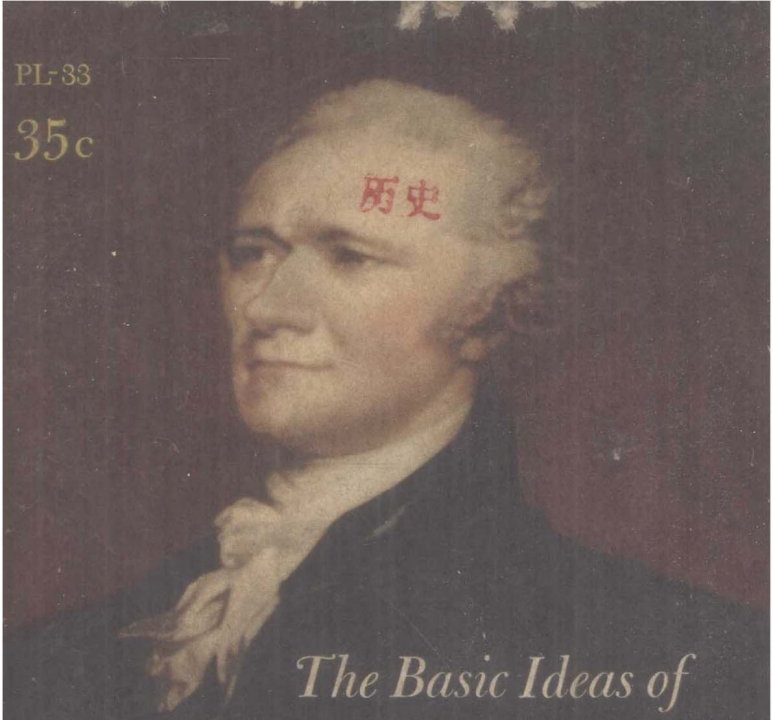

The Basic Ideas of
ALEXANDER HAMILTON

EDITED BY RICHARD B. MORRIS

Professor of History, Columbia University

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The Basic Ideas of Alexander Hamilton

1957

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THE BASIC IDEAS OF ALEXANDER HAMILTON is the only inexpensive, authoritative collection of the writings of this great American. Dr. Morris has selected his material from many sources, including private letters, contemporary newspapers and pamphlets, and from the enormous and never completely published collection at the Library of Congress.

Richard B. Morris is an outstanding authority on the Revolution and the early national period of American history. He is the author of numerous books and articles, editor of the *Encyclopedia of American History* and coeditor of the forty-volume *New American Nation* series. He is Professor of History at Columbia University and a member of the Editorial Board of The Papers of Alexander Hamilton, a multivolume edition of Hamilton's writings being prepared under the auspices of Columbia University.

The cover painting is reproduced from the famous Trumbull portrait by courtesy of the Art Commission of the City of New York.

The Dial Press has published a much larger, cloth-bound collection of the writings of Alexander Hamilton edited by Richard B. Morris under the title *Alexander Hamilton and the Founding of the Nation.*

Acknowledgments

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R.B.M.

Alexander Hamilton Bicentennial

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A Proclamation

One hundred and sixty-nine years ago today, on Monday, September 17, 1787, the Constitution of the United States was signed by the Founding Fathers, and a crucial nine-month campaign for its adoption was begun. As we celebrate that momentous event, it is fitting that we take notice of Alexander Hamilton, who, at the age of thirty, was recognized as one of the principal architects and leaders of the movement for "a more perfect Union" of the States.

Five years earlier Hamilton's imagination had shown him the noble and magnificent prospect of a great Federal Republic, closely linked in the pursuit of a common interest, tranquil and prosperous at home, and respected abroad. His vision, together with that of other patriots, brought forth the United States of America under the Constitution.

Alexander Hamilton served his country well throughout his life —during the Revolutionary War as aide-de-camp and military secretary to General Washington, as commander of the American columns in the final assault on Yorktown, and, later, as Major General and Senior Officer of the Army; in the Continental Congress, in the Assembly of the State of New York, in the Annapolis Convention of 1786, which led to the momentous meeting in Philadelphia the following year, and in that meeting in 1787 during which the Constitution was framed. During the succeeding months he was untiring in his efforts to secure acceptance of the Constitution by the States, and his subsequent service as first Secretary of the Treasury under the new Government proved him to be one of the boldest and most far-sighted of the founders of our Nation.

The opportunity has now come to our generation to demonstrate our gratitude and our obligation to Alexander Hamilton by a fitting celebration of the two hundredth anniversary of his birth—a happy opportunity for all of us to think afresh of his sincere efforts and inspiring leadership in the work of the men who laid the foundations, raised the structure, and built the sustaining traditions of the Government of the United States.

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, in accord with the purposes of the Congress, do hereby urge the Governors of the several States, and do call upon all officials and agencies of Federal Government, and upon all citizens, to observe the year commencing January 11, 1957, as the Alexander Hamilton Bicentennial, and to do honor to his memory during that period with appropriate activities and ceremonies commemorative of his inspiring role in our national life.

And I hereby direct that on January 11, 1957, the anniversary of Alexander Hamilton's birth, the flag of the United States be appropriately displayed on all Government buildings in the United States and all offices of this Government abroad.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this 17th day of September in the year of our Lord nineteen hundred and fifty-six, and of the Independence of the United States of America the one hundred and eighty-first.

Dwight D. Eisenhower

(SEAL OF
THE
UNITED STATES)

By the President
John Foster Dulles
Secretary of State

Alexander Hamilton After Two Centuries

As he was about to assume the office of the Presidency, George Washington remarked to a friend: "My movements to the chair of government will be accompanied by feelings not unlike those of a culprit who is going to the place of his execution." Washington's observation was indeed prophetic. Since the days of the Founding Fathers, America's great public figures have been the recipients of much uncritical adulation and the targets of fierce vilification. They have been placed on a pedestal or kicked in the gutter. They have become transfigured into mythological heroes with saintlike attributes or into rascals whose motives have been impugned, whose personal lives have been invaded, and whose achievements have been belittled and distorted.

The career of Alexander Hamilton is an outstanding illustration of this ironic phenomenon of American politics. Endowed with exceptional precocity, consuming energy, and high ambition, Hamilton stood in the center of events from the earliest days of the Revolution until the late years of President Adams' administration. In the course of his public career he accumulated a wide variety of enemies. John Adams called him "the bastard brat of a Scots peddler." Jefferson charged him with being "not only a monarchist, but for a monarchy bottomed on corruption." The hired scribbler, Callender, defamed him as a Caligula, and Senator Maclay called him a crook. Since his own day he has been assailed as an enemy of democracy, a friend of reaction, an ally of the special interests, a High Tory who sought to erect a leviathan state, and an archplotter against the life of the republic.

That such charges were groundless was the sober judgment

of many of Hamilton's contemporaries. Washington, perhaps Hamilton's greatest admirer and certainly his chief disciple, paid tribute to his enterprise, his quick perception, and "his judgment intuitively great." Granted that Hamilton was ambitious, Washington considered that his ambition was "of that laudable kind, which prompts a man to excel in whatever he takes in hand." The worldly Talleyrand, who knew him well, bracketed Hamilton with Napoleon and Fox. These three he considered the outstanding figures of that epoch. One political opponent conceded that Hamilton, "more than any other man, did the thinking of the time."

That Hamilton should have become a symbol of party, class, and faction is one of the ironies of American history. No man of his generation accomplished more to break down local barriers and sectional prejudices, which had hampered the formation of a strong union. Save Washington, no man was more opposed to the spirit of party and faction. Yet, the Hamiltonian program fomented both the party spirit and partisanship. Hamilton did not foresee that the two-party system would prove a stabilizing force in American government. To him party was synonymous with disorder and instability.

Hamilton was one of our first great nationalists. "Think continentally," he counseled the young nation. He believed in the destiny of America and wished to confer upon the national government powers appropriate to its needs and opportunities. In *The Federalist* he showed how such national unity could be achieved without sacrificing states' rights and without jeopardizing individual liberties. His interpretation of the Constitution was both audacious and masterly. His enunciation of the doctrine of implied powers gave the nationalist Supreme Court the arguments for that broad construction which they put upon the Constitution. His interpretation of the taxing power opened up to the federal government sources of revenue essential to its needs prior to the adoption of the income-tax amendment. A stanch advocate of separation of powers and checks and balances, Hamilton asserted the independence of the judiciary, and, of all the Founding Fathers,

was the most forceful in arguing for the right of the Supreme Court to declare laws of Congress unconstitutional. He believed that the courts were the safeguard of minority rights, and was confident that curbs upon judicial usurpation existed in the Constitution.

Hamilton was an administrative genius, perhaps the greatest America has yet produced. He believed in a strong executive, guarded the Presidency from encroachments upon its power by the legislative branch of the government, and assumed an influence in Washington's cabinet that is unmatched in the annals of the American cabinet system. Concerning himself with every phase of public policy, he was more than merely Secretary of the Treasury. He was in fact Washington's prime minister.

Hamilton's inventive mind grasped an extraordinary range of governmental problems—constitutional, economic, diplomatic, and military. His fiscal program was bold, original, and constructive, and he firmly established American credit at home and abroad. To do so, he created a national debt and made effective use of the government's taxing power. With pardonable rhetoric Daniel Webster spoke of Hamilton's achievements: "He smote the rock of national resources and abundant streams of revenue gushed forth; he touched the dead corpse of public credit and it sprang upon its feet." The program injected confidence and buoyancy into the business community, but was received with less enthusiasm in other quarters. Farmers, small shopkeepers, and craftsmen saw little immediate advantage to them in the funding operations and rallied to Jefferson's opposition standard.

Hamilton was the friend of business enterprise, but he believed that business should be regulated in the interest of the general welfare, that competition should be fostered and monopoly discouraged. He did not subscribe to the view that business was not the business of government. Believing as he did in a government possessed with energy and initiative, he could scarcely be expected to allow the government to stand inert while the economy stagnated or was stifled by foreign competition. Hamilton advocated a nationally directed and

controlled economy in the interest of private enterprise. He believed that the economy should be invigorated and protected by bounties and tariffs, by canals, roads, and other public improvements built by the federal government, and "by opening an asylum" to the poor and oppressed of other lands. He believed in maintaining a sound credit, in keeping the national debt within bounds, but he could scarcely be called a hard-money man, and would today be considered an advocate of a managed currency. He recognized that private enterprise was subject to abuse. He castigated bank abuses as "pernicious," and insisted that "public utility" was "more truly the object of public banks than private profit."

Hamilton's remarkable grasp of national interest was evident in the direction he gave to the foreign policy of the Washington administration. He was a realist. He saw nothing "absurd" or "impracticable" in a league or alliance of nations, but cautioned Americans against becoming "the instruments of European greatness." He believed that a power friendly today could become an enemy tomorrow, "that peace or war will not always be left to our option." At the time of Jay's Treaty he opposed war with Great Britain because in his judgment a cessation of trade would "cut up credit by the roots," and above all because America needed time. It was too young and weak to involve itself in European wars. These ideas were given expression in Washington's Farewell Address, which in final form drew substantially upon Hamilton's "original draft." Hamilton's guiding principles were prudence, realism, discretion in speech, moderation in action, concern for the national interest. "Real firmness is good for every thing," he once counseled. "Strut is good for nothing."

Hamilton was an extraordinary advocate. As a speaker he was less effective with crowds than with assemblies and in the courtroom. He was an orator in the tradition of Pitt, Fox, and Burke. His was the kind of oratory that changed votes and persuaded judges. But it was as an essayist rather than an orator that Hamilton was most persuasive. *The Federalist* has justly become the classic of constitutional analysis and rea-

soning. Hamilton's *Phocion, Camillus,* and *Pacificus* letters are other powerful examples of a form of polemical writing that has unfortunately vanished from the literary scene. Flattering his readers by his appeal to logic and reason, Hamilton moved them to action by powerful emotional arguments. It need hardly be added that Hamilton wrote his own speeches and state papers. He did not need other men to fabricate ideas for him or ghost writers to dress them in literary garb.

It has been the fashion to pin the label of conservatism upon Hamilton, and in many respects he was profoundly conservative. But the program he, along with Madison, advocated in the Confederation period was profoundly radical. Calling for the establishment of a strong national government, the creation of a new kind of republican federalism, it constituted a sharp break with the political ways of the past to which his opponents, the die-hard states'-rights particularists, wished to adhere.

Hamilton's brand of conservatism meant holding on to the tried and proven values of the past, but not standing still. He was not afraid of the new and the experimental. "There are epochs in human affairs when *novelty* even is useful," when "a change is necessary, if it be but for the sake of change," he wrote, in advocating his program of Continental reforms as early as 1780. Hamilton believed in change and progress, but he hoped change would come by evolution rather than by volcanic eruption. There was, then, nothing paradoxical about the fact that Hamilton was an ardent defender of the American Revolution and an equally ardent foe of the French Revolution. The former, in Hamilton's eyes, was a political revolution actuated by principles of law, justice, and moderation, whereas the French Revolution, as he saw it, became a class struggle, employing violence and terror, and seeking imperialist ends through military aggrandizement.

Hamilton's enlightened conservatism, his devotion to "the mild reign of rational liberty," is perhaps best exemplified by his desire to conserve civil liberties, by his attachment to due process, to trial by jury, to the freedom of the

press, and to the rights of minorities. He opposed loyalty oaths, indiscriminate confiscation of property, and religious tests for voting. "Let us not establish a tyranny," he warned at the time the Sedition Act was being considered by Congress.

In the last analysis it is the enduring quality of Hamilton's program that provides the true measure of his greatness as a statesman. Hamilton's successors in office found that his fiscal policies could not be rudely dethroned. "We can pay off his debts in fifteen years, but we can never get rid of his financial system," Jefferson grimly confessed on ascending to the Presidency. To justify the most significant accomplishment of his administration—the purchase of Louisiana—Jefferson had to adopt Hamilton's broad construction of the Constitution. Since that day the difference between the broad and the strict constructionists, between the Hamiltonians and the Jeffersonians, has been in large measure a difference between the party in power with responsibility and the party out of power and in opposition. Jefferson might have explained this philosophically by reminding us that "every difference of opinion is not a difference of principle."

Jefferson wanted "a wise and frugal government." Hamilton wanted a government that could act. Wars, unemployment, and the complexities and tensions of modern civilization have steadily foisted upon government new and awesome responsibilities. Woodrow Wilson once put the issue quite succinctly:

> We used to think in the old-fashioned days when life was very simple that all government had to do was to put on a policeman's uniform, and say, "Now don't anybody hurt anybody else." We used to say that the ideal of government was for every man to be left alone and not interfered with, except when he interfered with somebody else; and that the best government was the government that did as little governing as possible. That was the idea that obtained in Jefferson's time. But we are coming now to realize that life is so complicated that we are not dealing with the old conditions, and that the law has to step

in and create new conditions under which we may live, the conditions which will make it tolerable for us to live.

The ends of government to which Wilson was pointing have in the course of time ranged beyond the vision of the Founding Fathers, but the means of achieving them are orthodox Hamiltonian means. Today neither of the two great parties would venture to challenge the effective exercise of political power for the general welfare. Were Alexander Hamilton alive in the mid-twentieth century he would find that both parties accept as axiomatic the Hamiltonian proposition that the central government must have effective powers.

In his Army Pay Book, Hamilton, as a young Revolutionary officer, made various notes and jotted down a variety of quotations. One of them is surprisingly self-revealing. It is from an oration of Demosthenes, and, as entered by Hamilton, reads: "As a general marches at the head of his troops, so ought wise politicians, if I dare use the expression, to march at the head of affairs; insomuch that they ought not to wait the *event*, to know what measures to take; but the measures which they have taken ought to produce the *event*."

Truly it may be said that Hamilton constantly seized the initiative and kept ahead of events. Talleyrand said of Hamilton, "he has anticipated Europe." It may with as much accuracy be asserted that he anticipated America. The prophetic nature of much of Hamilton's thinking seems positively uncanny. It was Richard Rush, a Secretary of the Treasury from the opposition party, who paid tribute to Hamilton's direction of the operations of the Treasury "with a forecast so luminous as still to throw a guiding light over the path of his successors." Hamilton envisioned America as a great industrial giant, whose manufacturing output would raise the general standard of living and stimulate both commerce and agriculture. Hamilton believed that the nation must be put into a strong posture of defense, that we could not rely upon the long-range peaceful intentions of foreign powers or count upon permanent alliances. He even warned of wars starting by surprise attacks without the formality of a declaration.

Hamilton's alertness to the dangers of nullification, interposition, and secession take on somber overtones in the light of later history. An advocate of the supremacy of the union, his views were to be upheld by Jackson and vindicated by Lincoln. Hamilton anticipated the later assumption by the Supreme Court of powers for the federal government on the basis of three clauses in the Constitution—the necessary-and-proper clause, the general-welfare clause, and the commerce clause. These three clauses, as Hamilton interpreted them, have provided the constitutional foundation for much of the activity of our modern federal government in the fields of taxation, finance, business regulation, and social welfare, activities undreamed of when the nation was in its infancy. To Hamilton the enormous expansion of the power of the Presidency by the mid-twentieth century would have been less a surprise than a vindication of his notions of the need for administrative power, energy, and efficiency.

Hamilton's failures as a statesman are attributable more to personality and tactics than to basic principles. Hamilton carried courage in politics to the point of self-immolation. If there was any attacking to be done, he did not assign the task to someone else, but took it on himself. As Jefferson put it, he was truly the "Colossus of the Federalists," and the standing No. 1 target for the shafts of the opposition. Opinionated and self-assured, he lacked that understanding of the art of compromise, the mastery of which is so essential to the aspiring politician. Thus, he was inflexible when a little yielding would have made all the difference. The best example of this was his break with Madison over the question of discriminating between original and subsequent holders of public securities. Though probably impractical in operation, some sort of discrimination would have seemed fair and equitable and would certainly have been good politics. Hamilton lacked terminal facilities. He was candid, but he was also indiscreet. He wrote brilliantly, but he wrote too much and too often. His astonishing attack on President John Adams left Hamilton a party leader without a following.

With some justice it has been said that Hamilton loved his

country more than he did his countrymen. He would not bow to what he called "the majesty of the multitude." Direct democracy, he felt, was unsuitable to a large nation like America. It would, he feared, prove tumultuous and fickle. But he was reconciled to the system of representative democracy set up in the Constitution. Although an admirer of the British constitution, he realized that only a republic was suited to the American temper. While Hamilton was often portrayed by his opponents as an enemy of the people, the fact is that he was less afraid of the people than he was of state political machines and state legislatures. In Hamilton's thinking the loyalty of the people to the national government was an essential weapon to counteract the separatist and divisive tactics of the antifederalists. It must be confessed that there were times when Hamilton had his doubts about the way democracy was working out, and that he was understandably less enthusiastic about democracy when his party was voted out of office than when it was in power. But he believed in the power of reason founded upon full disclosure of the facts, and he had faith in the force of an enlightened public opinion. "I desire above all things," he wrote, "to see the equality of political rights, exclusive of hereditary distinction, firmly established by a positive demonstration of its being consistent with the order and happiness of society."

In this book Hamilton is permitted to speak for himself, to present his basic ideas in his own words. A man of eloquence, a facile writer, a powerful polemicist, and an unrivaled master at drafting state papers that have endured, Hamilton, through his correspondence, pamphlets, and reports, has left us a fascinating self-portrait. Herein is found Hamilton the man, the lover, the husband and father, the patriot and the statesman, the man who jealously guarded his integrity but stood loyally by his friends.

For reasons of space it has been necessary to excerpt much of Hamilton's writings, but every effort has been made to present an authoritative text. Wherever possible the selection is based upon the Hamilton Papers in the Library of Congress, the original newspaper articles or pamphlets, or Hamilton let-