a few differences in data between two documents regarding the Chesapeake and Delaware Canal project. Gilpin's letter usually rounded off fractions to the nearest whole number. Letter from Gilpin to Gallatin, January 4, 1808, *Letters to the Honorable Albert Gallatin*.

<sup>17</sup> Gilpin, *A Memoir*, 34-35. As for Latrobe's cooperation in petitions, Formwalt points out his private interest in the Chesapeake and Delaware Canal Company as a stockholder. Formwalt, *Benjamin Henry Latrobe*, 124-29.

<sup>18</sup> "Petition," 4-9, and "Observations," 10-29, *The Memorial and Petition*.

<sup>19</sup> Latrobe to Jefferson, October 24, 1802, John C. Van Horne and Lee W. Formwalt eds., *The Papers of Benjamin Henry Latrobe: Correspondence and Miscellaneous Papers*, vol. 2, (New Haven: Yale University Press, 1984), 24.

- <sup>20</sup> *The Memorial and Petition*, 15–16.
- <sup>21</sup> *Ibid.*, 29.
- <sup>22</sup> *Ibid.*
- <sup>23</sup> *Annals of Congress*, 9th Cong., 1st Sess., 192–94.
- <sup>24</sup> *Ibid.*, 194.
- <sup>25</sup> *Ibid.*, 536–37.
- <sup>26</sup> *Third General Report of the President and Directors of the Chesapeake and Delaware Canal Company, June 2, 1806* (Wilmington, 1806), 6–7.
- <sup>27</sup> *Pennsylvania Archives*, 4th series, 4: 579–85.
- <sup>28</sup> *Annals of Congress*, Cong. 9. 2nd Sess., 31, 33–35.
- <sup>29</sup> *Ibid.*, 55–60.
- <sup>30</sup> *Ibid.*, 58.
- <sup>31</sup> *Ibid.*, 59. A word, “defense,” is originally spelled as “defence.”
- <sup>32</sup> *Ibid.*, 60.
- <sup>33</sup> *Ibid.*, 77–78, 88–89, 95. Carter Goodrich, *Government Promotion of American Canals and Railroads, 1800–1890* (New York: Columbia University Press, 1960), 26–27.
- <sup>34</sup> Joseph Hobson Harrison, Jr., “The Internal Improvement Issue in the Politics of the Union, 1783–1825” (Ph. D. diss., University of Virginia, 1954), 201.
- <sup>35</sup> Letter from Gilpin to Gallatin, January 4, 1808, *Letters to the Honorable Albert Gallatin*, 9–10.
- <sup>36</sup> *Ibid.*, 16–17.
- <sup>37</sup> Latrobe, who worked for public buildings in Washington, D. C., also provided Gallatin with a report on internal improvements. He described the topography of the landscape typically involved in river navigations and canals, and discussed the Chesapeake and Delaware Canal project from an engineer’s point of view. Another engineer, Robert Fulton, also submitted a report to promote internal navigation by means of canals. The information provided by them was helpful to Gallatin in setting out a national plan. *Report of the Secretary of the Treasury [Albert Gallatin] on the Subject of Public Roads and Canals* (New York: Augustus M. Kelley, 1968), 79–123; Letter from Latrobe to Gilpin, February 25, 1808, *The Papers of Latrobe*, 2:525–527; Formwalt, *Benjamin Henry Latrobe*, 163–64.
- <sup>38</sup> Kushida, “The Problems of Internal Improvement,” 1162–74.
- <sup>39</sup> *Gallatin’s Report*, 66–75.
- <sup>40</sup> *Ibid.*, 74.
- <sup>41</sup> Latrobe wrote to Gilpin concerning the importance of the Chesapeake and Delaware Canal project in Gallatin’s forthcoming report as follows: “He has no idea of recommending any work in the first instance but ours.” Letter from Latrobe to Gilpin, March 11, 1808, *The Papers of Latrobe*, 2:539.
- <sup>42</sup> *Gallatin’s Report*, 37.
- <sup>43</sup> *Ibid.*, 8.
- <sup>44</sup> Raymond Walter, Jr., *Albert Gallatin: Jeffersonian Financier and Diplomat* (New York: The Macmillan Company, 1957), 47–48. Gallatin’s experience as a representative from Fayette county in the west of Pennsylvania probably contributed to shaping his ideas regarding national internal improvements. For Gallatin’s view on democracy and the Union, see Katsuro Nakano, “Albert Gallatin,” *The Hokkaido Law Review*, 49 (1996): 235–92.
- <sup>45</sup> *Gallatin’s Report*, 73.
- <sup>46</sup> *Annals of Congress*, 10th Cong., 2nd Sess., 330, 455, 1328.
- <sup>47</sup> Gray, *The National Waterway*, 37, 47–51.
- <sup>48</sup> *Annals of Congress*, 18th Cong., 2nd Sess., 290–97; Appendix to *ibid.*, 99.
- <sup>49</sup> Gray, *The National Waterway*, 63–64.