

# HENRY CLAY & HIS AMERICAN SYSTEM



**Senator:** 1831-42, and 1849-52;

**Representative:** 1811-21, 1823-25;

**Secretary of State:** 1825-29

**Speaker of the House:** 1811-14, 1815-20, 1823-25

As a senator from Kentucky, he formed a Triumvirate of respected and influential Senators, each from one of the three sections of the country: Daniel Webster from Massachusetts (North), John C. Calhoun from South Carolina (South), and Clay from Kentucky (West).

He was known as the Great Compromiser, because he worked hard to get legislation that would be acceptable to both the North and the South (such as the Missouri Compromise, the Compromise Tariff of 1833, and the Compromise of 1850), in the great political crises of his day.

Clay's American System had three planks:

1. Bank of the United States
  2. High tariffs to protect American industry
  3. Federal subsidies of public improvements projects (such as roads, canals, and the like)
- He helped form the Whig Party in the 1830s, which tended to promote the same policies as Hamilton and the Federalist Party.
  - Clay's policies, in addition to forging a strong national government, also cemented a political alliance between the North (which wanted strong tariffs against England, as well as an economic reason for the revenue that they generated) and the West (which wanted a transportation network with the East, as well as federal revenues to pay for them). Together, Western and Northern states could elect a president, without a single Southern electoral vote.
    - ♦ As it was, most of these government-funded canals were financial failures, for three immediate reasons: cost, freight, and lateral canals. Many, after never even making an operating profit, were turned over to coal companies to move their coal through.
  - Before his term in the Senate, Clay got elected Speaker of the House *in his first term there*, and turned it into the second most powerful office in the country (behind the President himself).
  - He ran for President three times (1824, 1832, and 1844) but lost every election; and also twice ran but failed to get the Whig nomination (1840 and 1848).
  - He was seen as too compromising on slavery (for both the North and the South), and had strong connections to the Bank of the United States (acting as its attorney to collect debts in the financial Crisis of 1819). He also made what became known as the "Corrupt Bargain": he brought the Kentucky delegation to the House of Representatives over to vote for John Quincy Adams in the 1824 election, angering people who felt he sold his influence, in exchange for the position of Secretary of State, which Adams later appointed him to.