

**Political Economy
and Republican Virtue:**

The Principle of Federal Authority

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© as

The Never Realized Republic: *An Analysis of Capitalism's Impact Upon
Republican Virtue and the Federal Constitution*

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“I am a philanthropist by character,”
wrote Washington to the Marquis de Lafayette,
“and a citizen of the great republic humanity at large.”
Washington to Lafayette, August 15th, 1786.¹

¹**The Washington Papers**, Saul K. Padover, ed., (Norwalk: Easton Press, 1955), 120. Hereinafter cited as Padover, ed., **The Washington Papers**.

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Foreword

Polity is how societies organize themselves into governing bodies. Polity is from the Greek *politeia* meaning citizenship or government. Political relates to governments and the public interest. Whereas, economy relates to the production and consumption of goods and services and the supply of money. Together it conveys the meaning of political economy.

Republican pertains to a republic. Republic, is from the Latin *res publica* which conveys both the public good and the public affairs. Virtue is the motivating force and the first principle of a republic. Virtue is the desire to do good. In a republic, virtue is the basic truth on which all other truths rest.

Therefore, republican virtue is the desire to do good for the public good. However, who is to say what the public good is or what good is in general, has caused many a republican society to struggle with the duty and obligation of government. Inasmuch as polity is how, virtue is why, societies organize themselves into governing bodies.

America's political economy is clearly based in capitalism. Capitalism is an economic *and* political system in which a country's trade and industry are controlled by private owners for profit, rather than by the state. Capitalism is clearly America's political economy. Most of America's founding fathers believed, however, that capitalism was to bring about a great era of goodwill toward all people and nations.

The main body of this work explores the heritage of republican virtue upon which the nascent capitalism of the 1790s had a tremendous impact. It is not a critique of capitalism's worth, value, or benefit. It does however, inquire as to whether those advocates of capitalism, in the late eighteenth-century honored or dishonored their ancestral republican heritage.

To this end, I ask the reader to give some consideration to the style in which this work is presented, as well as the historiography, and the subsequent historicity of the scholarship.

Historiography is the study of the writing of history and of written histories. Historiography is made up of primary and secondary resources in

a historiographical context. Primary resources are for example, a letter written by George Washington, or a document such as the federal Constitution. When primary resources are published together utilizing secondary resources, meaning books or periodicals, they contribute to a historiographical context, or established written history.

If the historiography is precise, it is accepted as historicity or nonfiction as opposed to fiction. Until such time, a historian's views are challenged, with different research or different viewpoints, they remain part of the written history.

When history concerns dates or events, there is little to challenge or question. The American Revolution for example, commenced with the Declaration of Independence, in the year 1776.

When historians begin to inquire about causes and motivations, more insight is needed.¹ Everything that is written, is not history. Alexander Hamilton for example, is one entity in American history that many sorts of people use, rather than truly understand. What Hamilton represents is for most, more important than who he was,² what he believed, or what motivated him.

The research contained herein, demonstrates a historiographical context, of the best scholarship, in the last one hundred years. This book will not tell you what to believe. It is not persuasive, adversarial, or provocative. It will however explain many things. Above all, what happened to government in the 1790s that altered the vision of the Revolutionary generation and how that vision came to be.

¹"Although, as Jefferson later reminded Joel Barlow" 'A great deal of the knolege of things [about the Revolution] is not on paper but only within ourselves.' Gordon Wood, **The Creation of the American Republic: 1776-1787**, (Chapel Hill: University of North Carolina Press, 1969), 74. Hereinafter cited as Wood, **Creation of the American Republic**.

²"There seems to be a continuing effort to preserve and use Hamilton as a symbol. The result has not been history." Stanley D. Rose, "Alexander Hamilton and the Historians," *Vanderbilt Law Review*, II, (1958), 854. Hereinafter cited as Rose, "Alexander Hamilton and the Historians."

Introduction

Human potential lies in goodness or greatness. It is through social progress, however, that human potential is realized. In the West a near free marketplace economy has supported and encouraged social progress from the inception of the federal republic. From the Mediterranean to all seven oceans, Europe and America have brought the world together through an ever expanding marketplace. The West's economy has been the source of great wealth, to those at home and abroad, but not the source of wisdom.

The history of Europe and America gives us a history rich in commerce. Commerce is unquestionably one of the West's greatest sources of prosperity. This prosperity has always been and is, especially in America, tempered by the virtues of education and religion. As much as the marketplace supports society, the marketplace is in turn guided by principles of liberty and justice, virtues of a common-law nation. Where liberty and justice flourish, the marketplace flourishes.

At home America idealizes its principles. America's marketplace flourishes under regulation to serve the public good. Virtue (the want to do good), and the republic (the public good), supports the marketplace. Abroad, the expansion and domination of trade backed by an elite military are as old as Rome; it is Roman virtue. Ethical behavior exemplifies a Christian virtue while the pursuits of arts and science are classical virtues. These virtues, then, are the West's greatest sources of prosperity and wisdom.

When the English crown failed in its duty to support civil society, including the love of liberty, the Revolutionary generation did not suddenly revolt. It took more than a hundred years to realize they had no choice if liberty was to be maintained. When the Confederation was failing in its duty to protect liberty, the Revolutionary generation breathed life into the Confederation to create the federal Constitution. They altered the nature and

form but not the principle.¹

Historically, America has struggled greatly to expand the world's marketplace. The struggle has not been with adversaries but with its own principles. The form or nature of the Constitution is not where its principles lie. The federal Constitution's form or nature, is clearly-Articles I-VII,-for these can change. What cannot change is the federal Constitution's preamble, its principal expression of virtue, purpose, and obligation.

The federal Constitution was tailored to effectively mend the weaknesses of the Confederation. The federal Constitution was designed to grow and change in its nature and form, but the principles are the same as in the Declaration of Independence and the "Articles of the Confederation." Those principles, the cause and motivation of America's republic, to be found in the Constitution's preamble, are wholeheartedly endorsed by the people.

Human nature has always struggled, to maintain the good, which Nature's god provided. Social progress can be witnessed as societies have struggled with, religious redemption or even through natural selection. Social progress has evolved as societies have struggled to realize human potential. Collectively, people have historically demonstrated a great faith, in human potential to serve the public good and provide for its collective welfare. The greatest challenge to that enduring faith has always been the constant struggle to maintain the good and to maintain virtue.

One such struggle was the American Revolution. Superficially, it was a violent uprising that resulted in a complete change of government. It was also the kind of revolution motivated by more than a century of demands, to return to the very reasons the Revolutionary generation believed governments were instituted. Economically and politically, progress had been aggressively stifled in colonial America, because of British mercantile policies and her political economy. European heritage and an English tradition of liberty demanded a social purpose. The common good, the common weal, the public good, and *res publica*, had historically, been of mutual interest to every sovereign and subject from the most ancient of

¹"There is this difference between the nature and principle of government, that the former is that by which it is constituted, the latter that by which it is made to act. One is its particular structure, and the other the human passions which set it into motion." Charles De Secondat, Baron De Montesquieu, **The Spirit of Laws**, ed., Robert Maynard Hutchins, trans. Thomas Nugent, (Chicago: William Benton, 1748, 1952), Book III, sec. 1, 9. Hereinafter cited as Montesquieu, **The Spirit of Laws**.

days. Social progress would never be stifled, only perverted.

The mutual interest of sovereign and subject had always been intended to be under the crown's protection and safeguarded by the duty of the sovereign, founded in custom and upheld through tradition. The Sovereignty of the English king and his parliament, had, to the Revolutionary generation, failed in their immemorial duty to its subjects in the New World.

Just as heritage and tradition conveyed principles of personal liberty and social justice, education and religion conveyed principles of duty and obligation. To the Revolutionary generation, immersed in a classical education, their past, present, and future, held the same values. Values like universal principles that transcended time. By the time the world was becoming modern, there were principles from time immemorial to guide the Revolutionary generation. When the constitutional era arrived, a revolution in political science structured a government so as to maintain and preserve the principal goals and aims of their revolution, their republican heritage, which were founded in principles that were universal. The Revolutionary generation had continued the struggle to maintain liberty and justice and then provided safeguards to insure duty and purpose of government.

Social purposes are clearly evident in the legacy of the Revolutionary generation's reasons for instituting government and are found in the federal Constitution's preamble. With this mild government, the heirs to the Revolution, in the late eighteenth century, looked forward to liberty's potential. Economically, a nascent capitalism was creating a potential world market of unprecedented production, distribution, and opportunity by the 1790s. The world was becoming modern in the late eighteenth-century and for a republic to be instituted, to maintain this social progress, republican virtue, the desire to do good for the public-good was required. The first principle, cause, motivation, and purpose of America's Republic were to be virtue.

The concept of republic cannot be qualified without its first principle, virtue. That desire to do good is qualified further by what is perceived as good. To the Revolutionary generation, there were different kinds of virtue, relevant to particular kinds of republics that historically had reached their pinnacle of glory because of their particular brand of virtue. To the Revolutionary generation and their heirs, virtue per se, was not applied to Christian religion, or the Roman and Greek republics. Every nation, society, and religion, had their virtues.

The revolutionary generation, even with their classical education, were not cognizant of virtue as either, classical, Roman, or Christian. The virtues

of Athens, or Rome, or Christianity were not identified as such but do explain irony and paradox in the extremes it produced. The on going struggles between Alexander Hamilton and Thomas Jefferson, for example, or the Confederation (anti-Federalists) and the Constitution (Federalists), which resulted in a political schism between the Federalists and the Republicans in the 1790s. Both Republicans and Federalists had unwavering virtue. Both desired to do good for the public good but their differences had clearly concerned virtue, not politics.

All had agreed that a government should be for the people. Yet, Roman, Christian, or classical virtue would inspire different political principles and motivation for how government would fulfill its duty and obligation to the people. The resulting conflicts were over how the republic was to be realized and not what kind of republic it was to be—military, commercial, classical, etc. It was, to be sure, a hybrid republic whose source of wisdom in history and political science would know no bounds in the search for social, political, and economic justice. Ultimately, the purpose of social progress was to be altered because virtue itself had become a contest.

This contest was a struggle between wanting to do good for the public good (public domain), and wanting to do good for the public (people's) good. It is ironic that the Revolutionary generation could not come to terms with this difference and synthesize it as they had synthesized and utilized every available political science and history of their day. To be sure, this very conflict in the 1790s produced opposites that remain until this day. On the one side, Federalists pursued a concentration of authority, which was akin to the Roman virtue so prevalent in their classical histories. Roman virtue intended to serve the public affairs and citizens were subjected by it. The central authority which was pursued by the Federalists, in the 1790s, was inherently Roman. Roman virtue then, was realized in serving the state, a government for its own sake.

Conversely, this principal foundation soon became adversarial to the virtues that had so animated republicans since the Revolution. The republicans of the Revolution, the Confederation, and the Constitution had always believed that government had a duty and obligation to serve and never to be an entity in its own right. It was intended to be utilitarian in nature. The duty and obligation of government for Republicans were to be as much a part of national planning as social progress.

A struggle ensued between the Federalists and Republicans as Roman, Christian, and classical virtue became politicized, confused and opposed. Soon this opposition became more important than virtue itself. If not for the express intent of instituting government for the people, each kind of virtue

might have a different focus of the federal Constitution's preamble (its purpose). It is ironic that Roman, Christian, and classical virtue all had the same end — to realize human potential — yet were realized by different means.

Classical education showed the Revolutionary generation that virtue was always the source desire for remedying political evils. Classical virtue exemplified the dignity of the citizen and citizenship, an obligation to rule and be ruled for the greater good. This duty which came from time immemorial was sustained by heritage and tradition. It was a mutual obligation of citizen and sovereign, and central even to the Magna Carta. Religion and education served only to reinforce an innate sense of duty wherein all obligation was reciprocal, and transmitted through ages by custom.

By understanding the different natures of virtue, is to understand the struggle between capitalism and republicanism. Capitalism had a certain impact upon the infant republic and its republican heritage. The quality of that capitalism, rooted in the Roman virtue of expansion and domination of trade, bereft of classical and Christian principles was why the purpose and direction of federalism altered the principal goals and aims of the Revolution. It is also to find out how and why the federal republic, because of Hamilton's influence and intercession determined once and for all the unintended fate of America's republican principles.

Acknowledgments

The Greek historian Herodotus, *the father of history* for western literature, introduced history (historia or 'narrative, history'), as a word rooted in research. Whereas Homer, created history through the poetic legends of the **Odyssey** and **Iliad** and Plutarch who is better known for his biographies, served well the historians' craft. Subsequently the kind and quality of history has varied. For there have been countless historians ever since, attempting to record the past, to retrieve its lessons, and foretell the future.

Perhaps the wisdom of Polybius was as good a guide as any. "What chiefly attracts and chiefly benefits students of history is just this —the study of causes and the consequent power of choosing what is best in each case. Now the chief cause of success or the reverse in all matters is the form of a state's constitution ; for springing from this as from a fountainhead, all designs and plans of action not only originate, but reach their consummation."¹

Scholars past and present rely on these primary resources to give life to their initial inclinations. It is the secondary resources, however, that give us historiography; history of the written word, and historicity; historical non-fiction. It is to past scholars, teachers, professors, and countless reference librarians, for whose aid and direction I am very grateful.

My professor Ronald J. Lettieri, was my last and most important mentor. He passed away after many years of instruction and two years before completing this six year project. He was a heartfelt intellectual who always looked to find the meaning, in politics, history, and people. He was a prolific writer, admired, and my role model as a scholar of integrity.

¹Polybius, **The Histories**, ed., G.P. Gould, trans. W.R. Paton, (Cambridge, Mass: Harvard University Press, 1923, 1979), 271. Hereinafter cited as Polybius, **The Histories**.

Chapter I

The Foundation of Colonial America: *Perpetuating Freedom and Justice*

“...speaking of ‘our ancestors’ before emigration, possessed a right which nature has given to all men..., establish new societies, under such laws and regulations as to them shall seem most likely to promote public happiness. That their Saxon ancestors...had established there [in Britain] that system of laws which has so long been the glory and protection of that country.”¹

-Thomas Jefferson, 1781

While the northern and southern colonies were essentially English, “between 1607 and 1642 — a time of political and religious troubles in England — some 65,000 adventurous spirits went out to the British West Indies and the [American] mainland colonies.” Ultimately there came to pass such a broad range of ethnic variety, that the burgeoning colonies slowly gained an identity of being American. While the northern colonies of Plimoth (Plymouth) and Massachusetts Bay, “were Englishmen of roughly similar social origins.”²

Pennsylvania and New York “came to represent the full ethnic range of Western Europe, while New England and the seaboard South

¹[Thomas Jefferson], A Summary View of the Rights of British America, (Virginia, 1781), in **Thomas Jefferson: Writings**, (N.Y.: Literary Classics of the United States), 105-106. Notes and text selected by Merrill D. Peterson. Hereinafter cited as **Thomas Jefferson: Writings**.

² Marvin Meyers, eds., et al., **Sources of the American Republic: A Documentary History of Politics, Society, and Thought**; rev.ed., (Glenview, Ill: Scott Foresman and Co., 1967), Vol. 1, 7. Hereinafter cited as Meyers, eds., et al., **Sources of the American Republic**.

remained essentially English in background.”¹ Of the political, economic, and religious (spiritual) motivations that brought so many to the New World not one was more or less important than the other. If we look to colonial charters, we find foundations of civil society and government, supporting the English heritage of religion, education, manners and customs that they brought with them.²

Moreover, the colonial charters of Sir Walter Raleigh, the first and second charters of Virginia, explicitly state that all and any would be “persons native to England,” “every their children and posterity; ...for all intents and purposes, as if they had been abiding and born within this our realm of England.”

As to law and liberty the earliest legal right of an English colonist was to remain English. An example of this faith is seen in the Proceedings of the Virginia Assembly, in 1619 and stated in no uncertain terms: “because this great Charter is to bind us and our heirs forever. ...”³ Certainly the rights of being Englishmen, i.e., the colonists’ heritage, would be as much a part of colonial charters, as all of the gold and silver guaranteed to the crown by adventurers.

In the *Farmer Refuted*, Hamilton made a clear distinction between the colonies and the persons comprising the colonies. Using the colonial charters and specifically the first charter of King James I, to the two Virginian companies, as legal precedents, Hamilton quotes, “Also, we do for us, our heirs, &c. declare, that all and every the persons, being our subjects, which shall dwell and inhabit within every, or any, the said several colonies, and every their Children, which shall happen to be born within any of the said several colonies, shall have and enjoy all liberties, franchises and immunities within any of our other dominions, to all intents and purposes as if they had been abiding and born within our Realm of England.” “This latter declaration,” Hamilton adds “(to which there is one

¹Meyers, eds., et al., *Sources of the American Republic*, Vol. 1, 7.

²In the Charters to: Sir Walter Raleigh, March 25, 1584, #5, 6; the First Charter of Virginia, April 10, 1606, #6, 9. The Second Charter of Virginia (reciting the grant of 1606, ed.). The Charter of Maryland, June 20, 1632, #15, 21. Henry Steele Commager, ed., **Documents of American History, to 1898**, (New Jersey: Prentice-Hall, 1973). Hereinafter cited as **Documents of American History**, Henry Steele Commager, ed.

³Meyers eds., et al., *Sources of the American Republic*, Doc. #5, 23.

correspondent or similar, in every American Grant) plainly indicates, that it was not the royal intention to comprise the colonies within the realm of England.”¹

As an inherent Englishman, Hamilton wrote, that “besides the clear voice of natural justice in this respect, the fundamental principles of the English Constitution are in our favor.”² Certainly Hamilton was alluding to that which would uphold heritage, tradition, and faith in the custom of law from “time immemorial.”

Inherent within these and other charters is the inclusion of certain rights that express definite time-honored principles of the mutual obligations of sovereign and subject. “By the late seventeenth-century, Englishmen everywhere, at home and abroad, had come to believe that Magna Carta was their palladium of liberty, the basis of fundamental rights.”³ At this point in American colonial history it can be shown that the Great Charter of the Commonwealth of England was not merely chimerical, or a romantic fondness, nor was it a distant or faded memory. It was the foundation of all legal charters, common law,⁴ and laws of authority, The

¹Alexander Hamilton, *The Farmer Refuted*, (N.Y., 1775), in Harold C. Syrett and Jacob E. Cooke, eds., **The Papers of Alexander Hamilton**, (New York: Columbia University Press, 1961), I, 110. Hereinafter cited as Syrett and Cooke, eds., **The Papers of Alexander Hamilton**.

²*Ibid.*, A Full Vindication of the Measures of the Congress, &c. New-York [December 15] 1774, 47.

³“SINCE MAGNA CARTA THE COMMON LAW HAS BEEN THE CORNERSTONE OF INDIVIDUAL LIBERTIES. EVEN AS AGAINST THE CROWN. SUMMARIZED LATER IN THE BILL OF RIGHTS ITS PRINCIPLES HAVE INSPIRED FREEDOM UNDER LAW. WHICH IS AT ONCE OUR DEAREST POSSESSION AND PROUDEST ACHIEVEMENT.” Presented by the Virginia State Bar May 17, 1959. This Plaque at Jamestown commemorates the introduction of common law on these shores, Louis B. Wright, **Magna Carta and the Tradition of Liberty**, (Washington D.C.: The United States Capitol Historical Society and the Supreme Court Historical Society, 1976), 11. Hereinafter cited as Wright, **Magna Carta and the Tradition of Liberty**.

⁴“The common law was manifestly influential in shaping the awareness of the Revolutionary generation.” Bernard Bailyn, **The Ideological Origins of the American Revolution**, (Cambridge: Mass, 1992), rev. ed., 31. Hereinafter cited as Bailyn, **The Ideological Origins of the American Revolution**.

Magna Carta was the strongest guardian to preserve liberty.¹ “In English history Magna Carta, indeed `every law or statute that defines the powers of the crown, and circumscribes them with determinate limits, must be considered as a barrier to guard popular liberty.”²

The Magna Carta as a parchment, as a constitution,³ certainly was a consistent representation of a faith in liberty under the law. A brief history of its realization will help the reader to understand that the colonists, the English colonists, had as their heritage, a fundamental understanding of that government had a purpose and an obligation. Furthermore, the idea of a mutual obligation and duty between subject and sovereign was one carried on by tradition and held fast through custom.

Prior to The Magna Carta there were other attempts to preserve the customs of the past. The Constitutions of Clarendon, “perhaps the most comprehensive act of Henry II, claimed to be no more than a record of the custom of his grandfather’s time.”⁴ Other charters also existing prior to 1215 showed the king pledging himself to abolish “evil customs” and to restore the “law of King Edward,” the good law of the past. Reciprocally, his subjects took the oath of allegiance. Both King and people were thus

¹“Pride in the liberty-preserving constitution of Britain was universal in the political literature of the age, and everyone agreed on the moral qualities necessary to preserve free government.” Bailyn, **The Ideological Origins of the American Revolution**, 45-46.

²Gordon Wood, **The Creation of the American Republic**, 378.

³“The words constitution and government have the same meaning.” Aristotle, **Politics**, ed. and trans. W.D. Ross, (New York: Oxford University Press, 1942), Vol. VI, (1279a). Hereinafter cited as Ross, ed., Aristotle, **Politics**.

⁴Austin Lane Poole, D. Litt., **Domesday Book to Magna Carta: 1087-1216**, Sir George Clark, ed., (Oxford: Oxford University Press), 385-386. Hereinafter cited as Poole, **Domesday Book to Magna Carta**. In Poole’s bibliography; 2. *Charters, Records, and other Documents; The Charters of Liberties* (of which Magna Carta was the last and the greatest), are printed in vol. I, of *Statutes of the Realm (1810)*, and in a convenient form with notes by C. Beaumont, *Chartes des liberies anglaises, (Collection de Textes, 1892)*.

bound my mutual obligations”¹ “Magna Carta is the supreme, but not the only example in this period [1066 - 1215], of successful resistance by the barons to a king who ruled in defiance of custom and their wishes.”² Although the Magna Carta was violated soon after its inception, and others reissued (1216, 1217, and 1225), the principles of safeguarding freedom and justice remained.

For the Magna Carta, like any republic, was born of self-love, and self-interest, and was but another step in attempting to unite the many varied interests of a human and civil society. The barons, whose names appear in the preamble of the Magna Carta, “were men who had long played their part in war, politics, or administration.”³ This was like the Continental Congress or the Annapolis Convention, which founded the federal Constitution. Americans knew well, that the sovereign’s duty required no oath for virtue, (the want to do good). Neither did Americans require the guise of holy men to represent the interests of the politically disenfranchised.

When King John in 1215, applied his royal seal to the Great Charter, it was Bishop Stephen Langton “and his party” who persuaded the “insurgent barons to insert into it clauses that would benefit others than themselves.”⁴ Poole finds it a warrantable assumption “that the barons could have had all they wanted at least by 10 May,” nearly a month prior to King John’s approval and applying his royal seal on the 15th of June, 1215. “It seems more probable that this month was spent, not in forcing King John to accept the Charter, but in persuading the insurgent barons to insert into it clauses that would benefit others than themselves.”

Thenceforth “like all Englishmen, the colonists [would be] familiar

¹“The oath was expanded into a ‘charter of liberties.’ These charters, issued in turn by Henry I, Stephen, and Henry II, are of fundamental importance in English constitutional history; they placed the king under the law.” Poole, **Domesday Book to Magna Carta** 5-6.

²Ibid., 11.

³See, the baron’s “experience and political sagacity,” as well as it being “a false picture to speak of the Charter forced on a king deserted by the nation and alone except for a mere handful of mercenary captains,” but in fact, the Charter was a statement of feudal law and custom, In Ibid., 472-479.

⁴Ibid.

with written documents as barriers to encroaching powers.”¹ Colonial Charters were but an echo of an earlier sovereign’s duty, as when “the barons again insisted on the restoration of the ancient and accustomed liberties,² to remedy just those feudal grievances,³ and most conspicuously, he [the king] promised that the church and the people should keep true peace; that he would forbid rapacity and iniquity; and that he would show equity and mercy in all his judgements.”⁴ These first principles of the duty of the sovereign actually preceded the Magna Carta but remained in principle, though not always in force; for all monarchs, past and future, would again struggle between virtue and corruption.

If principle is to be recognized as the common thread, weaving a tapestry of heritage and history, perhaps it would behoove us to consider what a principle is. In a generalized sense, a principle is “a fundamental source from which something proceeds; a primary element, force, or law which produces or determines particular results; the ultimate basis upon which the existence of something depends; cause, in the widest sense.” Principle as a fundamental truth, law, or motive force, is “a fundamental truth or proposition, on which many others depend; a primary truth comprehending, or forming the basis of, various subordinate truths; a general statement or tenet forming the (or a) ground of, or held to be essential to, a system of thought or belief; a fundamental assumption forming the basis of a chain of reasoning.”⁵

Montesquieu examines the difference between the nature and principle of government, and shows that a principle or principles are “human passions, set into motion.” Montesquieu’s further explanation is even more appropriate in that “nature is that by which it [principle] is constituted. ...its particular structure.”⁶ Therefore, the Magna Carta is but a mere form or

¹Wood, **The Creation of the American Republic**, 268.

²Poole, **Domesday Book to Magna Carta**, 468.

³Ibid., 471.

⁴Ibid., 5-6.

⁵**The Oxford English Dictionary**, (Oxford: Clarendon Press, 1989), Vol. XII, 499. Hereinafter cited as **The Oxford English Dictionary**.

⁶Montesquieu, **The Spirit of Laws**, ed., Book III, sec. 1, 9.

structure which clothes, vests, ordains, or establishes principle. Hence, liberty became a tradition and a “unique inheritance.”

Similarly, colonial charters were the form in which principle was maintained throughout the realm. Within this realm were burgeoning colonies in the New World. The colonists had not yet gained an identity of being American but even when they became Americans, it was the heritage of their English (Saxon and Norman, i.e., European) ancestors that the “Great Charter” and “Commonwealth” was tenaciously clung to as the citadel and sanctuary of liberty and justice.¹ By the crises of the 1760s in colonial America, colonists were well aware that the principle of the commonwealth, and of the Magna Carta, was their inherent right. Its principle was neither for the taking nor the granting but unalienable. They understood as well the word constitution as a “deliberately contrived design of government and a specification of rights beyond the power of ordinary legislation to alter; they thought of it, rather, as the constituted—that is, existing—arrangement of governmental institutions, laws, and customs together with the principles and goals that animated them.”²

Five hundred years before the social compact of the Puritans who had combined themselves “in a civil body politic,” the same sense of mutual political obligation brought the king of England under the law. The king was duty-bound, with moral and political obligations, as evidenced by the oath taken at his coronation, and by this oath, “he bound himself by obligations to his subjects . . . The oath was expanded into a ‘charter of liberties.’

These charters issued in turn by Henry I, Stephen, and Henry II, are of fundamental importance in English constitutional history; they placed the king under the law,”³ the law that would eventually bring all Englishmen under the protection and preservation of universal principles. In the Magna

¹“...the other states of British America...speaking of ‘our ancestors’ before emigration possessed a right which nature has given to all men..., establish new societies, under such laws and regulations as to them shall seem most likely to promote public happiness. That their Saxon ancestors...had established there [in Britain] that system of laws which has so long been the glory and protection of that country.” [Thomas Jefferson], *A Summary View of the Rights of British America*, (Virginia, 1781), in **Thomas Jefferson: Writings**, 105-106.

²Bailyn, **The Ideological Origins of the American Revolution**, 67-68.

³Poole, **Domesday Book to Magna Carta**, 5-6.

Carta it states, “We have also granted to all freemen of our kingdom, for us and our heirs forever, all the underwritten liberties, to be had and held by them and their heirs, of us and our heirs forever.”¹

When adventurers went out from England, they took with them the idea of being an Englishman. They also took with them, the foundation of English society. It was the common-law of England which served and protected Englishmen. It was English common-law, the law of the people, that gave Englishmen their dignity. If they did not have knowledge of the Magna Carta, if they knew anything of other European civilizations, Englishmen knew that England stood out in the dignity of its citizens. The liberty, English common law afforded them, was without comparison. Moreover, England was growing less oppressive than it had been for hundreds of years.²

Where once, power had served to create a prosperous empire, in the American colonies, power was slowly gaining oppressive momentum.³ Thomas Paine discussed this as attachment versus interest; whereas Jefferson, in discussing the three methods of aggrandizement, noted that “Parliament was pleased to lend assistance against an enemy, and would fain have drawn herself the benefits of their commerce, to the great aggrandizement of herself, and danger of Great Britain.”⁴

¹Wright, **Magna Carta and the Tradition of Liberty**, 54.

²Bailyn, **The Ideological Origins of the American Revolution**, 47. See also “The best of them all [European nations and monopoly of colony trade] that of England, is only somewhat less liberal and oppressive than that of any of the rest.” Adam Smith, **An Inquiry into the Nature and the Causes of the Wealth of Nations**, (Chicago: William Benton, 1776, 1952), Book IV, Ch. VII, Of Colonies: Causes of Prosperity of New Colonies, 255. Hereinafter cited as Smith, **The Wealth of Nations**.

³For commercial and constitutional contests between the American colonies and England, see “In everything, except foreign trade, the liberty of the English colonists to manage their own affairs their own way is complete.” Smith, **The Wealth of Nations**, 252. See also “There is not the least probability that the British constitution would be hurt by the union of Great Britain with her colonies. That constitution, on the contrary, would be completed by it, and seems to be imperfect without it.” *Ibid.*, 271.

⁴Thomas Jefferson, A Summary View of British Rights in America, (Virginia, 1781), **Thomas Jefferson: Writings**, 106.

As Britain and the American colonies continued to prosper, conflicts between the governors and the governed increased. Social and economic conflicts arose as well but were not more important than the political. There were attempts to reconcile these conflicts by persons on both sides of the Atlantic. “We, on this side of the water, are afraid lest the multitude of American representatives should overturn the balance of the constitution, and increase too much either the influence of the crown on the one hand, or the force of democracy on the other.”¹ The colonists held fast, and freedom was peculiarly theirs to enjoy. “The Great Charter of King John had become a symbol of freedom under law to Englishmen everywhere—even to those colonists clinging to the fringe of a vast new continent.”² When their roots took, and society became established, and civil and social institutions grew, their English heritage was a shining light, illuminating the darkest and most corrupt times that their classical education presented them, and Crèvecoeur acknowledged this as he lamented “the corruptness of Europe’s age.”³

American heritage began with what America’s colonial ancestors knew of their past (their colonial past, their English past, and republican antiquity in general),⁴ and what principles were of worth to them, they revered, preserved, and in some cases, improved upon. In examining “the practice of virtue,” Pocock shows Machiavelli demonstrating an art of which little

¹Smith, **The Wealth of Nations**, Book IV, Ch. VII., Part 2, Causes and Prosperity of New Colonies, 271. In a Bibliographical Note, the editors of the University of Chicago, ed., state [Smith’s] “close knowledge of colonial affairs is said to reflect his frequent conversations with Benjamin Franklin, and Smith himself proposed a plan of imperial federation designed to satisfy the grievances of the colonies.”

²Wright, **Magna Carta and the Tradition of Liberty**, 11.

³See, J.H. St. John de Crèvecoeur’s sentiments that “here [in America] we have in some measure regained the ancient dignity of our species; our laws are simple and just.” J.H. St. John de Crèvecoeur, **Letters From an American Farmer**, (London, 1782), Ernest Rhys, ed., (New York: E.P. Dutton and Co.), 12. Hereinafter cited as de Crèvecoeur, **Letters From an American Farmer**. Rhys, ed.

⁴“The founders considered the histories of the classical world, England, and America, (including their own experiences), their three most significant pasts.” Carl J. Richard, **The Founders and the Classics, Greece, Rome, and the American Enlightenment**, (Cambridge, Mass: Harvard University Press, 1994), 82. Hereinafter cited as Richard, **The Founders and the Classics**.

theoretical study had been made before *The New Prince*, in that “citizens practice virtue, in the sense that they establish, maintain and actually improve structures of ethical and political relationships.”¹

It is in this sense that American colonists continued in the Renaissance tradition of political thought. The religions, education, and manners brought from Europe, and later maintained by colonial institutions had lain a foundation of republican virtue (the want to do good for the public good).

As long as monarchies in Europe had been built upon the ruins of the Roman empire, people to some extent exchanged their obedience for protection. Though history seemed “to be a record of usurpations,”² to the revolutionary generation, the duty of the sovereign (innate within mutual obligation, social contract or compact) went deeper than the Mayflower Compact or Rousseau’s social contract, Hamilton’s Right of the Sovereign, or other theorists allowed. The search for liberty, (The standard bearer of republics) as opposed to oppression, or freedom from, or freedom to, was a seemingly never-ending struggle as virtue was a seemingly never-ending call to arms for remedying political evils.

The liberty of religion, for example, have founded and destroyed, many republics. “Remember,” Hamilton warned, “civil and religious liberty always go together, if the foundation of one is sapped, the other will fall of course.”³ Since England’s monarch is considered the defender of the

¹J.G.A. Pocock, **The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition**, (Princeton: Princeton University Press, 1975), 189. Hereinafter cited as Pocock, **The Machiavellian Moment**.

²Joyce Appleby, **Capitalism and A New Social Order: The Republican Vision of the 1790s**, (New York: New York University Press, 1984), 19. Hereinafter cited as Appleby, **Capitalism and A New Social Order**.

³Parliament “would find means to tax you for every child you got, and for every kiss your daughters received from their sweethearts, and God knows, that would soon ruin you. The people of England would pull down the Parliament House, if their present heavy burdens were not transferred from them to you. Indeed there is no reason to think the Parliament would have any inclination to spare you: The contrary is evident. But being ruined by taxes is not the worst you have to fear.

“What security would you have for your lives? How can any of you be sure you would have the free enjoyment of your religion long? Would you put your religion in the power of any set of men living? Remember civil and religious liberty always go together, if the foundation of one is sapped, the other will fall of course.”

faith, was Hamilton acknowledging the simple fact that republics have always grown in their splendor and corruption proportionate to their reverence of divinity? As an admirer of Rome (if not more than Caesar), was Hamilton recalling the religious virtues of Rome, whose rise or fall depended on the reverence of divine providence? as well as they who signed the Declaration of Independence, i.e., *And support for this declaration, with a firm reliance on the protection of Divine Providence.*¹ Did the signers of the Declaration of Independence not declare as well, their faith in Divine Providence and a creator?

Hamilton “copied large extracts from Plutarch’s lives of Theseus, Romulus, Lycurgus, and Numa Pompilius, all founders of republics.”² Although Plutarch was an immeasurable and respectable source for those immersed in the literature of classical antiquity, Plutarch was a biographer more than a historian. Quoting Cicero, Montagu observed, “We [Romans] have indisputably surpassed all the nations in the universe in piety and attachment to religion, and in the only point, which can be called true wisdom, a thorough conviction, that all things here below are directed, and governed by divine providence. To this principle alone Cicero wisely attributes the grandeur and good fortune of his country.”³

Furthermore, Montagu remarks that the Romans’ “essential acts of religion” were esteemed by them and must consequently “carry all the force

Alexander Hamilton, *The Farmer Refuted*, (N.Y., 1775), in Syrett and Cooke, eds., **The Papers of Alexander Hamilton**, I, 68. See “Our true situation appears to me to be this — a new extensive Country containing within itself the materials for forming a government capable of extending to its citizens all the blessings of civil & religious liberty — capable of making them happy at home. This is the great end of Republican Establishments.” Charles Pinckney (S.C.), in **Notes of Debates in the Federal Convention of 1787**, Reported by James Madison, with an Introduction by Adrienne Koch, (N.Y.: W.W. Norton & Co.), 185. Hereinafter cited as Madison, **Notes of the Debates in the Federal Convention**.

¹**The Declaration of Independence in Congress, July 4, 1776**, in Meyers, eds., et al., **Sources of the American Republic**, Vol. I, doc. #45, 135. Hereinafter cited as **The Declaration of Independence**.

²Richard, **The Founders and the Classics**, 26.

³Edward Mortley Montagu, **Reflections on the Rise and Fall of the Ancient Republics**, (Philadelphia: C.P. Wayne, 1775, 1806), 252. Hereinafter cited as Montagu, **Reflections on the Rise and Fall of the Ancient Republics**.

of religious principle.” No matter that they appear to us “instances of the most absurd, and most extravagant superstition.”¹

This is truly a recognition of principle, while not finding anything worthy in the nature or form. Or was Hamilton simply asserting the natural justice and principles of the English constitution of which religion served as a foundation of? Surely, the classical education of Hamilton afforded such historical antidotes to corruption’s threat to civil and religious liberty. He did not, however, need to refer to Rome to find the advantage that religion offered in supporting virtue. Christianity and classical education were mutually supportive and indeed reconcilable within a civil world of English colonial government. “The classics had been an integral part of Christian education for centuries.”²

As western Europe slowly settled the regions of the new world, it was English heritage, traditions, and customs, that formed the foundation of civil government and an English society in colonial America. For in colonial America, unlike Canada and South America, the English ruled over the English. “In Spanish America a small European elite dominated a large Indian population. New France (Canada) remained a sparsely settled outpost dedicated to conversion of the Indians and largely dependent on the fur trade.

In British North America, however, Englishmen ruled over Englishmen according to English principles, and this fact helps to explain the unique political, social, and economic developments that shaped the future American republic.”³ The colonists brought with them, a heritage of freedom, not only liberty and the custom of law, which defended their freedom, but traditions of faith that guided their souls, i.e., conscience. “Although the founders considered the classics an important source of enlightenment, they understood that the highest expression of classical virtue was independence of thought and action.”⁴

When scholars lived in an age of enlightenment, there was time and space, especially in America, to develop and realize high ideals. England

¹Montagu, **Reflections on the Rise and Fall of the Ancient Republics**, 251.

²Richard, **The Founders and the Classics**, 185.

³Meyers, eds., et al., **Sources of the American Republic**, 7.

⁴Richard, **The Founders and the Classics**, 230.

was already modern and needed no enlightenment.¹ In colonial America there was no sprawling urban centers, supporting economic and social injustice. The people were not groaning under the weight of civil or religious wars. There were no standing armies (as yet) ready to threaten liberty. There was no oppression, nor the conscripting of generations into horrific wars.

The heritage of religion, and education, was what the colonies shared with other nations of Europe: a Christian faith, shared by different peoples with different ideas. “The colonists had breathed the air of Renaissance and Reformation Europe filtered through their special English atmosphere, the transatlantic flow of thought would continue through the eighteenth-century, bearing the fresh products of a new age of reason.”² The enlightenment of Europe was prospering in colonial America, side by side with a growing civil government, mutually supporting English and European heritage. Still adhering to English law and custom, the colonists in their civil capacity, continued to acquire stature as they continued to manage their own affairs and participate in politics.

As early as 1646, the General Court in Massachusetts was petitioned by citizens “for redress” because Massachusetts Bay had departed from English precedents in some of its laws. The General court published an answer, with provisions of English law, beginning with the Magna Carta, in columns parallel with related provisions in the Massachusetts statutes.”³ The colonist’s real prosperity was in their self-government, born of legal and royal charter, maintained through the custom of law, and supported by religion and education. In turn, colonial society supported its civil government until civil government no longer supported the society.

The basic foundations of civil government, in colonial America, came with certain monarchial, constitutional, and other principles of political economy and finance. These principles continued to greatly shape and influence Americans through the inception of the Republican government. In the 1790s, most Americans hoped to realize a republic divorced from antiquated ailments that so often characterized ancient republics: monarchy (tyranny), aristocracy (political, social and economic injustice), and democracy (mob-rule).

¹Pocock, **The Machiavellian Moment**, 477.

²Ibid..

³Wright, **Magna Carta and the Tradition of Liberty**, 42-43.

In the last half of the eighteenth-century, the historical struggle of virtue and corruption showed itself again in the political crisis which led to the American colonies declaring independence on July 4th, 1776. Therein, was not the legal authority of king and Parliament that Americans revolted against. It was not the laws of authority, it was the laws of custom. “This is what Edmund Burke — direct heir of this way of thinking — was to call ‘prescriptive’ or ‘presumptive’ reasoning. Because a custom or particular institution had a ‘prescriptive’ claim — i.e., was already established — ‘there was a presumption’ in its favor; we presumed that it had been found to work well.”¹

The colonists merely questioned authority, their legal reasoning, based in the law of custom, or the sovereign’s duty, and the social contract or compact.² “Hamilton’s use of the social contract as the source of political obligation shows an ambiguity that he shared with many contemporaries, including Blackstone.

It was the lack of distinction between the pactum societatis and the pactum subiectionis, that is, between the contract that welded individuals into one society and the contract that exchanged the ruler’s protection for the obedience of the ruled.”³ The King violated, repeatedly, that trust and faith in the common good. This is explicit in the Declaration of Independence, in that, “He [the King] has refused his assent to laws, the most wholesome and necessary for the public good.” The lawful custom that gave the king and Parliament its authority, was the duty of the sovereign. It was an obligation, in which the Magna Carta had been validated for more than five hundred years by earlier generations. It was a social contract and compact born of barbarous times when monarchies had been built upon the ruins of the Roman Empire.

The Declaration of Independence questioned the authority of king and Parliament. Both the king and Parliament were believed to be corrupted. The colonists believed that an arbitrary government which had fallen away

¹Pocock, **The Machiavellian Moment**, 15.

²See Magna Carta as Whig contract in Wood, **The Creation of the American Republic**, Ch. VII., Law and Contracts, sec. 2, The Contract of Rulers and Ruled, 268.

³Gerald Stourzh, **Alexander Hamilton and the Idea of Republican Government**, (Stanford: Stanford University Press, 1970), 25. Hereinafter cited as Stourzh, **Alexander Hamilton and the Idea of Republican Government**.

from its principle of duty was corrupt.. After the Glorious Revolution of 1688, Americans felt that liberty “not only in Europe but in England itself” was not able to preserve itself. “On the eve of the Revolution the belief that England was sunk in corruption’ and `tottering on the brink of destruction had become entrenched in the minds of disaffected Englishmen on both sides of the Atlantic.”

Whether king or Parliament, whether absolute or arbitrary, “the English constitution was at last succumbing to tyranny.” “When the American Whigs described the English nation and government as eaten away by `corruption,’ they were in fact using a technical term of political science, rooted in the writings of classical antiquity, made famous by Machiavelli, developed by the classical republicans of seventeenth-century England, and carried into the eighteenth century by nearly everyone who laid claim to knowing anything about politics.”¹

Both king and Parliament was seen as threatening the very principles of the English constitution which Englishmen everywhere prided themselves on. They h

¹Wood, *The Creation of the American Republic*, 32-33.

ad failed in their duty of sovereign, defender of the faith, and the guardian of liberty. This is clearly put forth in the Declaration of Independence. The reasons governments are instituted among men are stated, and also that it is from the consent of the governed that the sovereign receives its authority. It then becomes the right and the duty of the governed to throw off such a government that fails in its duty and to assent to laws, the most wholesome and necessary for the public good. This declaration was simply a denouncing of the contract, “The fact that it was issued jointly by the United States in Congress assembled — i.e., by an organized society — prevents us from seeing in that act a dissolution of Locke’s kind of social contract.”¹

Hamilton knew that the principles of the English constitution were provided to serve the general good, at least as far as the English colonies were concerned. In his notes on the history of the colonies, Hamilton writes, alluding to the social contract, “They (the Puritans of Plimoth), looked upon themselves as having reverted to a state of nature; but willing still to enjoy the protection of their former sovereign.”²

Speaking of the Virginia Charter Hamilton noted that self government is “concerned with the weal public [public good], and the general good of the said plantation.”³ So perhaps it is not so much a lack of distinction between contract and compact, as it is an application to appropriate circumstances – meaning that when the people are defended by the sovereign it is a social contract, and when the people seek social purpose it is a social compact.

Colonial Americans continued to follow in the tradition of the Renaissance, and other defenders of the faith in republican virtue. Immersed in a classical education and Christian religion colonists continued to follow

¹Stourzh, **Alexander Hamilton and the Idea of Republican Government**, 25-26.

²Alexander Hamilton, *The Farmer Refuted*, (N.Y., 1775), in Syrett and Cooke, eds., **Papers of Alexander Hamilton**, I, 114-115.

³*Ibid.*, 112.

in the tradition of the humanist and the Florentine, who sought to realize the “relation between citizenship, virtue and fortuna.”¹

Following in the tradition of the Magna Carta, arbitrary policies were not to be tolerated by colonists who understood their freedoms and liberty. The King’s authority to arbitrarily subject the colonies to that authority was in question. Like the colonists, the barons, on the fifteenth of June, 1215, “insisted on the restoration of the “ancient and accustomed liberties.” Their feudal grievances were not unlike those enumerated in the Declaration of Independence, with “arbitrary judgment” being first and foremost.²

Previous to the Magna Carta in the document usually called “the Unknown Charters of liberty,” the baron’s “feudal grievances brought the king “under the law.” Then in 1776, when once again, grievances were brought against the king, and the king was brought under the law. The king was not subject to the laws of authority or statutes. The king was subject to the laws of custom.

Implicit in the Declaration of Independence is the sovereign who had failed in his duty. Explicitly, Americans pledged to each other their lives, their fortunes, and their sacred honor, to abolish the king’s form of (corrupt) government, and to institute new government, laying its foundation on such principles, and organizing its powers in such form, as to them seemed most likely to effect their safety and happiness.

This declaration of independence intended to remedy political evil, to struggle with injustice, and to realize a republic, so well founded, that the object and end of government—“the safety and happiness of the people”—would not be ransomed, mortgaged or otherwise corrupted. “Republicanism meant more for Americans than simply the elimination of a king and the institution of an elective system. It added a moral dimension, a utopian depth, to the political separation from England—a depth that involved the very character of their society.”³

Conscious of revolt Americans unwittingly embraced social purpose;

¹Pocock, **The Machiavellian Moment**, 157.

²“After reciting the coronation charter of Henry I, on which the Great Charter was eventually modeled, this obscure document (‘the Unknown Charter of Liberties’) proceeds to draft concessions designed to remedy just those feudal grievances of which they most insistently complained—arbitrary judgement...etc.,” Poole, **Domesday Book to Magna Carta**, 471.

³Wood, **The Creation of the American Republic**, 47.

not as a plan for the future, but a preservation of the past. “In no obvious sense was the American Revolution undertaken as a social revolution.”¹ The foundation of that character is to be found in the education, religion, and manners of the colonies that ultimately laid the foundation of republican society – not the outward form, or nature, but its principle.

By the time the colonies had been established, with their civil government, and societies, there was a foundation of law. English laws were English, but the colonists were immersed in classical education, and “learning was respected by many of those who wanted no part of it themselves.”² “The classical world had been the main source of inspiration and knowledge for enlightened politicians at least since Machiavelli, and never more so than to the classical republicans and their heirs of the seventeenth and eighteenth centuries.”³ The concept of republic (public good, common weal, public suggested, a state belonging to the whole people rather than the crown.”⁴

The education of society in general, through school, or church, or family, was the foundation of colonial life. The colonists knew of the value of colonial history as well as history in general, for contributing to their continued participation in politics, the challenging and validation of authority and the assertion of legal if not unalienable rights, in the struggle for liberty.

Benjamin Franklin “Sketched out for the Consideration of the Trustees of the Philadelphia Academy,” in 1751 a plan for “a Foundation of knowledge and Ability, as properly improv’d, [that] may qualify them to pass thro’ and execute the several Offices of civil Life, with Advantage and Reputation to themselves and Country. ... For their farther improvement, and a little to vary their studies, let them now begin to read History, after having got by Heart a short Table of the principal *Epochas in Chronology*. They may begin with Rollin’s *Antient and Roman Histories*, and proceed at proper hours as they go thro’ the subsequent Classes, with the best

¹Bailyn, **The Ideological Origins of the American Revolution**, 302.

²Meyers, eds., et al., **Sources of the American Republic**, Doc. #37, 108.

³Wood, **The Creation of the American Republic**, 50.

⁴Ibid., 55-56.

Histories of our Nation and Colonies.”¹

To the founding fathers, history served a definite purpose: the prevention of tyranny,² and offered many examples of what virtue had accomplished. “They truly believed that ancient history was a source of knowledge which must be utilized in making decisions.”³ For some history is merely dates and events, while to others, it was causes and motivations.

For Montesquieu it was human passions, set into motion. “There is a difference between the nature and principle of government, that the former is that which it is constituted, the latter that by which it is made to act. One is its particular structure and the other the human passions which set it into motion.”⁴ Therefore, virtue was a common denominator among the history of republics.

Montesquieu’s republican principle,⁵ was as well, for Americans, the virtue of its authority. Virtue, when seen as the desire to do good, as the “human passions” desiring to remedy political evils, can be found in all republics that fought corruption and established justice. Furthermore, the desire to remedy political evils, i.e., to establish justice, was clearly a desire to do good, for the public good. Surely, the establishing of justice — political, economic, and social, was the highest good. There was no doubt that liberty was possible without justice.

While justice can be seen as a virtue, virtue to a man like Socrates was knowledge. “Virtue, do you say or a virtue. ...,” Socrates asks of Meno, “I see your point,” says Meno “and I agree that there are other virtues besides

¹Meyers, eds., et al., **Sources of the American Republic**, doc. # 25, 79.

²Richard, **The Founders and the Classics**, 85. See also Montagu, **The Rise and Fall of the Ancient Republics**, 269.

³Richard, **The Founders and the Classics**, 84.

⁴Montesquieu, **The Spirit of Laws**, Hutchins, ed., Book III, 9.

⁵“What I distinguish by the name of virtue, in a republic, is the love of one’s country, that is, the love of equality. It is not a moral, nor a Christian, but a political virtue; and it is the spring which sets the republican government in motion, as honour is the spring which gives motion to monarchy...In a word, honour is found in a republic, though its spring be political virtue; and political virtue is found in a monarchial government though it be actuated by honour.” Montesquieu, **The Spirit of Laws**, Hutchins, ed., Advertisement, xxii. See also Wood, **The Creation of the American Republic**, Ch. 2, Republicanism; sec., 5, Equality, 70.

justice.”¹ And Socrates replies, “...try to tell me the nature of virtue. Stop making many out of one, as the humorists say when somebody breaks a plate.”² For surely the virtues of all republics are in proportion to the kind of republics they were,³ but they all had virtue or a desire to do good. Sparta had its virtues in a military republic. Athens had its virtues in the arts and sciences. Carthage had its virtues in commerce.

All of these republican virtues were inherent in Rome, the Commonwealth of England, and Renaissance Italy. The virtues these republics all had in common, were education and religion. Their peculiar customs and manners as well, had resulted from a collective desire to promote the public good. Education and knowledge are not necessarily the same thing, however. The education that American colonists sought was an understanding of knowledge, which was part and parcel of education. Knowledge was virtue to Socrates, “To be wise was to be good.”⁴

Education, on the other hand, was something Socrates believed others “wrangled over.” “But our present discourse is in place only on the lips of one who holds that education is none of these things, but rather that schooling from boyhood in goodness which inspires the recipient with passionate and ardent desire to become a perfect citizen, knowing both how to wield and how to submit to righteous rule. Our argument, I take it, would isolate this training from others and confine the name education exclusively to it; any training which has as its end wealth, or perhaps bodily strength, or some other accomplishment unattended by intelligence and righteousness, it counts vulgar, illiberal, and wholly unworthy to be called education.

So we must not wrangle over a word, but abide by the proposition on

¹Edith Hamilton, ed., **The Collected Dialogues of Plato**, (Princeton: Princeton University Press, 1978), in *Meno*, trans. W.K.C. Guthrie, 73d-73e, 356. Hereinafter cited as Hamilton, ed., **The Dialogues of Plato**.

²Ibid., 77a, 360.

³Military, commercial, or classical, i.e., social progress based on the arts and sciences.

⁴“This search into the nature of knowledge can be seen in its profound seriousness only when the reader keeps before him that to Socrates virtue was knowledge. To be wise was to be good.” Introduction to *Theatetus*: trans. F.M. Cornford, in Hamilton, ed., **The Dialogues of Plato**, 845.

which we have just agreed, that the rightly educated prove what we mean by good, and that no aspect of education is to be disparaged; it is the highest blessing bestowed on mankind, and it is the best of them on who it is most fully bestowed. When it takes a false turn which permits of correction, we should, one and all, devote the energy of a lifetime to its amendment.”¹

To this great philosophy Adam Smith concurs on two points. “The education of the common people requires, perhaps, in a civilized and commercial society the attention of the public more than that of people of some rank and fortune.”² Secondly, “an instructed and intelligent people, besides, are always more decent and orderly than an ignorant and stupid one.”³

As to virtue, Adam Smith observed, “in the ancient philosophy the perfection of virtue was represented as necessarily productive, to the person who possessed it, of the most perfect happiness in this life.”⁴

Republican histories had found their way through the mists of antiquity, and were preserved by scholars, who from age to age transmitted, ideas, ideals, and lessons learned, for the generations that would come after them, i.e., their posterity. “The ‘mossgrown columns and broken arches of those once-renowned empires are full with instruction’ for a people attempting to rebuild a republican world.”⁵

These histories conveyed natures, forms, and how they organized their people into governing bodies. They laid down their peculiar ways of life, with traditions, habits, customs, and manners. These ancient people laid a foundation that suited their citizens needs. They expected their posterity would remember the human passions and principles that established their foundations. Knowing someday their posterity would inevitably struggle with the principles and purpose of their republican ancestors. Hence, the

¹Ibid., 845, in *Laws*, 643e-644b, 1243-1244.

²Smith, **The Wealth of Nations**, Book V, Of the Expenses of the Sovereign or Commonwealth, 341.

³Ibid., 343.

⁴Smith, **The Wealth of Nations**, Book V, Of the Expenses of the Sovereign or Commonwealth, 336.

⁵Montagu, **The Rise and Fall of the Ancient Republics**, as quoted in Wood, **The Creation of the American Republic**, 51.

rise and fall of many republics.

The common thread woven through the tapestry of history is a struggle of wanting to be just, no matter how evil the force behind the injustice. In remedying political evils, virtue was the “human passion,” that always “set into motion” the “nature and form”¹ of the republic. This desire to do good, is as consistent in history as the examples of those who destroy virtue, to set up power. “Pliny tells Trajan, That all his Predecessors, except Nerva and one or two more, studied how to debauch their People, and how to banish all Virtue, by introducing all Vices. ... Thus did their Governors and Enemies of Rome destroy Virtue, to set up Power.”²

Throughout history there was Catillines or Caesars, or Machiavelli’s new prince. The founding father’s classical education forewarned them and they saw the potential corruption of they who would destroy virtue to set up power. There was much potential for the same quality of actor who wore Montague’s “mask of corruption.”³

Carl J. Richard, in **The Founders and the Classics**, shows the founding fathers detesting leaders like “Sulla, Catilline, Marc Antony, and Julius Caesar, whose corruption of the Roman Republic had resulted in the rise of emperors.”⁴ Montagu remarks that the “conspiracies of Catilline and Caesar against the liberty of their country, were but genuine effects of that corruption, which, Sallust has marked out to us, as the immediate cause of the destruction of the republic. The end proposed by each of these bad men, and the means employed for that end, were the same in both.”⁵ “These great men did not seek power, nor use it, to do good to their Country, which is the

¹“There is this difference between the nature and principle of government, that the former is that by which it is constituted, the latter that by which it is made to act. One is its particular structure, and the other the human passions which set it into motion.” Montesquieu, **The Spirit of Laws**, Hutchins, ed., Book III, sec. 1, 9.

²**Cato’s Letters; Essay on Liberty, Civil, Religious, and Other Important Subjects**, John Trenchard; Thomas Gordon, (N.Y.: Da Capo Press, 1755, 1971), #27, 205. Hereinafter cited as **Cato’s letters**.

³Montagu, **The Rise and Fall of the Ancient Republics**, 117.

⁴Richard, **The Founders and the Classics**, 90.

⁵Montagu, **The Rise and Fall of the Ancient Republics**, 238-239.

end of power; but to themselves, which is the abuse of power.”¹

Earlier Machiavelli recalled that “whilst under the Caesars [Rome] became corrupt to the lowest degree.” The result of this corruption “spread amongst the people by the faction of Marius, at the head of which was Caesar, who had so blinded the people that they did not perceive the yoke they were imposing upon themselves.”²

Roman scholars had preserved for their posterity the cause and consequences of their ill-fated republic. These writers wrote at a time “when the greatest days of the republic were crumbling or already gone, pessimistic Romans-Cicero, Sallust, Tacitus, Plutarch contrasted the growing corruption and disorder they saw about them with an imagined earlier republican world of ordered simplicity and Acadian virtue and sought continually to explain the transformation. It was as if these Latin writers in their literature of critical lamentation and republican nostalgia had spoken directly to the revolutionary concerns of the eighteenth century.”³

Like those in ancient Rome, colonists were looking back into history searching for reason in an ever growing unreasonable world. Pamphleteers were soon publishing their criticisms of British policies in the colonies. These pamphlets soon began appearing everywhere in the colonies referencing ancient struggles. These struggles were not new. They were typical and cyclic. The writings served to enlighten as well as convey the potential of human freedom. This proliferation of classical reference, however, was “illustrative, not determinative of thought... heightening the colonists sensitivity to ideas and attitudes otherwise derived.”⁴

Another common thread is language and how meaning is transmitted over time to future generations. All republics, no matter how different they appeared to be, had definite principles in common. These republics, founded on certain principles, were perpetuated through custom, heritage, and tradition. These principles, such as the tradition of liberty, and the

¹Cato's Letters, #27, 205.

²Max Lerner ed., Niccolo Machiavelli, **The Prince and the Discourses; in Natives of the Same Country preserve for all time the Same Characteristics** (New York: Random House, 1940), rev. ed., 165-166. Hereinafter cited as, **Machiavelli, The Prince and the Discourses**, Max Lerner, ed.

³Wood, **The Creation of the American Republic**, 51.

⁴Bailyn, **The Ideological Origins of the American Revolution**, 25.

heritage of freedom, and the custom of law, all contributed to the concept of a republic. From age to age these principles were passed on through education, religion, and manners. Through seemingly countless ages the struggle between virtue and corruption played itself out, making its way from the Mediterranean to both sides of the Atlantic.

Virtue and corruption were easiest to understand when one looked at the virtue being corrupted. As the colonists saw it, corruption's end result was the arbitrary policies of king and Parliament that afforded no redress for their complaint. Regarding the Boston Port Bill, George Washington writes to Bryan Fairfax, "As to your political sentiments, I would heartily join you in them, so far as it relates to a humble and dutiful petition to the throne, provided there was the most distant hope of success. But have we not tried this already? Have we not addressed the Lords, and remonstrated to the commons? And to what end? Did they deign to look at our petitions? Does it not appear, as clear as the sun in its meridian brightness, that there is a regular, systematic plan formed to fix the night and practice of taxation upon us? Does not the uniform conduct of Parliament for some years past confirm this? Ought we not, then, to put our virtue and fortitude to the severest test?"¹

From history alone America "had from the start been destined to play a special role in history."² Both Christian and classical doctrine were reconcilable in the sense that it "served a vital emotional function: it saved the founders from the painful necessity of abandoning the religion of their ancestors and of their countrymen."³ The Puritans of Plimoth, Massachusetts Bay, and Connecticut were religious reformers "who sought a new land where they and their church brethren might live and worship according to their special understanding of God's law for man."⁴

By the eve of the Revolution religion and politics appeared in the sermons and pamphlets fueling the fires of controversy with Great Britain. Independence was fast becoming "not only political but moral." The repeated calls of the clergy for a return to the temperance and virtue of their ancestors made sense not only in terms of conventional covenant theology

¹Padover, ed., *The Washington Papers*, 123-124.

²Bailyn, **The Ideological Origins of the American Revolution**, 140.

³Richard, **The Founders and the Classics**, 194.

⁴Meyers, eds., et al., **Sources of the American Republic**, 8.

but also, as many ministers enjoyed noting, in terms of the best political science of the day. The traditional covenant theology of Puritanism combined with the political science of the eighteenth-century into an imperatively persuasive argument for revolution.

Liberal rationalist sensibility blended with Calvinist Christian love to create an essentially common emphasis on the usefulness and goodness to devotion and the general welfare of the community. ... The city upon the hill assumed a new republican character. It would now hopefully be, in Samuel Adams' revealing words, 'the Christian Sparta.'¹ "The city upon the hill would become identified with the balanced government, in which neither an established clergy nor any other agency of corruption disturbed the virtue and freedom of the people, and the corruption which threatened the latter was as much the work of the Antichrist as the apostasy which threatened the former."²

America could see a special destiny because of a desire to do good that transcended private virtue, wherein the Christian virtue of sacrifice was to become civic virtue.³ In contrast, for "eighteenth-century American and European radicals alike, living in a world of monarchies, it seemed only too obvious that the great deficiency of existing governments was precisely their sacrificing of the public good to the private greed of small ruling groups."⁴

Sacrificing for the public good was a standard-bearer of the American Revolution, until a short time later when self-love was to be given up for a greater love, self-interest, in which man the believer became man the doer.

¹Wood, **The Creation of the American Republic**, 117-118.

²Pocock, **The Machiavellian Moment**, 512. "The apocalyptic dimension, however, while apparent in the rhetoric of the Revolution, is hardly dominant there." Ibid., 513. See Richard, **The Founders and the Classics**, 52. See "The controversy with England, from its beginning in the early 1760's had leant support to that belief, so long nourished by so many different sources, that America had from the start been designed to play a special role in history." Bailyn, **The Ideological Origins of the American Revolution**, 140. See Wood, **The Creation of the American Republic**, 7. For the effects of the Bible on English literature and the Christian duty to colonize America, see pp. 32-33, above.

³Appleby, **Capitalism and A New Social Order**, 14.

⁴Wood, **The Creation of the American Republic**, 54.

“The variety of human expression that engaged poets, satirists, and theologians was left in the shadows, while the desires that made men and women work harder and found fulfillment in sales and purchases were counted, measured, and analyzed. Homer faber, man the doer, took precedence in these writings over man the believer, man the contemplator, even man the sinner.”¹

In principle, the history of virtue was seen in each republic to rise from a genuine desire to remedy political evils and establish justice, from a genuine desire to do good for the public good. Aristotle states, “Every state is a community of some kind, and every community is established with a view to some good; for mankind always acts in order to obtain that which they think good, the state or political community, which is the highest of all, and embraces all the rest, aims at good in a greater degree than any other and at the highest good.”² Similarly, centuries after Aristotle, Saint Paul in *Thessalonians* wrote, “ever follow that which is good, both among yourselves, and to all men.” Again, in *Thessalonians*, Saint Paul wrote, “Prove all things; hold fast that which is good.”³

As all natures, forms, and polities showed however, how this virtue was vested, determined how long, and how just, each republic would be. For example, in seeking religious freedom, the colonial ancestors of America sought more to demonstrate their faith in goodness, as much as their escaping persecution. Like their classical heroes, models, and teachers, the founders sought truth. Like Socrates, they believed knowledge was virtue,⁴ and knowledge proved to be a dangerous thing, for it brought the wisdom to question, and challenge authority, first the authority of church, and then the authority of the king, as it had in every republic before them. “The principles of the Revolutionaries’, said Boucher, were directed

¹Appleby, *Capitalism and A New Social Order*, 35.

²Ross, ed., *Aristotle, Politics*, (1252a).

³**The Holy Bible**, *Authorized King James Version*, (New York: New York Bible Society, 1809), in *Thessalonians*, V:15, 215. Hereinafter cited as **The Holy Bible**.

⁴“This search into the nature of knowledge can be seen in its profound seriousness only when the reader keeps before him that to Socrates virtue was knowledge. To be wise was to be good.” Introduction to *Theatetus*: trans. F.M. Cornford, *Ibid.*, in Hamilton, ed., **The Dialogues of Plato**, 845.

“clearly and literally against authority.”¹

Inasmuch as the American colonists perceived the ancients through the peculiar lenses of their “English frame of reference,”² it came with a thorough awareness of history that liberty was something to lose, not to gain. It was an unalienable right as Englishmen to be free. To this end, we find in the first state seal of Massachusetts, a colonial, with a sword in one hand, and the Magna Carta in the other.

“The American Revolution has always seemed to be an extra ordinary kind of revolution, and no more so than to the Revolutionaries themselves.”³ “The cause of America [was] in a great measure the cause of all mankind.”⁴ The cause of this unprecedented revolution was another step in a cyclic progression of humankind attempting to realize human potential: to be free enough to know their own truths and finding their own authentic meaning to life, which is the heart of liberty.

By 1787, the meaning of life was slowly becoming economic exigencies. It is at this point we find that participation in politics was exchanged for participation in the marketplace,⁵ a marketplace wherein the right of the sovereign is exercised at the expense of the duty of sovereign. Republican virtue would remain paramount until the constitutional era. Hamilton’s success in discarding the “republican heritage”⁶ of the Revolutionary generation, would be to minimize classical and Christian

¹Wood, **The Creation of the American Republic**, 66.

²Appleby, **Capitalism and A New Social Order**, 34.

³Wood, **The Creation of the American Republic**, 3. See “Although, as Jefferson later reminded Joel Barlow, ‘A great deal of the knolege of things [about the Revolution] is not on paper but only within ourselves.’” Ibid., 74.

⁴Thomas Paine, **Common Sense**, Thomas Wendel, ed. (New York: Barons Educational Series inc., 1975), 46. Hereinafter cited as Paine, **Common Sense**, Wendel, ed.

⁵Pocock, **The Machiavellian Moment**, 460.

⁶See Chapter III above.

virtue¹ in favor of Roman virtue; civic excellence.² This would merely change the object of the sovereign's duty. Yet, the people would believe and see in the federal Constitution's preamble, the principal virtue of ancient custom, the desire to do good for the public good. "Back in 1776 republicanism was not such a confused conception in the minds of Americans."³

¹"Since the founders derived their conception of classical virtue principally from the martyrs and historians of the late Roman Republic and the early empire, the zenith of Stoic popularity, Stoicism contributed much to their conception of virtue...As a result of their Stoicism, the founders equated 'Roman virtue' with frugality, simplicity, temperance, fortitude, love of liberty, selflessness, and honor." Richard, **The Founders and the Classics**, 184-185.

²See "Virtus became assimilated to the Greek arete and shared its conceptual development. From the meaning of "civic excellence"-some quality respected by other citizens and productive of leadership and authority over them-arete had been refined, by Socrates and Plato, to mean that moral goodness which alone qualified a man for civic capacity, which could even exist without it and render unnecessary, and which, at the highest level of Platonic thinking, rendered existence and the universe intelligible and satisfactory." Pocock, **The Machiavellian Moment**, 37. See also, Hamilton as being more like the virtus or civic excellence that Florentine political theorists had revived and inherited from their Roman ancestors, in Chapter IV, pp. 75, above.

³Wood, **The Creation of the American Republic**, 48.

Chapter II

European Heritage and Civil Government: *The Virtues of Custom, Law, and Liberty*

“The colonists...carry out with them, too, the habit of subordination, some notion of the regular government which takes place in their own country, of the system of laws which support it, and of a regular administration of justice; and they naturally establish something of the same kind in the new settlement.”

-Adam Smith, 1776¹

The concepts of law and liberty were carried by English citizens to the New World. In the colonists' lawful charters was an inherent principle: the custom of law, and to Englishmen, especially educated Englishmen, the idea of common law, was the common bond with England. “The travelers from England who founded America brought with them the common law of England. What else could they do? They knew no other law, and were bound to follow that which they knew.”²

The colonists who came to America carried with them much more than common law. They brought with them their peculiar civilization that was to be a foundation of English civil society in colonial America. “The colonists' attitude to the whole world of politics and government was fundamentally shaped by the root assumption that they, as Britishers, shared in a unique inheritance of liberty.”

The achievement of 1776 however, went beyond the Revolution, and

¹Smith, **The Wealth of Nations**, Book IV, Of Systems of Political Economy, Chapter VII, Of Colonies, 243.

²Lord Chief Justice (of England), Widgey, in Wright, **Magna Carta and the Tradition of Liberty**, 4.

the creation of two governments, (the Confederation and the Constitution). It was for the sake of “maintaining liberty,” and not a miracle, divine providence notwithstanding. “In view of the dismal history of other nations, this, as the colonists saw it, had been an extraordinary achievement. But it was not a miraculous one. It could be explained historically.”¹ The heritage² of America, the roots and foundation which Hamilton rested his vision upon was a legacy to which Federalists and others were the posterity of.

Colonial heritage was essentially born of a larger European civil, social, and scholarly history. Heritage is “that which comes from the circumstances of birth, an inherited lot or portion, the condition or state transmitted from ancestors.” From heritage comes custom, and tradition, which is supported and perpetuated through education and religion. If we apply this to colonial America, we can see what Thomas Paine meant by “Europe not England, is the parent of America.”³

The transition, of this heritage,—cultural, political, social, and religious,— that ultimately brought revolution and self-realization, was sprung from an intellectual and spiritually faithful civilization. European and classical history was Americas’s history, in the sense that the historicity of social evolution and events from the Renaissance led the Revolutionary generation to make a break from the past.

By 1776 there was “even a desperate attempt, by many Americans to realize the traditional Commonwealth ideal of a corporate society, in which the common good would be the only objective of government.”⁴ What the colonists were most cognizant of was the idea of liberty as a tradition, inherited from their British ancestors and their colonial forefathers.

The purpose of government was central to the debates that would fill the pamphlets flooding the colonies. These debates in turn ignited even more debate amongst town folk in their taverns and churches, as colonists struggled to maintain that liberty. As our own knowledge of what animated the revolutionary generation progresses, we find unfolding a source of knowledge that transcends a mere divorce with the old world.

¹Bailyn, **The Ideological Origins of the American Revolution**, 66-67.

²**The Oxford English Dictionary**, Vol. VIII, 167.

³Paine, **Common Sense**, Wendel, ed., 78.

⁴Wood, **The Creation of the American Republic**, 54.

The Revolutionary generation was not merely reactionary. They did not simply revolt against the authority of the British crown, instead, “the Revolution was designed to change the flow of authority. ...”¹ It was much more than being subjected arbitrary policies, that the Revolutionary generation denied. “It is a tribute to the scholarly virtuosity of Bernard Bailyn and J.G.A. Pocock that we no longer believe, as generations of historians before us have, that America’s revolutionary leaders were simple Lockean liberals.”²

J.G.A. Pocock demonstrates the thought of the ancients as being a continuous struggle to find the Aristotelian realization of the political man. “By the institutionalization of civic virtue, the republic or polis maintains its own stability in time and develops the human raw material composing it toward that political life which is the end of man.”³

Pocock demonstrates that the Revolution was more than a revolt or divorce from the old world and was in fact a continuing struggle reborn in the time of Machiavelli. “An older school of historians [saw] a rationalist or naturalist breach with an old world and its history, [but] now appears to have been involved in a complex relation both with English and Renaissance cultural history and with a tradition of thought which from its beginnings confronted political man with his own history and was, by the time of the revolution, being used to express an early quarrel with modernity.”⁴

A complex relation of cultural history, its impact and meaning upon seventeenth, and eighteenth-century thought, found fruition within the academic and civil institutions that were developing in the American colonies, institutions immersed in the very Renaissance tradition of political thought, and the literature of radical whiggism of England. “Throughout the eighteenth-century the Americans had published, republished, read, cited, and even plagiarized these radical writings, in their search for arguments to counter royal authority, to explain American deviations, or to justify

¹Wood, **The Creation of the American Republic**, 67.

²Appleby, **Capitalism and A New Social Order**, 12.

³Pocock, **The Machiavellian Moment**, 184.

⁴Ibid., 506.

peculiar American freedoms.”¹

These traditions and sources of political thought, and purpose, that found voice in the eighteenth and seventeenth centuries, were “most conspicuous in the writings of the Revolutionary period [and] was the heritage of classical antiquity.”² The seventeenth and eighteenth centuries in colonial America were a sort of prism, of intellectual and social development.

There was first and foremost the education of the classics, the white light of the prism. This was the foundation which was to broaden the illumination that the age of reason provided by showing only science had progressed, but there was potential for social progress as well, above and beyond Protestant reformation. “During the late seventeenth and the eighteenth centuries, western political and social thought passed from its post-medieval to its early modern stage.”³

Carl J. Richard, in **The Founders and the Classics**, shows that this classical foundation was a social conditioning of an educational system that had originated in the Middle Ages. “Americans derived their curriculum and pedagogical methods from the English educational system, which, like other European systems, had originated in the Middle Ages.”⁴ There were other sources as well, culminating in the theories of social progress that led to an attempt to realize the ideal corporate society.⁵

Christopher Hill, in *The English Bible and the Seventeenth Century Revolution* (London, England: Penguin Classics, 1993), shows some of the effects of the Bible on English literature. Its influence was far reaching as it impacted social, agrarian, foreign and colonial policies. In fact, it was generally perceived as part of the Christian duty of the sovereign to colonize America, for the purpose of preaching the Gospel, as it is a

¹Wood, **The Creation of the American Republic**, 17.

²Bailyn, **The Ideological Origins of the American Revolution**, 23.

³Pocock, **The Machiavellian Moment**, 401-402.

⁴Richard, **The Founders and the Classics**, 20.

⁵See, “there was even a desperate attempt, by many Americans to realize the traditional Commonwealth ideal of a corporate society, in which the common good would be the only objective of government.” Wood, **The Creation of the American Republic**, 54.

Christian's duty to spread the Word. "Robert Eburne, in his *A Plain Pathway to Plantations* of 1624, argued that the Gospel must be preached throughout the whole world before the second coming (Mark XIII, 10,¹ Matthew XXIV, 14² and therefore it was sinful for the English not to hurry up and colonize America."³

The extent to which the Bible influenced civil society in Colonial America can be seen in Donald Fleming and Bernard Bailyn, eds., *Law in American History*, "In both England and America in the sixteenth and seventeenth centuries it was fashionable to cite the Bible as authority in particular legal cases."⁴

Moreover, Bernard Bailyn, in ***The Ideological Origins of the American Revolution***, demonstrates the political and social thought emerging from the political literature of the seventeenth century: New England Puritanism and Covenant Theology, with origins going back to the radical social and political thought of the English Civil War and of the Commonwealth period. This in its turn had been acquired at the turn of the seventeenth century and in the early eighteenth century in the writings of opposition theorists or country politicians and publicists. "Within the framework of these ideas, Enlightenment abstraction and common law precedents, covenant theology and classical analogy — Locke, Abraham, Brutus, and Coke — could all be brought together into a comprehensive theory of politics."⁵

The emerging political and social theories of the eighteenth-century were interpreted by a generation who had a foundation in classical

¹"And the Gospel must first be published among all nations." **The Holy Bible**, 54.

²"And the Gospel of the Kingdom shall be preached in all the world for a witness unto all nations; and then shall the end come." **The Holy Bible**, 30.

³As quoted in Christopher Hill, ***The English Bible and the Seventeenth Century Revolution***, (London: The Penguin Press, 1993), 300. Hereinafter cited as Hill, ***The English Bible and the Seventeenth Century Revolution***.

⁴Donald Fleming and Bernard Bailyn, eds., ***Law in American History***, (Cambridge, Mass: Harvard University Press, 1971), 205. Hereinafter cited as Fleming and Bailyn, eds., ***Law in American History***.

⁵Bailyn, ***The Ideological Origins of the American Revolution***, 32-54.

education, Christianity, and European history. Bernard Bailyn demonstrates that this classical education was “illustrative, not determinative of thought,”¹ which meant that the colonists were simply using history to corroborate or contest established authority.

History had demonstrated that what threatened good government in the past, still threatened it then for neither virtue or tyranny was a precedent in the eighteenth century. Above all, the purpose of history to the founding fathers was “the prevention of tyranny.”² History afforded examples of ancient republics that could neither sustain virtue, nor maintain liberty. “The college curriculum were as standardized and classically based³ as the grammar school curriculum and the college entrance exam.”⁴ “The only noteworthy difference between British and American grammar schools was that some American schools were publicly supported (especially in New England), though public school students received the same blend of classical and Christian training as those attending denominational schools.”⁵

The colonists were not far removed from Europe’s fluctuating intellectual and literate world. “The educated colonists—those who would leave the principal records of American thought—were near contemporaries of Shakespeare, Raleigh, and Bacon, men of Elizabethan Renaissance. ...In a Wider European world, they might have discovered the science of Galileo, the skeptical reason of Descartes, or the modern law of nature and of nations.”⁶ The intellectual thought of the Puritans in New England “were among the most learned men of the time. Since they believed man ought to find out as much as possible about God’s creation, education and science

¹Bailyn, **The Ideological Origins of the American Revolution**, 26.

²Richard, **The Founders and the Classics**, 85-87.

³The Princeton entrance examination in 1774 required “the ability to write Latin prose, translate Virgil, Cicero, and the Greek gospels and a commensurate knowledge of Latin and Greek grammar.” in *Ibid.*, 19.

⁴*Ibid.*, 19-20.

⁵*Ibid.*, 21.

⁶Meyers, eds., et al., **Sources of the American Republic**, Vol. 1, 58.

were encouraged.”¹

The subjects of Puritan education was “the study of Greek and Latin Classics in the original languages, along with intensive reading of the Bible and study of theology.”² Education in the colonies was in general an immersion in the classics of antiquity; age old volumes of poetry, philosophy, history, and “the Greek New Testament.”³ When the age of Enlightenment rejected Christian prophecy,⁴ the covenant theology of the Puritans could no longer maintain that man was unable to “improve his condition by his own powers.” [Nor was man able to derive] “the principles of politics from divine intent and from the network of obligations that bound redeemed man to his maker.”⁵

Classical education and conditioning “frequently began at age eight, whether under the direction of public school masters or private tutors. Teachers concentrated on the works from which candidates for college admissions were expected to recite, a list which changed little throughout the seventeenth and eighteenth-centuries.”⁶ Educated colonists, the academia and intelligentsia of their day were free, as never before, to weigh historical precedent against social issues. “It is true,” stated Machiavelli, “that men are more or less virtuous in one country or another, according to the nature of the education by which their manners and habits of life have been formed. It also facilitates a judgement of the future by the past, to observe nations preserve for a long time the same character; ever exhibiting the same disposition to avarice, or bad faith, or to some other special vice

¹Meyers, eds., et al., **Sources of the American Republic**, Vol. 1.

²Ibid., 79.

³Richard, **The Founders and the Classics**, 13.

⁴Pocock, **The Machiavellian Moment**, 476.

⁵Bailyn, **The Ideological Origins of the American Revolution**, 34. See also Pocock, **The Machiavellian Moment**, 22.

⁶Richard, **The Founders and the Classics**, 12-13.

or virtue.”¹

In their educational system, the scholarly heritage of the colonists, world was a repository for nearly 2,000 years of political experience and a growing knowledge of the universe. The colonial experience, 1548-1776,² was a moment in time, wherein a struggle eventually ensued; a Machiavellian moment to remain morally and politically stable in a stream of irrational events, the 1760s.³ The American founders occupied a ‘Machiavellian moment’ as well—a crisis in the relations between personality and society, virtue and corruption.”⁴

The moral and political stability that was colonial America was one nurtured by ideas of active citizenship, social progress,⁵ religious and philosophical ethics,⁶ and a history of managing their own civil affairs. They were at liberty to question the authority of science, religion, and sovereignty which eventually grew into a paranoid mistrust of power, and

¹**Machiavelli, *The Prince and the Discourses***, Max Lerner, ed., 530. This was a universal belief from Aristotle to the Revolutionary generation: that the future was foretold by the past.

²“English colonization in America may be dated from the letters patent to Sir Humphrey Gilbert of 1578. ... Six months after Gilberts death Raleigh received a patent couched in almost identical language as the patent of 1578.” **Documents of American History**, Henry Steele Commager, ed., 6. See *Charter to Sir Walter Raleigh*, March 25, 1584, document #5 in *ibid*.

³See Pocock’s, Introduction to **The Machiavellian Moment**, 462, for a description of a Machiavellian moment as a republic attempting to remain “morally and politically stable.” See pp. 31-33 below, for the concept of virtue and the “institutionalization of civic virtue” as contributing to the republic’s own stability in time and developing the human raw material composing it toward that political end of man.”

⁴Compare a Machiavellian moment, as a republic attempting to remain “morally and politically stable.”

⁵Richard, **The Founders and the Classics**, 180. “The Stoic conception of human nature, which exerted a profound influence upon the founders’ favorite Roman statesmen and historians, held the potential for human progress.” “They [the founding fathers] spoke confidently of social progress.” *Ibid.*, 239.

⁶For a comparison of Socrates and Jesus as guides of ethical behavior for some founding fathers, see *ibid.*, 186, 189, 191-192.

radical whiggism., It was nothing new. There were many historical precedents for what was threatening liberty. “Corruption will put on different masks,” Montagu observed,¹ as another Polybian, and Machiavellian cycle, operated against the people. This was the heritage of the colonies.

That sort of independence was inevitably going to realize its own identity. “There was no sharp break between a placid pre-Revolutionary era and the turmoil of the 1760’s and 1770’s. The argument, the claims and counter-claims, the fears and apprehensions that fill the pamphlets, letters, newspapers, and state papers of the Revolutionary years had in fact been heard throughout the century.”²

Of all the influences upon eighteenth-century thought—classical, Whig, Christian, and the philosophies of the day—the founders “understood that the highest expression of classical virtue was independence of thought and action.”³ Classical antiquity was part and parcel of an experience of history, American (colonial), European (ancestral), and the history of republican virtue’s never ending determination to realize humankind’s innate dignity and unalienable nobleness. “The Whig canon and the neo-Harringtonians, Milton, Harrington and Sidney, Trenchard, Gordon and Bolingbroke, together with the Greek, Roman, and Renaissance masters of the tradition as far as Montesquieu, formed the authoritative literature of this culture; and its values and concepts were those with which we have grown familiar.”⁴

In addition, “the Founders inherited their political conception of history from the ancients. Central to the lives of the aristocratic Greek and Roman historians, political and military affairs dominated their work.”⁵ In this political history we can gage the Polybian, or Aristotelian thought as perceived throughout the ages, from classical Greece, to colonial America. The reason that the “founders” in their “social conditioning” were “unable to imagine the teaching of virtue independent of the teaching of the

¹Montagu, **The Rise and Fall of the Ancient Republics**, 117.

²Bailyn, **The Ideological Origins of the American Revolution**, Foreword, XV.

³Richard, **The Founders and the Classics**, 230.

⁴Pocock, **The Machiavellian Moment**, 507.

⁵Richard, **The Founders and the Classics**, 87.

classics” was because history afforded a consistent practical example of being noble, of having high moral character, and the want to do good for the public good; republican virtue.

History afforded an example, an ethical example of good government, just as Jesus afforded the example of ethical behavior. This made Christianity and other philosophical ethics relevant and appropriate to America’s impending social progress. “The views men held toward the relationships that bound them to each other — the discipline and pattern of society — moved in a new direction in the decade before independence.”¹

History had demonstrated to the classically educated colonists to what great heights civilizations could reach when motivated by such human passions as the desire to do good for the public good. It was the principle of Christianity, beyond the spreading of the religion that contributed to the desire to do good, or Christian virtue. “The great republic of humanity,”² as Washington claimed to be a citizen of, was a far greater public, requiring far greater virtue, to serve its interests. In contrast, Crèvecoeur lamented the corruptness of Europe’s age as “misguided religion, tyranny, and absurd laws everywhere depress and afflict mankind. Here we have in some measure regained the ancient dignity of our species; our laws are simple and just.”³

The colonies prospered in their religious, classical, and political education inclusive of a history of law — its spirit, its forms, and more than anything its purpose. From the Stoics came natural law, discernable to reason versus laws of authority, “while the golden rule was the best expression of natural law.”⁴ From Rome’s glory came civil law as can be seen in the standard texts of the pre-revolutionary period. “Sixth-century Byzantine emperor Justinian’s Institutes and Digest, [were] the leading textbooks on Roman Law.” “But though the founders may have first learned to appreciate natural law and its alleged product, civil law, from Scottish teachers, most had both the ability and the inclination to turn directly to the

¹Bailyn, **The Ideological Origins of the American Revolution**, 302.

²“I am a philanthropist by character,” wrote Washington to the Marquis de Lafayette, “and a citizen of the great republic humanity at large.” Washington to Lafayette, August 15th, 1786, in Padover, ed., **The Washington Papers**, 120.

³de Crèvecoeur, **Letters From an American Farmer**, Rhys, ed., 12.

⁴Richard, **The Founders and the Classics**, 173.

Roman Stoics themselves.”¹ From the Commonwealth of England came the common law, in form as much as principle.

It was Blackstone, in 1765, who published his Commentaries, “and many times thereafter, gave to both Englishmen and Americans a more accurate knowledge of medieval law and of the common law of England than any had possessed before his works appeared.” Prior to Blackstone was Sir Edward Coke, and it was he who, as no one else, influenced the “interpretation of English law on both sides of the Atlantic.”² “Coke’s Reports and The Institutes were to be found in the colonial libraries of Virginia, New England, and elsewhere.”³

Even when colonists, as controversy brewed, claimed inherent rights as Englishmen, Blackstone “held the view that the inherited rights of Englishmen were not automatically conveyed across the Atlantic.” But it was Coke, who like others, including the founding fathers, who searched the principle and spirit of laws in ancient texts. Coke had paid “tribute to the great writers about the law who had preceded him; Bracton’s *Of the Laws and Customs of England*, Sir John Fortescue’s *De Laudibus Legum Angliae* (In Praise of English Law), and Sir Thomas Littleton’s *Tenures* (which Coke was to edit and revise into one of his own most important works), and many others.”⁴

What made Blackstone’s Commentaries appeal to the colonists “was not so much from its particular exposition of English law...but from its great effort to extract principles from the English common law and make of it, as James Iredell said, a science.”⁵ What gave the colonists faith in the Magna Carta was an inestimable ability to see principle as the foundation, which made law, sacred. “The Founders’ advocacy of natural law can be placed

¹Richard, **The Founders and the Classics**, 181-182.

²Wright, **Magna Carta and the Tradition of Liberty**, 40.

³Ibid, 42. See “Because of a scarcity of law books and law reports, American lawyers tended to rely heavily in their legal education on the medieval and early modern classics of English law, thus accentuating their old-fashioned interpretation of jurisprudence.” Wood, **The Creation of the American Republic**, 299, fn. 66.

⁴Wright, **Magna Carta and the Tradition of Liberty**, 41-42.

⁵Wood, **The Creation of the American Republic**, 10.

in the broader context of an eighteenth-century movement, led by the Scots, to encroach upon the privileged position of English Common law, in preference for Roman Civil law, which they considered more truly based on natural law.”¹

Pocock quotes Sir John Fortescue’s *De Laudibus Legum Anglie* as declaring that in the “study of law, that all human laws are either laws of nature, or custom, or statutes. The law of nature consists of those self evident principles of justice and their universally deducible consequences, which are true and have binding force among all men.”² Ultimately, natural, civil, and common law developed into natural rights and found a place in American history within the Declaration of Independence as the “unalienable rights” of men which “were endowed by their Creator,” i.e., “the Laws of Nature and Nature’s God.”³

What was inherent in the colonists’ civil and social capacity was their English heritage comprised of the tradition of liberty and the custom of law. The colonies born of legal and royal charters, “were not franchises or grants from the Crown that could be unilaterally recalled or forfeited... they were reciprocal agreements. ... and like the Magna Carta, they were the recognition, not the source, of the peoples’ liberties.”⁴ The recognition that the colonists demanded from their sovereign was not to be altered, infringed, distorted, or misconstrued.

History had also proven that when sovereigns were not faithful in their duty or obligation, the people will, if enlightened, “dissolve the political bands which have connected them with another. ...”⁵ The mutual agreement between sovereign and people, whether social contract or social compact, was what the colonists tenaciously clung to, as the source of their validation of “fundamental liberties.”⁶

The ideology of the Ancient Constitution [the Magna Carta] can be

¹Richard, **The Founders and the Classics**, 181.

²As quoted in Pocock, **The Machiavellian Moment**, 11-12.

³**The Declaration of Independence.**

⁴Wood, **The Creation of the American Republic**, 269.

⁵**The Declaration of Independence.**

⁶Wright, **Magna Carta and the Tradition of Liberty**, 43.

accounted for by means of a purely structural explanation: all English law was common law, common law was custom, custom rested on the presumption of immemoriality; properly, social structure, and government existed as defined by the law and was therefore presumed to be immemorial.”¹

Therefore it was the heritage of Englishmen, to believe in the duty of the sovereign. This duty did not have to be couched in terms of social compact, contract, or obligation. If there was a tyrannical monarch, as was inevitable, the king or queen had simply failed in their duty. The seeming contradiction that a sovereign is not violating his own law, while exercising the ancient prerogative, is simply because the custom of duty is violated. Law resting on custom, from time immemorial, is what is violated, not the law itself. Herein lies the absoluteness of a monarch. Even above the law in exercising his ancient prerogative, the sovereign must only exercise the ancient prerogative for the purpose of duty. If it is at the king’s pleasure, that would not be consistent with duty.

As the first principle of a sovereign monarch is duty, falling away from this principle, or not being true to that first principle, is corruption. The colonists knew this well and held King George accountable to the immemorial duty of the sovereign, defender of the faith, and guardian of liberty. The king was responsible for England’s commonweal and accountable to the commonwealth.

When an Englishman went out beyond his shores, he carried much from time immemorial with him. The traditional republican heritage of these Englishmen however, eventually became an obstacle to the Federalist vision in the 1790s. The classical antiquity, which Hamilton held in disgust,² was not conducive and even contrary, to the liberal and modern mind that only looked ahead in time. The lessons of the past which had fueled the social and political age which brought revolution, was a revolution sustained by tradition.

¹Pocock, **The Machiavellian Moment**, 340. See also “Often unconsciously humans wrote into law those customs which worked best.” Richard, **The Founders and the Classics**, 173-174.

²“Alexander Hamilton’s prose reeked of disgust and impatience toward the end of the war as he, too, tried to impress upon his readers that their fixation on classical antiquity was misguided.” Drew McCoy, **The Elusive Republic: Political Economy in Jeffersonian America** (Chapel Hill: University of North Carolina Press, 1980), 96. Hereinafter cited as McCoy, **The Elusive Republic**.

As the Articles of Confederation and its central government failed to maintain the requisite fiscal policies that would maintain government which maintains liberty, taxation and other “extraction policies” were imperative in strengthening the “central state apparatus.”¹

¹Dall Forsythe, **Taxation and Political Change in the Young Nation**, (New York: Columbia University Press, 1977), 14. Hereinafter cited as Forsythe, **Taxation and Political Change**.

Chapter III

Revolution, Confederation, and the Federal Constitution: *Social Progress and Civil Government*

Much of the strength and efficiency of any government, in procuring and securing happiness to the people, depends on opinion, on the general opinion of the goodness of that government, as well as of the wisdom and integrity of its governors.¹

-Benjamin Franklin, 1788

What was the “traditional republican heritage that Hamilton had so successfully discarded.”? Why was the traditional republican heritage credited as “so heavily [influencing] the Revolutionary mind.”?² Liberty was central to that republican heritage and central to the purpose of government as well. Moreover, increased political participation was central to the colonists’ perception of active citizenship and it was this participation that refused to allow them to become, in Hamilton’s words, “vassals of their fellow subjects in Great Britain.”³

¹Peter Shaw, ed., **The Autobiography and Other Writings by Benjamin Franklin**, (New York: Bantam Books, 1982), 252-253. Hereinafter cited as Shaw, ed., **The Autobiography and Other Writings by Benjamin Franklin**.

²McCoy, **The Elusive Republic**, 132.

³[Alexander Hamilton], A Full Vindication of the Measures of Congress...(N.Y., 1774), in Syrett and Cooke, eds., **The Papers of Alexander Hamilton**, I, 53.

The federal Constitution was intended to preserve the gains of the Revolution. These gains were economic, political, and social. The federal Constitution was intended by most founding fathers, to alter the nature and form of government, not its principle. Virtue remained a basic truth and this collectively perceived duty and obligation of government made this change in government, acceptable to the people, especially the Revolutionary generation.

Alexander Hamilton was instrumental in realizing the Annapolis and Constitutional Conventions,¹ and “though Hamilton stressed the representative variety of popular government, he never committed himself to the definition of republican government propounded in the *Federalist* by his collaborator James Madison. Madison is the creator and sole advocate of the idea of republican government.”² “A republic, by which I mean a government in which the scheme of representation takes place.”³

The weaknesses of the Articles of the Confederation, resulting in a less than perfect Union, left Hamilton despairing over the fate of the country. Madison, in his **Notes of the Debates in the Federal Convention of 1787**, observed that he Hamilton “sees the Union dissolving or already dissolved — he sees evils operating in States which must soon cure the people of their fondness for democracies⁴— he sees that a great progress has been made & is still going on in the public mind.”⁵

This demonstrates, a great capacity and faith on the part of Hamilton to discern the human potential and quality of hope in the face of imminent

¹Rose, “Alexander Hamilton and the Historians,” 854.

²Stourzh, **Alexander Hamilton and the Idea of Republican Government**, 55.

³Clinton Rossiter, ed., **The Federalist Papers**, (New York: Nal Penguin Inc., 1961), No. 10, 81. Hereinafter cited as Rossiter, ed., **The Federalist Papers**.

⁴This undoubtedly refers to the Athenian mob-rule democracy and not the eventual evolution of democracy from a representative republic in the eighteenth century. See also Madison, **Notes of the Debates in the Federal Convention**, xix. See also **The Federalist Papers**, Rossiter, ed., No. 10, 81. and No. 14, 100.

⁵Madison, **Notes of the Debates in the Federal Convention**, 137. Madison explains that Hamilton’s speech, of June 18th “as above taken down & written out was seen by Mr. Hamilton who approved its correctness, with one or two verbal changes, which were made as he suggested. In *ibid.*, fn. 61, 139.

despair. As the revolutionary generation and their heirs struggled to realize their republic, they had high hopes at the Constitutional Convention. Political, social, and economic exigencies prompted the wisdom of the few, to represent the collective virtue of the many, as they had done before in Revolution, Confederation, and in Congress.

In the Constitutional Convention, classical and modern wisdom prevailed. The foundation of this wisdom, as discussed earlier, rested upon a faith in heritage, law, and education that clothed its principles in the dire hopes for a fully realized and hybrid republic. Inasmuch as Hamilton's and others' educations were cut short by the war,¹ there were sages present at Philadelphia. The Revolutionary generation was certainly represented in those hallowed halls when Hamilton spoke eloquently of "our Country" and "that we owed it to our Country, to do on this emergency whatever we should deem essential to its happiness. ... The great question" he asked "is what provision shall make for the happiness of our Country?"²

The convention members were not to find "our Country's" happiness in the promise of Hamilton's advocacy of an absolute "supreme executive authority," absolute meaning "to have a negative on all laws about to be passed, and the execution of all laws passed."³ Neither could hereditary be softened by being "elected to serve during good behavior."⁴

It is an all too familiar maxim of Hamilton's biographers that, to him, the British government was the best in the world. This Madison notes, was Hamilton's "private opinion." Hamilton had "hoped Gentlemen of different opinions would bear with him on this, and begged them to recollect the change of opinion on this subject which had taken place and was still going on. ... This progress of the public mind," Madison observed, "led him [Hamilton] to anticipate the time, when others as well as himself, would join in the praise bestowed by Mr. Meckar on the British Constitution, namely, that it is the only Govt. in the world which unites public strength with individual security."⁵

Gordon Wood qualifies this in the context of "Power against

¹Richard, **The Founders and the Classics**, 26.

²Madison, **Notes of the Debates in the Federal Convention**, 130.

³Ibid., 138.

⁴Ibid.

⁵Madison, **Notes of the Debates in the Federal Convention**, 134-135.

Liberty,” quoting Alexander Hamilton along with other Americans who defined the right of the people “to share in the government. ...Public liberty was thus the combining of each man’s individual liberty into a collective governmental authority, the institutionalization of the people’s personal liberty.”¹ An absolute authority was a threat to liberty. It merely had to influence the single or collective mind of the legislature. To have a negative (or veto) on all laws is a mere cap stone to the sense of absolute. An absolute monarch is not a constitutional monarchy as the Glorious Revolution of 1688 had sought to provide.

Similarly, in American federal polity, a central authority would not be seen by the Revolutionary generation as a central government. “There was, the eighteenth century believed, a reciprocating relationship between the structure of the government and the spirit of its people.”² The means of influence and a negative on legislation was how King George avoided “constitutional” limits after the Glorious Revolution.³ This absolute authority was the source of the crown’s arbitrary policies and was still in the collective memory of the revolutionary generation and was the quality most attributed to a monarch. “Both sides of the Atlantic [had] worked to make clear the nature of English society and the pattern of the Crown’s policy for all to see.”⁴

How the British Constitution was interpreted determined the relative quality of that “public strength” and “individual liberty.” After the Glorious Revolution in England in 1688, the settlement of 1689 attempted to limit the ancient prerogative of the king, but it was no guarantee of liberty. “History is a record of usurpations,”⁵ and English monarchs were not exempt. The Constitutional Convention was not open to any ideas of monarchy as stated above. Especially Hamilton’s, whose ideal left little to

¹Wood, **The Creation of the American Republic**, 24.

²Ibid., 119.

³“By exploiting its existence as the foundation of honors, offices, and privileges, the English Crown had been able to evade the restrictions the 1688 Revolution had placed on the royal prerogatives.” Ibid., 143. See also Chapter 1, The Whig Science of Politics, and 4, English Corruption, 33, in *ibid*.

⁴Ibid., 41.

⁵Appleby, **Capitalism and A New Social Order**, 19.

be desired and a lot unsaid.¹

Couched in terms of function rather than form Hamilton observed that an executive for life would be less prone to corruption and influence. Whether a monarch for life or for seven years (comparing the executive to a monarch as proposed by the Report from the Com[mi]tte of the Whole), “the circumstance of being elective was also applicable to both” said Hamilton. In advocating the life term for one branch of the legislature and the Executive, Hamilton asked, “But is this a Republican government?” His answer makes it quite apparent that to Hamilton a Republican government was qualified by its form and function, for his answer was, “Yes if all the Magistrates are appointed, and vacancies are filled, by the people, or a process of election originating with the people.”

Again, Hamilton advocated an executive for life, having no “motive for forgetting his fidelity, and will therefore be a safer depository of power.” In comparing and contrasting monarch for life with executive magistrate for seven years Hamilton said “It had been observed by judicious writers that elective monarchies would be best if they could be guarded ag[ain]st the tumults excited by the ambition and intrigues of competitors. He was not sure that tumults were an inseparable evil. He rather thought this character of elective monarchies had been taken from particular cases than from general principles.”

Thinking the convention members would probably object that an “executive will be an elective Monarch, and will give birth to the tumults which characterize that form of government,” Hamilton replied that “Monarch is an indefinite term, it marks not either degree or duration of power.”²

¹“Mr. Hamilton had been hitherto silent on the business before the Convention, partly from respect to others whose superior abilities age & experience rendered him unwilling to bring forward ideas dissimilar to theirs, and partly from his delicate situation with respect to his own state, to whose sentiments as expressed by his Colleagues, he could by no means accede.” Madison, **Notes of the Debates in the Federal Convention**, 129. See “The Gentleman from N. York is praised by all, but supported by no Gentleman.” Rose, “Alexander Hamilton and the Historians,” 870.

²“Having made these observations he would read to the Committee a sketch of a plan which he sh[oul]d prefer to either of those under consideration. He was aware that it went beyond the ideas of most members. ..He did not mean to offer the paper he had sketched as a proposition to the Committee. It meant only to give a more correct view of his ideas, and to suggest the amendments which he

Perhaps the members of the Constitutional Convention were not satisfied with anything based in political power that was indefinite. “As long as the idea of prerogative remained meaningful, the distinction between rulers and ruled was clear and vital and the rights of each were balanced in tension.”¹ The hopes of realizing a more perfect Union ultimately meant that the public trust was going to be placed in a more expansive federal authority.

As Hamilton and others observed, justice was not going to be established at the hands of tyrannical state legislatures. “The people were seemingly bent upon licentiousness and were inevitably falling toward anarchy. Traditional eighteenth-century political theory offered a ready explanation of what was happening. The political pendulum was swinging back: the British rulers had perverted their power; now the people were perverting their liberty.”²

Those who held most tenaciously to republicanism did not give in. The participants of and heirs to the Revolution searched for republican remedies, first for the colonies then for the Confederation. Some advocated religion as the most “obvious republican instrument for eliminating these prejudices and inculcating virtue in a people,” while others saw hope and “offered religion as the major instrument of salvation for a corrupted people.” Still others thought education was “the most obvious republican instrument for eliminating these prejudices and inculcating virtue.”³

New solutions to old problems, were sought so as to preserve, protect, and defend their ancestral tradition of liberty. “The task was a formidable and an original one: to establish a republican government even though the best social science of the day declared that the people were incapable of sustaining it.”⁴ This task has more meaning when a government of the people is considered. If those people who actually constitute the government cannot sustain virtue, the general population has not a prayer

should probably propose to the Plan of Mr. Randolph in the proper stages of its future discussion.” **Notes of the Debates in the Federal Convention**, 137. See Hamilton’s proposed amendments, in *ibid.*, 138.

¹Wood, **The Creation of the American Republic**, 19.

²*Ibid.*, 403.

³*Ibid.*, 426-427.

⁴*Ibid.*, 429.

of doing so. The strongest hope the people had for sustaining the virtue of their forefathers was representative government.

With the advent of the Constitution came a new era, one of representation. “The only great discovery in theoretical politics made since antiquity-lay in that sharply new perspective which leads Wood to speak of an “end of classical politics.” The people were still thought of as uncorrupted”¹ and this new era of exigencies and union required the passing of the republican standard bearer from minuteman to politician. “Let weapons yield to the toga.”² “Under the existing Confederacy,” stated George Mason of Virginia, “Cong[ress] represent the States, not the people of the States: their acts operated on the States, not on the individuals.”³

Madison, elaborating on the “proper elections” of Col. Sherman for “securing better representatives,” and enhancing the “principal objects” of Mr. Sherman of Connecticut,⁴ added, “Those were certainly important and necessary objects; but he combined with them the necessity of providing more effectually for the security of private rights, and the steady dispensation of Justice.”⁵

The Revolutionary generation embraced representation, because they went to war as representatives. They represented the trust and faith in the public good, an ancestral tradition, acquired at the expense of war. “For the people...,” Machiavelli observed, speaking of the citizens’ revenge against the nobles who wrested their liberties, “...will avenge their lost liberty with more energy than when it is merely threatened.”⁶ “And it is easy to understand whence that affection for liberty arose in the people. ... The cause is manifest, for it is not individual prosperity, but the general good that makes cities great; and certainly the general good is regarded nowhere

¹Pocock, **The Machiavellian Moment**, 521.

²“A slogan popular with Roman republicans.” Richard, **The Founders and the Classics**, 39.

³Madison, **Notes of the Debates in the Federal Convention**, 75.

⁴“The objects of the Union, he thought were few. 1. defence agst. foreign danger. 2. agst. internal disputes & a resort to force. 3. treaties with foreign nations. 4. regulating foreign commerce, & drawing revenue from it.” Ibid., 74.

⁵Ibid., 75-76.

⁶Machiavelli, **The Prince and the Discourses**, 284.

but in republics, because whatever they do is for the common benefit.”¹

Therefore, the object or purpose of republican government is always attentive to the public good, the common weal, and the benefactors of its liberty. When the Confederation was failing to preserve the goals of the Revolution, their sages met in convention, representing the many interests of the people, social, political, and economical.

In Philadelphia, convention members spoke of the country’s happiness, which of course would be the people’s “happiness” because a government in and of itself is surely incapable of such an emotion. With their heritage, their education, and their collective faith, the people in their representative capacities debated about the duty and obligation of government. “The Federal Convention, Americans told themselves repeatedly, was to frame a constitution that would decide forever the fate of republican government.”²

The spirit of 1776, and the goals of the Revolution were still the motivation. Roger Sherman of Connecticut, hearkening back to the Declaration of Independence, stated in the convention that “Govt. is instituted for those who live under it. It ought therefore to be so constituted as not to be dangerous to their liberties.”³

As was discussed earlier with Montesquieu’s difference between the nature and principle of government, the human passion of the revolutionary generation is most evident in the struggle to save the Confederation. In no uncertain terms, their purpose and principle is stated in the Constitution’s preamble: “We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.” Whatever they did in Philadelphia it eventually and contingently rested on the people to ratify it. “Let the form speak the substance.”⁴

A limited view sees in it the issues of the day: the tyrannical state legislatures, or the fear of rebellion for example, Shay’s, “desperate

¹Machiavelli, **The Prince and the Discourses**, 283.

²Wood, **The Creation of the American Republic**, 467. See Madison, **Notes of the Debates in the Federal Convention**, 195-196.

³Madison, **Notes of the Debates in the Federal Convention**, 195.

⁴[Genl. Pinkney], in *ibid.*, 658.

debtors.”¹ In a broader view, it encompassed “the continuance of hope.” “For all of the expressions of pessimism in the 1780s, it is clear that not all American intellectuals had lost their confidence in the republican experiment.”² In the convention George Mason of Virginia attested that the American people were “settled in an attachment to Republican Government.”³

The broad view of the preamble to the federal Constitution, would be first justice-economic, social, and political-while domestic tranquility would arise from such established Justice, which is more than equity and fair settlement. Ultimate justice would not stop at compensation, cathexis, or revenge, but would prevent the kinds of oppression that inhibit human potential.

Justice would nurture their posterity in an environment that supports and encourages the potential for tranquility, defense, and welfare. The mankind alluded to in the Declaration of Independence, in their equal capacity, created by Nature’s God, could realize all the good, the public and history could provide –the general welfare.

As a social contract the common defense was a given. From Adam Smith exploring its expenses, to the sovereign, to an almost innate understanding of obedience and protection. The concept of common defense was as at least as traditional as the concept of liberty. But in an enlightened world, seeking to do good, through the liberation of the Age of Reason, it was for a purpose of guarding that environment that encouraged and supported natural tranquility and providing for the common defense and general welfare. Above all no state or religion should ever minimize human dignity.

Bailyn’s Pamphlets of the American Revolution, and later his **Ideological Origins of the American Revolution**, gives us primary testimony that the Revolutionary generation sought the ancients to help provide the requisite structure and vestment of their passions and the passions of their English, Norman, and Saxon ancestors, who had wrestled

¹See “The South had an interest in “maintaining order against slave revolts” just as creditors in Massachusetts were looking for protection from “Shay’s desperate debtors,” in Charles Beard, **An Economic Interpretation of the Constitution**, (New York: MacMillan, 1946), 252. Hereinafter cited as Beard, **An Economic Interpretation of the Constitution**.

²Wood, **The Creation of the American Republic**, 425.

³Madison, **Notes of the Debates in the Federal Convention**, 158.

for ages with their tradition of liberty. “It [republicanism] embodied the ideal of the good society as it had been set forth from antiquity through the eighteenth century.”¹

Pocock explains Wood’s “End of Classical Politics” as “interests were now going to be of paramount importance in the scheme of representation. In the 1780s, amidst the tumults and threats of instability there was still a collective interest. “Submerge all particular and partial interests into the general good was still the common cry.”²

The social and political character of the federal Constitution was founded upon the same principles that had animated the Revolutionary generation – the public good. James Madison in *Federalist*, No. 39 makes this clear: “It is evident that no other form [than strictly republican] would be reconcilable with the genius of the people of America; with the fundamental principles of the Revolution; or with that honorable determination which animates every votary of freedom to rest all our political experiments on the capacity of mankind for self-government.

If the plan of the convention, therefore, be found to depart from the republican character, its advocates must abandon it as no longer feasible.”³ This was the principle; the form to vest this spirit in the federal Constitution. The principle was still the individual and collective interest of the people. James Madison in *Federalist* No. 40 spoke of “the hopes and expectations of the great body of citizens [which] were turned with the keenest anxiety to the event of their [convention members] deliberations.”

Neither was Madison neglecting the principle when he reminded this “great body of citizens” that the convention members must have reflected that in all great changes of established governments forms ought to give way to substance. Madison went on to quote the Declaration of Independence and remind everyone that the “States were first united against the danger with which they were threatened by their ancient government.”

On the question of representatives signing or not signing the federal Constitution, as they did the Declaration of Independence, Charles Pinkney of South Carolina said, “We are not likely to gain converts by the ambiguity of the proposed form of signing. He thought it best to be candid and “let the form speak of the substance.” Benjamin Franklin was quick to reply that “It

¹Wood, *The Creation of the American Republic*, 59.

²*Ibid.*, 196.

³Rossiter, ed., *The Federalist Papers*, No. 39, 240.

is too soon to pledge ourselves before Congress and our Constituents shall have approved the plan.”¹

Benjamin Franklin’s last public service was a speech to the convention at the conclusion of its deliberations (1787). The speech was read for him as he was too ill to deliver it himself. In it he states “I think a general government necessary for us, for there is no form of government but what may be a blessing to the people, if well administered; and I believe further, that this is likely to be well administered for a course of years. Much of the strength and efficiency of any government, in procuring and securing happiness to the people, depends on opinion, on the general opinion of the goodness of that government, as well as the wisdom and integrity of its governors. I hope, therefore, for our own sakes, as a part of the people, and for the sake of posterity, that we shall act heartily and unanimously in recommending this Constitution, wherever our influence may extend, and turn our future thoughts and endeavors to the means of having it well administered.”²

The principle of the Revolution was very much social, from which the political evolved. The political aspirations of the Revolutionary generation were to serve, protect, and defend the social aspirations of 1776, which were of course republican. “For republicanism after all involved the whole character of the society.”³

This “character” Madison extols in the last of Federalist No. 40. “Had the convention, under all these impressions and in the midst of all these considerations, instead of exercising a manly confidence in their countries, by whose confidence in their country, by whose they had been so peculiarly distinguished, and of pointing out a system capable, in their judgement, of securing its happiness, taken the cold and sullen resolution of disappointing its ardent hopes, of sacrificing substance to forms, of committing the dearest interests of their country to the uncertainty of delay and the hazard of events, let me ask the man who can raise his mind to one elevated conception, who can awaken in his bosom one patriotic emotion, what judgement ought to have been pronounced by the impartial world, by the friends of mankind, by every virtuous citizen, on the conduct and character of this assembly? ...How far this character is due to the Constitution is the

¹Madison, **Notes of the Debates in the Federal Convention**, 658.

²Shaw, ed., **The Autobiography and Other Writings by Benjamin Franklin**, 252-253.

³Wood, **The Creation of the American Republic**, 93.

subject under investigation.”¹ Ultimately the character “due to the Constitution” would be federalist.

The interests that Federalists represented were initially federal and national. Madison makes this distinction in Federalist No. 39, “In its [the Constitution] foundation it is federal, not national; in the sources from which the ordinary powers of the government are drawn, it is partly federal and partly national; in the operation of these powers, it is national, not federal; in the extent of them, again, it is federal, not national and finally in the authoritative mode of introducing amendments, it is neither wholly federal nor wholly national.”²

Pocock shows that federalist theory is akin to the “Court ideology, which emphasized that men were guided by interests and passion, that factions and parties were necessary rather than illegitimate, and that government must be carried on by a sovereign power, ultimately unchecked but capable of subdivision into self-balancing powers, which ruled men partly by direct authority, partly by appeal to those passions, and partly by conversion of those passions into perception of a common interest.”³

In Federalist No. 10, Madison speaks of the inevitability of faction, by which he means “a number of citizens, whether amounting to a majority or minority of the whole, who are united and actuated by some common impulse of passion or interest, adverse to the rights of other citizens, or to the permanent and aggregate interests of the community.” Seemingly inescapable and almost prophetic Madison adds, “yet what are many judicial determinations, not indeed concerning the rights of single persons, but concerning the rights of large bodies of citizens? And what are the different classes of legislators but advocates and parties to the causes which

¹“Having discussed the principle, Madison proceeds with discussing its form in Rossiter, ed., **The Federalist Papers**, No. 41. See Madison, **Notes of the Debates in the Federal Convention**, 253-255.

²Rossiter, ed., **The Federalist Papers**, No. 39, 246. “In order to ascertain the real character of the government, it may be considered in relation to the foundation on which it is to be established; to the sources from which its ordinary powers are to be drawn; to the operation of those powers; to the extent of them; and to the authority by which future changes in the government are to be introduced.” Ibid., 243-246.

³Pocock, **The Machiavellian Moment**, 525.

they determine.?”¹

Herein Madison is speaking of the “complaints heard everywhere; that our governments are too unstable, that the public good is disregarded in the conflicts of rival parties, and that measures are too often decided, not according to the rules of justice, and the rights of the minor party, but by the superior force of an interested and overbearing majority.” Seeking relief through republican remedies, and the controlling of faction, Madison hoped the means that were within the Constitution’s form, would insure that the factions which he spoke of might exist in the states, but would not to realized in the federal republic he envisioned. “Hence, it clearly appears that the same advantage which a republic has over a democracy in controlling the effects of faction is enjoyed by a large over a small republic — is enjoyed by the Union over the States composing it. ...And according to the degree of pleasure and pride we feel in being republicans ought to be our zeal in cherishing the spirit and supporting the character of federalists.”²

There was no doubt that to Madison and many others, Federalist achievement was to serve the public good. It was to retain the principles of the Revolution and to reduce the Articles of the Confederation as the exigencies of the Union warranted. The Laws of Nature and Nature’s God, as stated in the Declaration of Independence compelled them toward self-preservation. Ultimately, these convention delegates had hoped to realize the object and purpose of Franklin’s general government: the preamble to the Constitution.

Federalist as one who advocates a federal polity is not the Federalist of a political identity. There was no open political party identification until the mid-1790s when the policies of Hamilton were perceived to be, to some, America’s saving grace, while to others, a threat to the very republic that Madison swore would be the remedy of factions in the States.

Eventually, Madison found himself disillusioned after the adoption of the federal Constitution. “He was apparently not aware of the results which the Constitution would produce. He soon became one of the chief architects of the party which opposed the Federalists’ interpretation of the Constitution.”³ Madison had soon realized that “not all of his Federalist

¹Rossiter, ed., **The Federalist Papers**, No. 10, 78.

²Ibid., No. 10, 77-79.

³Robert E. Brown, **Charles Beard and the Constitution**, (Princeton: Princeton University Press, 1956), 81. Hereinafter cited as Brown, **Charles Beard and the Constitution**.

colleagues shared his particular conception of a republican America; some of them he was appalled to learn, even thought in terms of deliberately promoting what he thought necessary to forestall.”¹

Central government was becoming in the eyes of many a central authority which was a monarchy stripped of regal robe and hereditary succession. It is important at this point to discern how that “near perfect”² form of which Franklin spoke of was being used to empower and enrich certain classes and interests over others while aggrandizing the federal government which was to be a remedy for sickness not a cause of hardship of many over the few, for the sake of the one. “The Federalists’ intellectual achievement really transcended their particular political and social intentions and became more important and more influential than they themselves anticipated.”³

The political intentions of polity behind the federal Constitution are enumerated in The Federalist Papers, as well as Articles I-VII in the federal Constitution. The powers of such are regulated to form so as to fulfill its substance and to realize its first principle, the preamble, hence the social intentions. In this respect we can observe the federal Constitution as being used to represent an ancient cry for justice: political, social, and economic.

Charles Beard in 1913 published **An Economic Interpretation of the Constitution**. His interpretation of reality being put over by personalty, (wealth and power) was simply motivated by his own study of Hamilton’s use of the Constitution as an economic instrument. The narrow view of Hamilton and Beard allows both to misconstrue the social, political, and economic purposes of the federal Constitution. First of all, Hamilton’s broad interpretation of the Constitution was for purposes of acquiring an increase in federal, if not presidential authority (power). This amounts to a narrow vision of the federal Constitution.

Hamilton and Beard both attest some familiarity of the classical education the founding fathers were immersed in, yet the social purpose escapes them. Beard would have been better off focusing on Hamilton’s interpretation of the federal Constitution as an economic document, instead of trying to apply his instinct to the myriad of values, anticipations, and hopes that came out of the Constitutional Convention. Beard’s admission

¹McCoy, **The Elusive Republic**, 120.

²Shaw, ed., **The Autobiography and Other Writings by Benjamin Franklin**, 250-252.

³Wood, **The Creation of the American Republic**, 615.

that economic forces come nearer to “explaining events than any other forces,”¹ falls short of an explanation.

Economic forces were certainly a motivation, but for most of the convention members, if not all of them, economic forces did not explain their motivations or the social forces that ultimately brought a virtuous desire to “once and for all determine the fate of republican government.”² The social forces behind the event of the federal convention, Beard alludes to as “the assent of the states, in their sovereign capacity, is implied in calling a convention, and thus submitting that instrument to the people. ...” Furthermore, he adds, the federal Constitution “is not the cause, but the consequence of personal and political freedom.”³

Yet, Beard saw in the 1780s and 1790s an environment wherein an economic document was very appropriate to the exigencies of the time and conducive to the exigencies of a more perfect Union. Beard “judges by the politics of the Congress under the Articles of the Confederation that two related groups were most active: those working for the establishment of a revenue sufficient to discharge the interest and principal of the public debt, and those working for commercial regulations advantageous to personalty operations in shipping and manufacturing and in western land speculations.”⁴ No government can survive without a solid economic and revenue generating foundation. So, of course, these interests are of primary consideration for those parties concerned with a stable government.

Hamilton was certainly a part of one of these groups. “Early interested in finance, he worked to secure from the states the power for Congress to levy an impost in order to secure a national income. The effort failed by 1783 and he then began working for a stronger union.”⁵ Beard recognized Hamilton’s organizing ability and, though “he had little part in the formation of the Constitution, it was his organizing ability that made it a real instrument bottomed on all the substantial economic interests of the

¹Beard, **An Economic Interpretation of the Constitution**, xii.

²Wood, **The Creation of the American Republic**, 467. See Madison, **Notes of the Debates in the Federal Convention**, 195.

³Beard, **An Economic Interpretation of the Constitution**, 11.

⁴Ibid., 50.

⁵Rose, “Alexander Hamilton and the Historians”, 854.

time.”¹

Here Beard is acknowledging Hamilton’s use of the federal Constitution as an instrument. He then proceeds to enumerate the purpose of its powers appropriate to the time: “taxation, war, commercial control, and dispensation of western lands. Through them public creditors may be paid in full, domestic peace maintained, advantages obtained in dealing with foreign nations, manufacturers protected, and the development of the territories go forward with full swing.”²

An economic interpretation of the Constitution is a limiting concept. There was and is so much more to that great document, that ultimately its economic component was to serve as a foundation to empower the political and social intentions of its framers. Perhaps this is why Beard unaware of its most extensive aspect wrote; “as in natural science no organism is pretended to be understood as long as its merely superficial aspects are described, so in history, no movement by a mass of people can be correctly comprehended until that mass is resolved into its component parts.”³

Brown concludes his recommendation for further research by stating, “If the intellectual historians are correct, we cannot explain the Constitution without considering the psychological factors also. Men are motivated by what they believe as well as by what they have. Sometimes their actions can be explained on the basis of what they hope to have or hope that their children will have.”⁴

So Beard’s thesis demonstrates the economic component of the Constitution while Brown encourages research on the social (humanist) component. Yet, the political component of the federal Constitution rests on power; the ability to initiate and direct human activity; and to influence those powers toward a directed end. Hamilton stated in the convention, while expounding a list of five “great & essential principles necessary for the support of government,” that number two was “the love of power. Men love power.” He was talking about the state governments, but it must be remembered there was not as yet a more perfect Union to compare the less perfect Confederation to. “The States have constantly shewn a disposition rather to regain the powers delegated by them than to part with more, or to

¹Beard, **An Economic Interpretation of the Constitution**, 100.

²Ibid., 176.

³Ibid., 275.

⁴Brown, **Charles Beard and the Constitution**, 200.

give effect to what they had parted with. The ambition of their demagogues is known to hate the controul of the Genl. Government.” Hence the pendulum sets to swing the other way.

Hamilton’s first principle was “an active & constant interest in supporting it [the government]. This principle does not exist in the States in favor of the federal Govt.” His third principle is “an habitual attachment of the people. The whole force of this tie is on the side of the State Govt. Its sovereignty is immediately before the eyes of the people: its protection is immediately enjoyed by them. From its hand distributive justice, and all those acts which familiarize & endear Govt. to a people, are dispensed by them.” Hamilton’s fourth principle is acknowledging the inability of the Confederation to coerce the state governments. “Force by which may be understood a coercion of laws or coercion of arms. ... A certain portion of military force is absolutely necessary in large communities.” His fifth principle is influence, which Madison qualifies as not meaning “corruption.” This qualification was pertinent to the Revolutionary generation present at the convention. Without this qualification, the word influence would have surely recalled the corruption, i.e., influence of England’s monarch at the time of the Revolution.

What is even more interesting is that under the name of influence, Hamilton qualifies it as “a dispensation of those regular honors and emoluments, which produce an attachment to the Govt.” Yet, this remarkably would go hand in hand with his first principle: “an active & constant interest in support of Govt.”¹

Interest then is the operative word. The interests facing the delegates, the interests of their constituents, and what interests there were in supporting government can be demonstrated by understanding two things: 1. the interest that was placed in supporting and ratifying the Constitution, and 2. the environment in which these interests had come to warrant a more perfect Union.

As to the first, the most immediate problems facing the need for increased authority in a federal Constitution was the question of prosperity. Economy was a priority but not the sole consideration. “It is quite true,” Brown said, while refuting Beards conclusion, “-that Madison placed economic factors ahead of all others, but he did not rule out the non economic either... in his other writings or statements.”²

¹Madison, **Notes of the Debates in the Federal Convention**, 130-131.

²Brown, **Charles Beard and the Constitution**, 29.

Interests of the constituents posed for Madison the inevitable rise and potential for faction. “Those who are creditors, and those who are debtors; ...landed interest, a manufacturing interest, a mercantile interest, a moneyed interest, with many lesser interests, grow up of necessity in civilized nations, and divide them into different classes, actuated by different sentiments and views.”¹ These interests Madison and other convention members saw as imperative to the Republics continued existence and were ideas and interests that had to be reconciled and compromised.² Madison hoped the interests that had the potential for creating factions would be reconciled through a representative republic.³

The interests of the convention members were ultimately the same as the interests of the ratifying conventions.⁴ There was a host of principles and motives; classical and modern, liberal and conservative.⁵ Interests ranging from the agricultural and commercial,⁶ to fundamental principles of the Revolution⁷ and personal rights filled the debates in the federal convention, and the Federalist Papers. “Posterity will be indebted for the possession, and the world for example, of the numerous innovations displayed on the American theatre in favor of private rights and public happiness.”⁸

Hamilton observes the history of private rights from the Magna Carta to the federal Constitution’s preamble.⁹ Equal to the protection of personal

¹Rossiter, ed., **The Federalist Papers**, No. 10, 79.

²Brown, **Charles Beard and the Constitution**, 198.

³Rossiter, ed., **The Federalist Papers**, No. 10, 79.

⁴Brown, **Charles Beard and the Constitution**, 199.

⁵Ibid., 136.

⁶Ibid., 196.

⁷Rossiter, ed., **The Federalist Papers**, No. 39, 240.

⁸Ibid., No. 14, 104.

⁹Ibid., No. 84, 512-513.

rights was the protection of property.¹ Protection per se was a fundamental promise of the federal Constitution. Social and economic conditions would provide a foundation for the people's happiness and were a part of the federal Constitution. From the participants in Shay's Rebellion to Washington, who was unable "to pay his taxes," conditions were expected "to be better under the new government."²

Whether or not debtors "waged war" against ratification, they were still cognizant that if the federal Constitution was ratified, accounts would still have to be settled "in full and the small farmers were aware that taxes would have to be paid to discharge the national debt."³ Protection as a source of political obligation, as in the social contract was expected as well to be realized from a new federal authority. The South had an interest in "maintaining order against slave revolts" just as creditors in Massachusetts were looking for protection from "Shay's desperate debtors."⁴

Appealing to his contention that the federal Constitution "could have appealed to many groups and interests," Brown quotes Beard's quotation from an "address to the Freemen of America," in the American Museum, 4, June, 1787.⁵ "The 'Address' directed its appeal to public creditors, soldiers, and citizens who had served the country, western settlers who needed protection from the Indians, farmers who suffered from heavy taxes, merchants who were discriminated against in foreign markets, and unemployed manufacturers, and mechanics."⁶ Immigration to western lands was potentially imminent, "embarrassed farmers and oppressed tenants, who wanted a strong government to protect them when they migrated," were also an interest.⁷ On Tuesday, June 5th, 1787, In Committee of the Whole, proposition 15 for "recommending Conventions under appointment of the people to ratify the new Constitution" was taken up.

¹Brown, **Charles Beard and the Constitution**, 198.

²Ibid., 90.

³Beard, **An Economic Interpretation of the Constitution**, 252.

⁴Ibid., 30.

⁵As quoted in Brown, **Charles Beard and the Constitution**, 293-294.

⁶Ibid., 183.

⁷Beard, **An Economic Interpretation of the Constitution**, 56.

Madison “thought this provision essential. ... For these reasons as well as others he thought it indispensable that the new Constitution should be ratified in the most unexceptional form, and by the supreme authority of the people themselves.”¹ The debates were ultimately founded upon whether the people would accept it. “The Convention Delegates recognized that they had to write a constitution which would meet with the approval of the electorate.”²

The constitutional debates were ultimately founded upon a simple value: “that there was scarcely a feature of the Constitution which was not favored or opposed on the ground that it would please or displease the people.”³ The people had not forgotten the Revolution or its principles. The past was not going to be rejected, as much as laid to rest, “in favor of some other, different set of beliefs, but refined, renewed, brought up to date-worked out, fulfilled.”⁴

Yet the goals of the Revolution were still wanting. There were two major arenas in which political thought moved: the Age of Enlightenment and a growing sense of nationalism. British practices served more to reinforce this nationalism than to create a threat requiring protection.⁵ This growing nationalism was “inseparable from preserving the gains of the Revolution,”⁶ of which republican virtue; the desire to do good for the public good—was clearly an intended gain. “Happily for America, happily we trust for the whole human race, they [the Revolutionary generation] pursued a new and noble course.”⁷

Recalling the Revolution to the reader’s mind Madison asks, “Was,

¹Madison, **Notes of the Debates in the Federal Convention**, 70.

²Brown, **Charles Beard and the Constitution**, 40, and 113. See Frank Bourgin, **The Great Challenge: The Myth of Laissez-faire in the Early Republic**, (N.Y.: George Braziller), 32. Hereinafter cited as Bourgin, **The Great Challenge**.

³Brown, **Charles Beard and the Constitution**, 40. See Bourgin, **The Great Challenge**, 30.

⁴Bailyn, **The Ideological Origins of the American Revolution**, 376-377.

⁵Brown, **Charles Beard and the Constitution**, 59.

⁶Bourgin, **The Great Challenge**, 33.

⁷Rossiter, ed., **The Federalist Papers**, No. 14, 104.

then, the American Revolution effected, was the American Confederacy formed, was the precious blood of thousands split, and the hard earned substance of millions lavished, not that the people of America should enjoy peace, liberty, and safety...? It is too early for politicians to presume on our forgetting that the public good, the real welfare of the great body of the people, is the supreme object to be pursued; and that no form of government whatever has any other value than as it may be fitted for the attainment of this object.”¹

To pursue this object and to preserve the gains of the Revolution, the Constitutional Convention pursued “the object of devising and proposing a constitutional system which would best supply the defects of that which it was to replace, and best secure the permanent liberty and happiness of their country.”² This permanence is reflected in Article I: sec. 8; “The Congress shall have Power. ...To make all Laws which shall be necessary and proper for carrying into Execution the foregoing powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof. “Powers were detailed and enumerated, but written into the Constitution in the broadest manner that they might continue adequate...and would endure for the indefinite future.”³

To the past, the federal Constitution was the “final and climatic expression of the ideology of the American Revolution.”⁴ As to the future, there was promise and hope of national planning. “Intercourse will be facilitated by new improvements. Roads will everywhere be shortened and kept in better order; accommodations for travelers will be multiplied and meliorated; an interior navigation on our eastern side will be opened throughout, or nearly throughout, the whole extent of the thirteen states,”

¹Ibid., No. 45, 283. See Charles Pinkney (South Carolina), “A government capable of extending to its citizens all the blessings of civil & religious liberty-capable of making them happy at home. This is the great end of Republican Establishments.” In Madison, **Notes of the Debates in the Federal Convention**, 185.

²Madison, **Notes of the Debates in the Federal Convention**, in Madison’s Preface, 19.

³Bourgin, **The Great Challenge**, 47.

⁴Bailyn, **The Ideological Origins of the American Revolution**, 321.

etc., etc.¹

Economic and social development was definitely on the agenda. “Programs of economic development would have to be undertaken to increase and expand the scope of these interests [of a diverse population]; means of transportation and communication would have to be established and extended to link the scattered settlements; the great socializing forces of education and self-government would have to be expanded to fuse the population of the country so that they might respond to the common stimuli and harness the energies of the nation to furthering the ultimate purposes of the American Revolution.”²

The means of this social progress, born of the potential of human progress of the founding father’s heritage and classical education, to the hopes of virtuous statesman for economic and social development, was realistic expectations accompanying the nearly realized republic. The aggrandizing of government and the increase of a central authority to utilize and exploit those interests that were most “constant and active,” seeking “attachment,” through “the dispensation of those regular honors & emoluments,”³ is the subject of the remaining chapters.

¹Rossiter, ed., **The Federalist Papers**, No. 14, 102-103.

²Bourgin, **The Great Challenge**, 35.

³Madison, **Notes of the Debates in the Federal Convention**, 131.

Chapter IV

The Nature and Form of the Federal Republic:

Political Economy and Republican Virtue

There is this difference between the nature and principle of government, that the former is that by which it is constituted, and the latter is that by which it is made to act. One is its particular structure, and the other the human passions which set it into motion.

-Montesquieu, *The Spirit of Laws*, 1748

Charles Beard introduced economic forces, in 1913 as a primary motive for the federal Constitution. In **An Economic Interpretation of the Constitution**, Beard attempted to explain, the impetus behind the federal Constitution. Beard felt that the “Constitution was the work of a consolidated group whose interests knew no state boundaries and were truly national in their scope.”¹

In 1956 Robert E. Brown’s, **Charles Beard and the Constitution**,² was to refute entirely, Beard’s research and scholarship, (and therefore his conclusions), while not engaging Beard’s insight into “real economic forces, coming nearer to explaining events than any other forces.”³

History demonstrated that while nature and forms of societies and governments can change, there were certain universal principles with which

¹Beard, **An Economic Interpretation of the Constitution**, 325.

²Brown, **Charles Beard and the Constitution**, xxi.

³Beard, **An Economic Interpretation of the Constitution**, xii.

republican societies had clung to over the millennia. “Laying its foundation on such principles, and organizing its powers in such form as to them shall seem most likely to effect their safety and happiness,”¹ is one such expression.

Perhaps the Declaration of Independence is echoing Charles de Secondat, Baron de Montesquieu, in that “there is this difference between the nature and principle of government, that the former is that by which it is constituted, the latter that by which it is made to act. One is its particular structure, and the other the human passions which set it into motion.”² The word “principle” is footnoted by Montesquieu to explain, “This is a very important distinction, whence I shall draw many consequences; for it is the key of an infinite number of laws.”³

Carl J. Richard in **The Founders and the Classics: Greece, Rome, and the American Enlightenment**, quotes John Adams as considering “these theorists [Machiavelli, Harrington, Sidney, Locke, and Montesquieu in particular] over rated [Adams emphasizes] that “the best part” of their writings came directly from the ancients.”⁴ In point of fact, any reading of **The Spirit of Laws** will find the ancients frequently footnoted by Montesquieu.

Perhaps the wisdom of Polybius was as good a guide as any. “What chiefly attracts and chiefly benefits students of history is just this —the study of causes and the consequent power of choosing what is best in each case. Now the chief cause of success or the reverse in all matters is the form of a state’s constitution [form of government rather than a written constitution]; for springing from this as from a fountainhead, all designs and plans of action not only originate, but reach their consumation.”⁵ Both Wood and Richard show the founders performing autopsies on dead

¹**The Declaration of Independence.**

²Montesquieu, **The Spirit of Laws**, 9.

³*Ibid.*

⁴Richard, **The Founders and the Classics**, 133.

⁵Polybius, **The Histories**, 271.

republics for the purpose of discovering the illnesses and the cures.¹

In 1969 Gordon Wood's, **The Creation of the American Republic: 1776-1787**, demonstrated other forces, with the radicalism of the revolution, social and utopian movements and the altering of political thought. Wood compared "the debates surrounding the Revolutionary constitution-making of 1776 with those surrounding the formation of the federal Constitution of 1787, [and] realized that a fundamental transformation of political culture had taken place."² While the political culture was transforming the nation, it was still rooted in, and supported by the social forces of education and religion, the heritage and foundation of republican society in colonial and post-colonial America.

While "the founders viewed America as the only land in which classical ideals could be translated into reality,"³ [they also] believed that "they had made a momentous contribution to the history of politics."⁴ As soon as the Revolutionary generation was to come out of an "essentially classical and medieval world of political discussion into one that was recognizably modern,"⁵ a classically republican enigma presented itself: how to balance a stable and credible economy while somehow retaining their republican principles.

America was not to repeat the mistakes of the past — a too weak or too strong executive, uncontrolled avariciousness, or an ignorant and uneducated populous fit only as chattel, or sources of oppressed labor. Americans did not need to read Adam Smith's **The Wealth of Nations** to warn them of the forces behind labor, putting at risk the greater virtues of the laborer.⁶

¹Wood, **The Creation of the American Republic**, 52, See also Richard, **The Founders and the Classics**, 104, 180.

²Wood, **The Creation of the American Republic**, viii.

³Richard, **The Founders and the Classics**, 82.

⁴Wood, **The Creation of the American Republic**, 614.

⁵Ibid., viii.

⁶In speaking of the "progress of the division of labour [and of] the great body of the people...confined to a very few simple operations" Smith warns that the laborer's "dexterity at his own particular trade seems, in this manner, to be acquired

America was to be a hybrid republic encompassing history's greatest virtues, while guarding against its vices. America was to choose what was best. The Revolutionary generation had a foundation in learning that served greater social intentions. "The categories within which the colonists thought about the social foundation of politics were inheritances from classical antiquity, reshaped by seventeenth-century English thought."¹

The lessons went far back into history and the colonists did not blindly imitate the models but intended to improve them. "The classics of the ancient world are everywhere in the literature of the Revolution, but they are illustrative, not determinative of thought. They contributed a vivid vocabulary but not the logic or grammar of thought, a universally respected personification but not the source of political and social beliefs. They heightened the colonists' sensitivity to ideas and attitudes otherwise derived."²

The final achievement of the American Revolution was to achieve a "commercial revolution"³ and there was to be a new commercial culture, to further enlighten and bring together Smith's commercial harmonizing influence. While political culture was being transformed by the 1790s, republican ideology was coming to terms with a commercial world. There was an attempt "to cling to the traditional republican spirit of classical antiquity without disregarding the new imperatives of a more modern commercial society."⁴ This was the dawn of a hybrid republic wherein all the colors of the prism were to merge in one great white light. All the past had to offer and all the future had to hope for was to be fulfilled.

In 1980, McCoy's **The Elusive Republic: Political Economy in Jeffersonian America**, explored the impact of ideas and interests in the 1780s and the attempts at reconciling classical ideals with modern values.

at the expense of his intellectual, social, and martial virtues...this is the state into which the labouring poor...fall, unless government takes some pains to prevent it." Smith, **The Wealth of Nations**, Book V, Part 3, Of the Expense of Public Works and Public Institutions, 341.

¹Richard, **The Founders and the Classics**, 273.

²Bailyn, **The Ideological Origins of the American Revolution**, 26.

³McCoy, **The Elusive Republic**, 89.

⁴Ibid., 10.

It demonstrated that Americans were trying to remain a civilized but commercial people, believing commerce could be a civilizing force.

In 1984 Joyce Appleby's **Capitalism and A New Social Order: The Republican Vision of the 1790s**, showed how the market economy influenced the way people thought about politics, and its impact on the Republican Vision, and the reordering of society. As the government was in transition, and the federal Constitution was being ratified, society was being reordered. Amidst the political and cultural transformations taking place in the 1780s was a new force: a federal government with the authority to enforce taxation and regulate commerce.

All agreed, as did Adam Smith, that taxes are for the support of civil government. "The subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities, that is, in proportion to the revenue which they respectively enjoy under the protection of the state."¹

Dall Forsythe's **Taxation and Political Change in the Young Nation: 1781-1833**, explores the impact taxation has upon government itself. In this he relates taxation to political change, and the government's power to extract revenue as the key to its dominion. In addition, he explores this extraction as a heated struggle and conflict ironically against a people that were at war against such extractive policies. The founders were deeply concerned with the exigencies and ramifications of an unstable economy in the 1780s and 1790s, but America's extractive policies in the 1790s went beyond stabilizing an economy to increasing the power and authority of America's new central government. Aside from the Federalists' goal to exercise their authority to tax, another goal of the Federalist fiscal system "was to promote the development of the central state."²

The rising Federalist ideology used in ratifying the federal Constitution went beyond correcting the weaknesses of the Articles of Confederation and produced a clash of ideology. The resultant political power led the

¹Smith, **The Wealth of Nations**, Book V, Ch. II, Part 2, of Taxes, 361. Generally, 247, 256, 268, as "the common advantages which every empire derives from its provinces subject to its dominion consist, first, in the military force which they furnish for its defence; and, secondly, in the revenue which they furnish for the support of its civil government." Ibid., 256. For the monopoly of trade in lieu of taxation, and military support, see Book IV, Part 3, Of the Advantages which Europe has derived from the Discovery of America. Ibid., 266-267.

²Forsythe, **Taxation and Political Change**, 29-30.

Federalists to control political development. “By using the most popular and democratic rhetoric available to explain and justify their aristocratic system, the Federalists helped to foreclose the development of an American intellectual tradition in which differing ideas of politics would be intimately and genuinely related to differing social interests.”¹ “The American Constitution [was] the climatic expression of the ideology of the American Revolution.”² and the federal Constitution was the very instrument with which to show the world that a people were capable of “diagnosing the ills of its society and [could] work out a peaceable process of cure.”³

Stourzh shows that the “era of the American Revolution and the framing of the Constitution witnessed the last glowing of the Renaissance tradition of political philosophy that regarded decay and corruption as the basic role of historical change.”⁴ Going beyond, Forsythe shows that regime change “can result from the purposeful efforts of members of the political elite seeking to transform the regime from within.”⁵ J.G.A. Pocock analyzes Machiavelli’s **The Prince**, and finds Machiavelli substituting “innovator” for the category of “new prince,” in the sense that it is more comprehensive and capable of greater theoretical precision.”⁶

As innovator Alexander Hamilton can be shown to be, in principle, like the new prince. “What Machiavelli is doing in the most notorious passage of **The Prince**, is reverting to the formal implementation of the Roman definition and asking whether there is any *virtu* [virtue] by which the innovator, self-isolated from moral society, can impose form upon his *fortuna*⁷ and whether there will be any consequences which can be imagined

¹Wood, **The Creation of the American Republic**, 562.

²Bailyn, **The Ideological Origins of the American Revolution**, 321.

³Wood, **The Creation of the American Republic**, 614.

⁴Stourzh, **Alexander Hamilton and the Idea of Republican Government**. 35-36.

⁵Forsythe, **Taxation and Political Change**, 128.

⁶Pocock, **The Machiavellian Moment**, 156.

⁷Fortuna, “Fortune is, first of all, the circumstantial insecurity of political life.” Pocock, **The Machiavellian Moment**, 38.

as flowing from its exercise.”¹

This is the essence of Hamiltonian and Federalist vision and rise to power: historical change, creating a political elite, whose influence changed the Republican regime, to a Federalist regime unable to anticipate its consequences. It is also clear that Federalists were the political elite and that Hamilton was an innovator.

“Of the ability & intelligence of those who composed the Convention,”... James Madison wrote in his Preface to **Notes of the Debates in the Federal Convention of 1787**, “the debates & proceedings may be a test; as the character of the work which was the offspring of their deliberations must be tested by the experience of the future.”²

The future was a short time in coming. The Federalists’ “intellectual achievement really transcended their particular political and social intentions and became more important and more influential than they themselves anticipated.”³ “Madison later discovered, however, that not all of his Federalist colleagues shared his particular conception of a republican America; some of them, he was appalled to learn, even thought in terms of deliberately promoting what he thought necessary to forestall.”⁴

Federalism, like the Constitution, had sprung from an eighteenth-century world of scientific, spiritual, and religious liberation, a liberation that was at the heart of a people that were deeply immersed in their own ancestral and classical history.⁵

In testament to the foundation of republican society and its fundamental origins of colonial thought is Bernard Bailyn’s **The Ideological Origins of the American Revolution**. Bailyn gives us a clearer understanding of the principles that colonists came to America with, were educated in, and ultimately fought to preserve. Furthermore, Bailyn explores the fundamental origins of constitutional heritage in colonial life,

¹Pocock, **The Machiavellian Moment**, 157.

²Madison, **Notes of the Debates in the Federal Convention**, 18.

³Wood, **The Creation of the American Republic**, 615.

⁴McCoy, **The Elusive Republic**, 120.

⁵“The founders considered the histories of the classical world, England, and America (including their own experiences) their three most significant pasts.” Richard, **The Founders and the Classics**, 82.

which through pamphlets, colonists were most familiar with.

Carl J. Richard's **The Founders and the Classics: Greece, Rome, and the American Enlightenment**, showed the founding fathers had viewed the American experience (including their own experiences) through the same classically based prism. Richard goes beyond the principal means by which the classical heritage was transmitted from one generation to the next and showed that "it was a standardized educational system, originating in the Middle ages."¹

Richard "attempts to uncover the means by which the founders mediated between the diverse perspectives of liberal [modern] and Christian doctrines upon [the founding fathers] thought."² He not only offers an analysis of the founders' classical reading, but shows individual ancients and their relationship to the founders. "The ancients, the Whigs, and the founders were bound together by the strong fibers of a common tradition, though each clung to a different strand of it."³

Pocock's **The Machiavellian Moment** illuminates the source of classical political thought as being revived by Machiavelli, and being brought through Puritan England and into eighteenth-century America. Pocock's **The Machiavellian Moment** refers to the republic which confronts the problem of its own stability in time — wherein enters the very axiom of eighteenth-century thought: the Polybian promise⁴ of virtue and the threat of corruption.

Paramount to the stability of republican virtue at the inception of the American republic was a sound and credible economy. Capitalism certainly had an impact but more in the shaping and extent of federal authority than to promote social and economic welfare. This Bourgin confronts in **The Great Challenge: The Myth of Laissez-faire in the Early Republic**. While the founding fathers saw government as a means to promote social and economic welfare, Bourgin explains, "once a strong central government had

¹Richard, **The Founders and the Classics**, 9.

²Ibid., 82.

³Ibid., 9.

⁴"For there is no difficulty in reporting the known facts, and it is not hard to foretell the future by inference from the past." Herein, Polybius is speaking of Greek states "which have often risen to greatness and have often experienced a complete change of fortune." Polybius, **The Histories**, 272.

been organized, it gave the merchant, trading, and financial classes leverage to use the power of government to improve their economic status.”¹

Bourgin shows the relationship between the federal Constitution, national planners, and economic life, demonstrating that laissez-faire (let the people choose) was a myth, due to governments’ interference with commerce and industry. Central to the growing struggle between capitalism and republican virtue was Alexander Hamilton. One of America’s most influential founders, Hamilton’s greatest testament remains his influence upon the federal government while secretary of treasury under George Washington. Understanding just how different Hamilton was from the Revolutionary generation, and how that impacted the general conception of the purpose and obligation of government, is to understand the most significant shift in republican ideology in the post-ratification era.

The psychology of Hamilton, as a boy on the Island of Nevis, is a sad component to his life. Hamilton’s earlier days in the British West Indies can be seen in Harold C. Syrett’s, ed., **The Papers of Alexander Hamilton**. By Hamilton’s own pen we begin to perceive a desire for destiny, a destiny that bring him to colonial America.

Escaping domestic despair, a wayward mother, and a murdered brother, Hamilton sought solace in the solitude of West Indies commerce. Even then Hamilton had expressed a desire for greatness. In 1769, Hamilton wrote, “Ned, my ambition is prevalent that I condemn the groveling condition of a clerk...I shall conclude in saying I wish there was a war.”²

The secondary sources concerning Hamilton are a broad survey of the person, the innovator and leader, in federal government. Syrett shows Hamilton coming to America in 1772. While Cooke’s **Alexander Hamilton: A Profile**³ shows Hamilton’s knowledge of the crises of 1763-1773 as coming from the Whigs, Flexner’s **The Young Hamilton**⁴

¹Bourgin, **The Great Challenge**, 24.

²Alexander Hamilton to Edward Stevens, Nov. 11th, 1769, Syrett and Cooke, eds., **The Papers of Alexander Hamilton**. 4. “Stevens, was a student at King’s College, New York City, from 1770-1774.” Ibid., fn., 1.

³Jacob E. Cooke, **Alexander Hamilton: A Profile** (New York: Hill and Wang, 1967), 8. Hereinafter cited as Cooke, **Alexander Hamilton**.

⁴James Thomas Flexner, **The Young Hamilton** (Boston: Little Brown and Co., 1978). Hereinafter cited as Flexner, **The Young Hamilton**.

demonstrates family connections.

Swanson in his **Origins of Hamilton's Fiscal Policies** portrays a young Hamilton as reading "extensively on economic and financial subjects, and his choice of models could even have been based on present or past precedents established in Holland, France, and other countries."¹

Yet, Bourgin, in **The Great Challenge: The Myth of Laissez-faire in the Early Republic**, perceives Hamilton as having limited intellectual interests and "lacking the qualities of sensitivity, curiosity and depth. Nevertheless, what he lacked in these areas, he compensated for with a clear vision of what he wanted to achieve and a resolute determination to achieve it."²

Hamilton's principles of republican government are considered in Stourzh's **Alexander Hamilton and the Idea of Republican Government**. Also explored is Hamilton's perception of eighteenth-century republican thought, with England as an example and inspiration. Hamilton's philosophy in relation to the founding fathers and their thinking broadens our insight into Hamilton's vision. "What Hamilton was willing to defend as republican government and what he called in his notes a representative democracy, he actually regarded as a mixed government—one that combined the principles of democracy, aristocracy, and monarchy."³ "Though Hamilton stressed the representative variety of popular government, he never committed himself to the definition of republican government propounded in the *Federalist* by his collaborator James Madison."⁴

The relationship as well between forms of government and the conduct of foreign affairs, and its bearing on absolute sovereignty outside of domestic issues gives us a clearer insight into Hamilton's vision: one of expansion, domination, and aggrandizement of government. This can be seen in Chapter XV of Pocock's **The Machiavellian Moment; The Americanization of Virtue: Corruption, Constitution and Frontier**. Therein

¹Donald F. Swanson, **Origins of Hamilton's Fiscal Policies**, (Gainesville: University of Florida Press, 1963), 34. Hereinafter cited as Swanson, **Origins of Hamilton's Fiscal Policies**.

²Bourgin, **The Great Challenge**, 68.

³Stourzh, **Alexander Hamilton and the Idea of Republican Government**, 52.

⁴*Ibid.*, 55.

Pocock gives us more of a focus on the apparent contradictions that Hamilton presented to his revolutionary brethren.

Pocock equates Federalists (and Hamilton) as being more like the virtue or civic excellence that Florentine political theorists had revived and inherited from their Roman ancestors.¹ This was the source of Hamilton's validity when he pursued an increase of the executive's influence and build up military strength. Hamilton's vision of America as an industrialized and powerful nation is inherent in his practices and policies as secretary of the treasury. Bourgin relates this vision of growth and development in Hamilton's reports.

While denying the influence of laissez-faire on the political and economic roots of the Constitution, Bourgin relates the founding fathers as seeing government as a means to promote social and economic welfare. Further, Bourgin perceives that, "in his drive to create an industrial state, and having participated in helping to design the Constitution, Hamilton knew where the levers of power were and how to use them."²

The Revolutionary generation's idea of authority is explored by Wood, Flexner, Pocock, and Appleby. Wood shows that the "Revolution was designed to change the flow of authority-indeed the structure of politics as the colonists had known it-but it was in no way intended to do away with the principle of authority itself."³ That authority of the Revolutionary generation was from a foundation, not of political authority, but the authority of custom. This idea of custom and authority is demonstrated in how laws remain the same, though governments can change.⁴ This

¹Virtus is "a term which was originally, and largely remained, part of the ethos of a political and military ruling class." Pocock, **The Machiavellian Moment**, 37.

²Bourgin, **The Great Challenge**, 64.

³Wood, **The Creation of the American Republic**, 67. See also, the Revolutionary generation being guided by principles, "refining, modernizing, and reapplying them to their new situation." Bailyn, **The Ideological Origins of the American Revolution**, vii.

⁴"We cannot give the 'reason why a custom is good or bad; we can only say; 'there is reason to believe' that it is good,(because preserved) or bad (because abandoned)." Pocock, **The Machiavellian Moment**, 15. See also principles of law and custom, in *ibid*, 11-15. Generally, "such is the rationale of the argument from antiquity, with which in this book we shall be much (though indirectly) concerned."

traditional role of authority, is seen in “Federalist values,” and their “political faith” as a “modification, not a rejection, of traditional expectations about the role of authority in public life.”¹

Authority then is paramount to understanding how governments as much as “why governments are instituted.” For governments to first control compliance there must be a relationship between “command and compliance.” From this relationship stems right of authority, because of custom; or right of authority, because of force. On the one hand there is the duty of the people “to obey-because they sometimes believe that compliance is a duty.”²

Authority is sometimes seen as the “right” to command, an attribute of the dominant member in a command relationship. In that sense, the term [authority] is often linked with legitimacy.” The legitimacy conferred upon the Revolution, Confederation, and the federal Constitution, is without question, based in a relationship not between command and compliance only, but a relationship between, a mutual duty. In 1776, the English crown was perceived, by virtue of the Declaration of Independence, not doing its duty, it had become corrupt-or simply without virtue; the desire to do good for the public good.

In other words, the desire to do good (virtue), for the public good (republic), was in principle the customary expectation of government for the Revolutionary generation. There was, however, a broad or narrow interpretation of the kind of virtue that was the foundation of political authority. What gave the Federalists their “faith” and “values” that were rooted in their “modification, and not rejection, of traditional expectations about the role of authority in public life, [and] about the permanence of social classes and the desirable distance between the governed and the governors,”³ was *virtus*, civic excellence, or Roman virtue.

This idea is at the essence of Hamilton’s impact upon the republican virtue of the Revolutionary generation. Unfortunately this brand of virtue only includes the public environment and not the individuals that compose it. What is good for the public is not necessarily good for the people, but it

Ibid, 16.

¹Appleby, **Capitalism and A New Social Order**, 59.

²Forsythe, **Taxation and Political Change**, 139.

³Appleby, **Capitalism and A New Social Order**, 59.

is good for the state. It is Roman virtue-an empire for its own sake-where citizens owed their existence to it.

The Roman *res publica* means the public good but it also means the public affairs. In other words what is good for Rome is good for the people. We can understand this better if we look to Hamilton's Utilitarian philosophy as well as his value of the common man and his source of political obligation. We can then also gauge the difference between the ancients, the Whigs, the founders, and Hamilton. "Hume's utilitarian foundation of the principles of political obligation was echoed in Hamilton's observation that utility is the prime end of all laws."¹

Utility was an idea that the founders had but with a greater scope of understanding. "Although the founders always endorsed classical education on utilitarian grounds, they defended "utility" in the broadest possible manner. In addition to the writings, models, knowledge, and ideas which the classics furnished, the founders contended that they were an indispensable training in virtue...the connection between the classics and virtue was deeply ingrained and implicitly understood."² Virtue was the object of the founders' attention and affection; classics or religion was only a vehicle for providing virtue's example.

Furthermore, Hamilton's impact upon the executive, legislative, and judicial branches can be seen, in the precedents and direction, with which those policies led the federal government in the 1790s. The scholarly works that dominate Hamilton's reports, Funding and Assumption, the United States Bank, and Report on Manufactures, are paramount to understanding the quality of that capitalism and its impact upon republican virtue.

It is equally important to understand the nature of virtue as well as its meaning. In particular as concerns Hamilton's fiscal programs and reports there were two works of significance. In 1928 Arthur Harrison Cole edited **The Industrial and Commercial Correspondences of Alexander Hamilton**.³ This was a broad industrial survey of the United States. Using the original data of Hamilton's survey, Cole produced a wealth of

¹Appleby, *Capitalism and A New Social Order*, 25.

²Richard, *The Founders and the Classics*, 37.

³Arthur Harrison Cole, ed., **Industrial and Commercial Correspondences of Alexander Hamilton: Anticipating His Report Manufactures**, (New York: Augustus M. Kelley, 1928, 1968). Hereinafter cited as Cole, **Industrial and Commercial Correspondences of Alexander Hamilton**.

documents concerning the infant state of manufacturing and the Society for Establishment of Useful Manufactures.

In 1934, Samuel McKee's, **Papers on Public Credit, Commerce, and Finance**,¹ showed through Hamilton's reports to Congress, the relationship between financial problems of early colonial and post-revolutionary days, and those that exist in the twentieth century. Moreover, it seeks to demonstrate the relationship between financial problems and colonial roots in manufacturing.

Cole demonstrates the roots of protectionism and the 'young industries argument,'² and other precedent policies of the 1790s that were the fundamental origins of the commercial industrial complex, and its utilitarian value to federal authority, Federalist partisanship, and twentieth-century economics. Cole also offers evidence of Hamilton's use of Adam Smith's **The Wealth of Nations**, by correlating a part of Hamilton's text in his Report on Manufactures. Cole does not, however, analyze Hamilton's genius and his use and misuse of Smith's **Wealth of Nations**.

For the benefactors and those citizens who were harmed by the impact of Hamilton's reports, we have Whitney K. Bates. Bates undertook immense research to pinpoint the true beneficiaries of Hamilton's Funding and Assumption scheme. In "Northern Speculator and Southern State Debts, 1790,"³ Bates writes, "To a large extent we can determine what proportion of the debts of these states had passed from the hand of their original holders by the time they were subscribed under the Funding Act of 1790. We can establish the degree to which ownership had become concentrated. And we can state with precision the size and extent of Northern speculation in these debts."⁴

¹Samuel McKee, ed., **Papers on Public Credit, Commerce, and Finance by Alexander Hamilton** (New York: Columbia University Press, 1934). Hereinafter cited as McKee, ed., **Papers on Public Credit, Commerce, and Finance**.

²Cole, **Industrial and Commercial Correspondences of Alexander Hamilton**, 238.

³Whitney K. Bates, "Northern Speculators and Southern State Debts, 1790," William and Mary Quarterly, 3 ser., 19, (1962). Hereinafter cited as Bates, "Northern Speculators and Southern State Debts."

⁴Ibid., 32.

Scholars have ably treated the politicization of public creditors, as with Rose¹ who demonstrates that public creditors were united in support of the fiscal government. Forsythe shows Jackson (a Georgian congressman) realizing “that Hamilton was indeed looking to the ‘stock-jobbers’ and ‘monied interest’ for support, and that the Federalist program did little to benefit his own agrarian constituency,”² while McCoy shows Hamilton’s purpose in funding and assumption. “The proper operation of the Funding system and the Bank, he hoped, would draw both foreign and domestic capital into the hands of ambitious entrepreneurs who would invest wisely in the economic growth of the new nation.”³

Swanson shows Hamilton’s policies “constituting a cleverly designed fiscal program to bring quickly about the fiscal maturity and stability of a newly created national state.”⁴ Bourgin reminds us that “Hamilton’s political purposes must never be forgotten in evaluating his policies.”⁵ Going further, Bourgin states, “his, [Hamilton’s] vision was of a capitalist industrialized state aiding and assisting private enterprise by means of a large scale, continuous program of national planning.”⁶

Controlling the wealth of the nation, and subsequently creating a new investor class, while strengthening the partisanship of federalism, was a powerful step toward increasing a central authority—a central authority that in principle was akin to a monarchy, once that monarchy is stripped of its regalia, and its person, but not its central authority or absolutism; an absolutism that was indeed a principle the Revolutionary generation feared,

¹Rose, “Alexander Hamilton and the Historians,” 854, 861, and 878. See also Beard recognized Hamilton’s organizing ability and, though “he had little part in the formation of the Constitution, it was his organizing ability that made it a real instrument bottomed on all the substantial economic interests of the time,” in Beard, **An Economic Interpretation of the Constitution**, 100.

²Forsythe, **Taxation and Political Change**, 35.

³McCoy, **The Elusive Republic**, 148.

⁴Swanson, **Origins of Hamilton’s Fiscal Policies**, 87.

⁵Bourgin, **The Great Challenge**, 88.

⁶Ibid., 68.

from classical history as well as its own English heritage.¹ An absolutism that is legitimized by laws of authority. All laws of authority or statutes in a common law nation are valid only when they are supported by laws of custom. For it is custom that give rise to laws of authority.²

Bourgin shows the origins and design of the Constitution with power centered in the presidency. While “the President would derive his authority directly from the Constitution...,”³ the founders “expected the president to perform a positive role with initiatives of his own and thus they endowed the office with sufficient independence and authority. ...” Acknowledging the power and influence of Hamilton, Bourgin adds, “one can hardly dispute the fact that Hamilton, in his drive to create an industrialized state, having participated in helping to design the Constitution, knew where the levers of power were and how to use them.”⁴

Hamilton’s argument on the constitutionality of the United States Bank will be shown to be not a constitutional argument, but in fact was a minor issue blown out of proportion to mask a fundamental issue: an increasing central authority. The regulation of commerce was a new power but the principles that should have governed what to do with that power were not conducive even prohibitory to Hamilton’s vision. Although Randolph and Jefferson aptly played into the hands of this great politician, they were not motivated by politics but principles.

The argument was clearly another step to increasing federal centralized authority. Moreover, what grew out of a need for a centralized fiscal authority, to correct the weaknesses of the Articles of the Confederation, grew into the very central authority feared by the Revolutionary generation. It was this aggrandizement that brought charges of corruption upon

¹“The founders knew that intellectual independence had been a defining characteristic of their Greek and Roman heroes, who had formulated the revolutionary theories of popular sovereignty, natural law, and mixed government and had defended them against the rampant absolutism of the ancient world.” Richard, **The Founders and the Classics**, 5.

²See law, by virtue of custom and virtue of authority, in Pocock **The Machiavellian Moment**, 13-24.

³Bourgin, **The Great Challenge**, 50.

⁴Ibid., 64.

Hamilton.¹

As secretary of the treasury his reports are definitive in showing that Hamilton's principles were utilitarian, and not humanitarian, for the state not the people, or more specifically, Roman virtue not classical or Christian. Hamilton's use of classical language is clearly utilitarian, and his actions convey nothing of the veneration most founding fathers and other heirs to the American Revolution had in utilizing the past to understand the present human potential.²

Controlling the national wealth, for the nations benefit, at the expense of the many, as with Funding and Assumption, was not the classical virtue inherent in the faith of those founding fathers educated in the classical and Christian belief in the greater good. It was a break from the past for Hamilton as he felt all others were misguided.³ Hamilton was ironically a liberal, in a classical world, willing to embrace the future, unguided by the past.

The world of the Revolutionary generation was a world that held that history was to learn from, so as to prevent tyranny.⁴ It was about human passions, setting into motion, natures and forms of government,⁵ that to them were most likely to effect their safety and happiness.⁶ A world that saw government as a necessary instrument for promoting social and

¹"We should see then that when Jefferson accuses Hamilton of corrupting the Congress, he is using a concept that had a particular meaning at that time." Rose, "Hamilton and the Historians," 856.

²"The founders' argument for history centered on its utility in breaking the cycles of the past." Richard, **The Founders and the Classics**, 180.

³"Alexander Hamilton's prose reeked of disgust and impatience toward the end of the war as he, too, tried to impress upon his readers that their fixation on classical antiquity was misguided." McCoy, **The Elusive Republic**, 96.

⁴Richard, **The Founders and the Classics**, 85-87.

⁵"There is this difference between the nature and principle of government, that the former is that by which it is constituted, the latter by which it is made to act." Montesquieu, **The Spirit of Laws**, 9.

⁶**The Declaration of Independence.**

economic welfare,¹ a world where faith and knowledge was from a classical education, while immersed in a religion which had more reverence for ethical behavior than divinity.

The world of faith and literature of the Revolutionary generation was founded in an English and European heritage. This foundation had, even before the Magna Carta demonstrated a connection to a most universally accepted principle: the desire to do good. This basic truth was not only sustained through custom but was a universally held belief and perpetuated through the ages from Aristotle to George Washington, who wrote, “I am a philanthropist by character, and a citizen of the great republic humanity at large.”²

Such love for humanity and the public good, were principles Washington had great faith in. He did not abandon these principles when establishing the federal government; he took them with him. Hamilton had merely seized the “opportunity to make his views those of the Washington administration.”³

Neither did the Revolutionary generation abandon their principles. Faith, ethics, and religion were all tied together. “The reconciliation of Christianity with classical philosophy served a vital emotional function: it saved the founders from the painful necessity of abandoning the religion of their ancestors and of their countrymen,”⁴ a religion whose principle or basic truth, seemed to be to exemplify the ethical behavior of Jesus Christ.⁵

¹Richard, **The Founders and the Classics**, 238.

²Padover, ed., **The Washington Papers**, Washington to Lafayette, August 15th, 1786, 120.

³Bourgin, **The Great Challenge**, 90.

⁴Ibid., 194.

⁵Although Richard refutes the humility of Socrates, he notes that “Benjamin Franklin audaciously paired Socrates with Jesus as the greatest models of humility, *ibid.*, 186. “Jefferson considered...Jesus the best guide for ethics.” *Ibid.*, 187. “The founders interwove Christianity and classical philosophy.” Richard, **The Founders and the Classics**, 194.

“The Stoic conception¹ of human nature, which exerted a profound influence upon the founders’ favorite Roman statesmen and historians, held the potential for a doctrine of social progress.² This was not the vision of a Roman Empire, based in domination, expansion, or aggrandizement.

The federal Constitution was in part an instrument, designed to effectively deal with an age-old republican question: How to sustain an economy without becoming dependent upon foreign nations, and allowing the people to prosper. Hamilton responded to the House of Representative’s request to prepare a plan by which the United States may become ‘...independent of other nations for essential, particularly for military supplies...’ [and] it will be seen that Hamilton was taking a very broad view of the terms of the Houses’ request.”³ The federal Constitution incorporated “new powers” to effectively deal with this question and others of economic exigencies.

The new powers were not intended to provide new principles. Madison wrote in Federalist No. 45, “If the new Constitution be examined with accuracy and candor, it will be found that the change which it proposes consists much less in the addition of NEW POWERS to the Union than in the invigoration of its ORIGINAL POWERS. The regulation of commerce, it is true, is a new power; but that seems to be an addition which few oppose and from which no apprehensions are entertained.”⁴

Hamilton was not apprehensive but embraced this new power and looked to foreign capital to further fuel his vision. Hamilton’s schemes did not promote social and economic welfare, but to the contrary, Hamilton was committed to a society wherein utility was the prime end of law. In other words, very much like a Roman, Hamilton utilized the laws of society to strengthen government. This government was a central authority, which was to be supremely utilitarian, with an agenda of expansion and domination

¹“The Stoic theory of natural law and the optimistic view of human nature from which it is derived gave birth to the modern doctrines of natural rights and social progress which undergird liberalism.” Richard, **The Founders and the Classics**, 194. 5. For founding fathers and classical education with an emphasis on the influence of Stoicism, see Ibid., 170-184.

²Ibid., 180.

³Ibid.

⁴Rossiter, ed., **The Federalist Papers**, No. 45, 293.

built upon Hamilton's class predilections which "coincided with the great objects of his policy. He accepted the twin principles of class domination and exploitation as inevitable."¹ Hence a government like its industry for "its own sake,"² not the peoples.

The second age old question was how to maintain virtue (the desire to do good), in a republic (for the public good). "When we are planning for posterity," wrote Thomas Paine, "we ought to remember, that virtue is not hereditary."³ Montagu, in 1775, in *Reflections on the Rise and Fall of the Ancient Republics*, wrote, "And children are too apt to forget and degenerate from virtues of their fathers."⁴ The founders believed that the classics were indispensable in teaching virtue and were "unable to imagine the teaching of virtue independent of the teaching of the classics, and consequently, made the transmission of the classical heritage an urgent concern."⁵

Hamilton's utilitarian view of history was not that of other founding fathers. Hamilton was unlike those founding fathers who were immersed in classical and Christian values. "In many respects Hamilton was an anomaly; perhaps more than any of his countrymen, he had succeeded in discarding the traditional republican heritage that had so heavily influenced the revolutionary mind."⁶

¹Bourgin, *The Great Challenge*, 69.

²"The whole tone of the document [Report on Manufactures] is one of anticipating a glorious future for its own sake." Cole, *Industrial and Commercial Correspondence of Alexander Hamilton*, 232.

³Paine, *Common Sense*, Wendel, ed, 116. See "Virtue, as I have already remarked, is not hereditary, neither is it perpetual." *Ibid.*, 130.

⁴Montagu, *The Rise and Fall of the Ancient Republics*, 117.

⁵Richard, *The Founders and the Classics*, 38.

⁶McCoy, *The Elusive Republic*, 132.

Chapter V

The Foundation of Hamilton's Vision: *The Power of Authority*

The establishment of perfect justice, of perfect liberty, and of perfect equality is the very simple secret which most effectually secures the highest degree of prosperity to all three classes: Proprietors of land, farmers and country laborers, and artificers, manufacturers, and merchants.¹

-Adam Smith, 1776

These three classes, [Professional, and Commercial men, and Landed interest] however distinct in their pursuits are individually equal in the political scale and may be easily proved to have but one interest. The dependance of each on the other is mutual.²

-James Madison, 1788

The weaknesses and defects of the Articles of the Confederation that were addressed by the new federal Constitution were most immediately economic. The nationalists of the early 1780s had attempted, without

¹Smith, **The Wealth of Nations**, Book IV, Of the Agricultural Systems, or of those Systems of Political Economy which represent the Produce of Land as either the sole or principal Source of the Revenue and Wealth of every Country, 292. Compare Hamilton's view that "The prosperity of commerce is now perceived and acknowledged by all enlightened statesmen to be the most useful as well as the most productive source of national wealth, and has accordingly become a primary object of their political cares." Rossiter, ed., **The Federalist Papers**, No. 12, 91.

²Madison, *Notes of the Debates in the Federal Convention*, 186.

success, to address the financial inadequacies of lack of federal revenue, with imposts in 1781 and 1783. The need for a centralized fiscal system was paramount to the enduring stability of the new nation. In this post-war environment American coin was leaving the country at an alarming rate due to increased trade with Great Britain. This undermined the economic stability of the American economy.

In addition, the apparent rush for imports was seen as undermining this moral stability of the country as well. This morality was seen in a context of anti-republicanism because to the Revolutionary generation immersed in classical education, history, and the age of enlightenment, the avaricious pursuit of luxury portended corruption. “Luxury has arrived to a great pitch; and it is a universal maxim that luxury indicates the declension of a state.”¹

The nationalists—Hamilton, Madison, and Morris—continued to press hard for constitutional reform. They saw the Revolutionary generation as naive about economy and America’s place in a world theater of commerce. A dichotomy of classical and liberal became more apparent with the attempts to reform the Articles of the Confederation with the federal Constitution. “If the new Constitution be examined with accuracy and candor,” wrote Madison in *Federalist* No. 45, “it will be found that the change which it proposes consists much less in the addition of NEW POWERS to the Union than in the invigoration of its ORIGINAL POWERS.”²

As to principle and object, it has already been shown that the invigoration of such powers stemmed from the ultimate spring, and was not new, but ancient, republican virtue: the desire to do good for the public good. The republican form of the Constitution holds the authority of its powers in the people and those powers are “human passions set into motion.”³ This is the principle, the first principle on which all else rests. What else would the people want but good government?

As the Constitution invigorates the “original” powers of the Articles

¹Alexander Hamilton, A Full Vindication of the Measures of Congress (N.Y., 1774), in Syrett and Cooke, eds., **The Papers of Alexander Hamilton**, I, 58.

²Rossiter, ed., **The Federalist Papers**, No. 45, 293.

³“There is a difference between the nature and principle of government, that the former is that which it is constituted, the latter that by which it is made to act. One is its particular structure and the other the human passions which set it into motion.” Montesquieu, **The Spirit of Laws**, Hutchins, ed., 9.

of the Confederation, a stronger Union could only result in invigorating, or securing the principle cause and motivation for those powers—republican virtue.

So we turn full circle to “Life, Liberty and the pursuit of happiness,” and the reason “governments are instituted among men.”¹ “The Revolutionary generation knew the basic prescription for a wise and just government. It was to balance the contending powers in a society that no one power could overwhelm the others and unchecked, destroy the liberties that belonged to all.”² Principles of liberty had comprised a heritage of tradition and customs that resulted in the safeguards of liberty and justice. History also showed that liberty was something to lose not to gain. So the sages of the Revolution, invigorating the old with the new, decided once and for all the fate of republican government.

It was not the intention of the revolutionary generation to “discard the traditional republican heritage”³ but to remain true to principle. The warnings from Federalists and other modern liberals was to not hang onto the past, but it didn’t render impotent, the most important aspects of republican virtue. Their were warnings for Federalists as well. The Republicans warned them not to reject the very principles that would give commerce its own virtue. It wasn’t by the vice of avarice but the virtues of commerce, that Republicans believed, would help America come of age in an ever increasing and expanding marketplace.

The new Constitution was invigorated by the means to adapt the ideal of republican government to that international stage. America faced the world insolvent, not able to pay its debts, or attract foreign investors. This new federal authority would be empowered with the means to work on national concerns: economic, political and social.

The world of mercantilism, and Adam Smith’s systems of political economy, continued its transition into a new age, an age, where commerce had the potential for uniting the world, through an ever increasing marketplace, an age that would not repeat the mistakes of the past, but

¹**The Declaration of Independence.** See also “there was even a desperate attempt, by many Americans to realize the traditional Commonwealth ideal of a corporate society, in which the common good would be the only objective of government,” Wood, **The Creation of the American Republic**, 54.

²Bailyn, **The Ideological Origins of the American Revolution**, 273.

³See Chapter III below.

would encourage the virtues of commerce to further enlighten humanity. “This view of commerce as the necessary means of uniting the different nations of the world through bonds of mutual need and obligation was in sharp contrast to the older, mercantilist interpretation of commerce.”¹

This view was in part the motivation for creating a new power under the federal Constitution. “The regulation of commerce, it is true, wrote James Madison in *Federalist* No. 45, is a new power.”² The environment in which this new power was going to be operated in is important in understanding how the issues of economy, commerce, and finance were utilized to pursue the “active and constant interest for the support”³ and direction of the new federal government, a new regime, and a new age.⁴

As the classical and civic⁵ virtue of the Revolutionary generation was passing from self-love toward self-interest in the late 1780s, the marketplace and economy in general awaited invigoration. “In recent years, diagnosis has ranged from the gloomy picture of commercial depression painted by Curtis Nettels to the rather different evaluation of Merrill Jensen,

¹McCoy, *The Elusive Republic*, 87.

²Rossiter, ed., *The Federalist Papers*, 293.

³See Hamilton’s speech before the Convention, comprising the five “great and essential principles necessary for the support of Government; active and constant support, the love of power, an habitual attachment of the people, force, and influence. Madison, *Notes of the Debates in the Federal Convention*, 130-131.

⁴In Madison’s *Federalist* No. 39, the Constitution is explained as a composition of federal and national, while “in strictness, is neither a national nor a federal Constitution... In its foundation it is federal, not national; in the sources from which the ordinary powers of the government are drawn, it is partly federal and partly national; in the operation of these powers, it is national, not federal; in the extent of them, again, it is federal, not national; and, finally in the authoritative mode of introducing amendments, it is neither wholly federal nor wholly national.” Rossiter, ed., *The Federalist Papers*, 246.

⁵“In the context of classical republican thought virtue meant civic virtue, the quality that enabled men to rise above private interests in order to act for the good of the whole. By the 1780’s this meaning is less clear.” Appleby, *Capitalism and A New Social Order*, 14.

who found the period “one of extraordinary growth.”¹ Hamilton, in Federalist, No. 11 and No. 12 discusses the advantages of union, “in a commercial light.” He begins early on by observing “appearances to authorize a supposition that the adventurous spirit, which distinguishes the commercial character of America. ...” Then he cites European powers who are² “looking forward to painful solicitude,” to what America “is capable of becoming.” Using the promise of Union, and the threat of foreign jealousy, Hamilton suggests that America may, if it continues united, “counteract a policy so unfriendly to our prosperity in a number of ways.”

Discussing the union or disunion of the States, Hamilton observes that a unity of commercial and political interests “can only result from a unity of government.” He then alludes to the need for an “ascendancy in American affairs” because of America’s “situation and interests.” Here he uses the threat of “domination” and slander as “facts hav[ing] too long supported these arrogant pretensions of the European.”³

Again, as in the convention, Hamilton’s praise of America is a clear indication that in his public opinion he is quite assured of America’s republican virtue: “It belongs to us to vindicate the honor of the human race, and to teach that assuming brother moderation. Union will enable us to do it...Let the thirteen States, bound together in a strict and indissoluble Union, concur in erecting one great American system superior to the control of all transatlantic force or influence and able to dictate the terms of the connection between the old and the new world”⁴

This passage in Federalist No.11 is replete with “practical yet also

¹Gordon C. Bjork, “The Weaning of the American Economy: Independence, Market Changes, and Economic Development, (N.Y.: Columbia University Press, 1964), 541. Hereinafter cited as Bjork, “The Weaning of the American Economy.”

²“Those of them [several maritime powers of Europe] which have colonies in America. Rossiter, ed., **The Federalist Papers**, No. 11, 85.

³While extolling as vice England’s practices, it was not Hamilton’s intention to improve but to replace England’s supremacy. “To make a second England of America, eventually to take over Britains ascendancy.” Stourzh, **Alexander Hamilton and the Idea of Republican Government**, 6.

⁴Rossiter ed., **The Federalist Papers**, No. 11, 85-91.

prophetic terms”¹ and gives a view of Hamilton that demonstrates the kind of republic, and the kind of virtue, that make Hamilton less an enigma. It would do well to remember that the authors of the Federalist Papers “had neither the time nor the inclination to sort out and restate in orderly, comprehensive fashion their many brilliant observations about the nature of political man.”²

Therefore we may observe the authors as unguarded. Hamilton’s concept of virtue was not only from a classical education, but also the nature of this political man is to be found in the origins and distinction of virtue.³ With this foundational distinction we will understand what had happened in the 1790s to the philosophy and mission of all government, due solely to Hamilton’s influence through his vision of supremacy.

Herein lies a distinction between the vision of those of the Revolutionary generation and their posterity: the Federalists. The Revolutionary generation rested on classical models, of polity, administration, nature, and form. The Revolutionary generation invigorated those antiquated models with modern values, such as unalienable rights, natural rights, love, enlightenment, freedom of religion, rights to happiness, pursuits, and life...individual rights of persons with innate dignity.

The Federalists or national generation of the late 1780s and 1790s rested on modern models, and historical values. Where the Federalist model was an economic interpretation of the Constitution, there values would ultimately be Roman: the expansion and domination of trade backed by an elite military. Further example of this is the use of modern models of finance and administration.

Such models were reinvigorated by the Federalists to sustain and finance classical values: visions of empire, domination, and expansion. The classical values inherent within this vision is Roman virtue or *virtus*. This is best exemplified in Hamilton’s political and philosophical principles. We can also see that Hamilton’s particular brand of virtue can be used to explain his vision for America and how that vision caused the republican experiment to fail. Republican virtue, according to historical example, is

¹Rossiter ed., **The Federalist Papers**, Introduction, xx.

²Ibid., xv.

³See pp. 70-74, below for Hamilton being more like the *virtus* or civic excellence that Florentine political theorists had revived and inherited from their Roman ancestors.

desiring to do good for the public good. There are different kinds of virtue however.

The Federalists had a lot in common with Roman virtue. The Republicans had a lot in common not only with Spartan and Athenian virtue but Christian virtue as well. These then were some of the many sources which motivated the Revolutionary generation and their personal sacrifices for the public good. These were not the sources of Hamilton's political principles or his vision. By examining this distinction of virtue, the reader we will begin to realize how this virtue was, to Hamilton, but not the Revolutionary generation, honorable, acceptable, and a validation for the impact of his policies.

Ultimately, a quite different republic would develop. The republic, because of Hamilton's influence and intercession, would not be a republic that rested upon colonial heritage and a tradition of liberty, liberty which was guarded by the duty of the sovereign, the defender of the faith, from time immemorial. It would be a republic that rested upon a central authority and not a central government.

The Revolutionary generation expected to reconcile classical values with modern exigencies: commercialism, capitalism, and industry. The virtues of commerce were not only going to free mankind from the feudal misery of hoarding wealth for the sake of the few but was in itself a revolution, a revolution that broke from the past, from the old world of absolute governments and mercantilist restrictions. People would no longer be "lazy, cowardly, turbulent, vicious and poor; [because] in republican societies they were active, brave, orderly, public spirited and prosperous."¹

The Revolutionary generation saw in this extra-revolution a "spirit of capitalism" that was going to be appropriate to republican principles, because it "could be accommodated both to more modern republican principles and to a more complex social and economic environment."² Hamilton's reference to "the honor of the human race" that would be "vindicated"³ would result from this expansion of commerce. "This expansion of commerce and industry was believed also to be the means of

¹McCoy, **The Elusive Republic**, 168.

²Ibid., 65.

³Rossiter, ed., **The Federalist Papers**, No. 11, 85-91.

strengthening the ties of human brotherhood between the countries.”¹

Hamilton’s private opinion was not one of optimism. Hamilton “did not share the optimism of Washington and others that treatment of American trade was temporary, preceding a revival of international trade. Had the European countries behaved in a more brotherly manner, in all probability Hamilton would still have favored his broad policy of planning for our industrial development.”² The country in the late 1780s was ripe for industrial development. Like a natural aristocracy, though, it could be encouraged or allowed to prosper naturally through lack of restriction so it would develop naturally.

The natural state in which Hamilton found the United States in the late 1780s was one in which some had a brighter future than others. For instance, in New England, “industry was operating at approximately 80 per cent of the prewar level, with the French West Indies, Spain, and Portugal the most important markets in that order. By 1790, it had surpassed the prewar size.”³ The nation “recovered rapidly from the economic effects of the war and a comparison of ‘Philadelphia import series’ and ‘British exports to the U.S.’ showed a “boom in 1784, depression in 1786-1787, and recovery in 1789.”

As a whole, there was a “fluctuation in the value of imports due entirely to huge changes in the volume of imported manufactured goods.”⁴ This economic boom attendant upon New England trade is indicated by “lower import prices coupled with significant higher export prices.” This is also seen as a “marked improvement in the net barter terms of trade for the new nation during its formative years.”⁵ As early as 1774 Hamilton said that “the colonies contain above three millions people. Commerce flourishes with the most rapid progress throughout them.” He then enumerated the

¹Bourgin, **The Great Challenge**, 87.

²Ibid., 88.

³Bjork, “The Weaning of the American Economy,” 545.

⁴Ibid., 546-547.

⁵Ibid., 556.

products that would enable the colonies to “live without trade of any kind.”¹

By 1788, Hamilton’s Federalist No. 12 takes into account the proven tendency for America to be commercially prosperous and subsequently to place the burden of taxation on commerce. Hamilton starts by recalling in Federalist No. 11, the “effects of Union upon the commercial prosperity of the States, [while] its tendency to promote the interests of revenue” remains the subject of Federalist No. 12.

Here again, Hamilton shows an understanding of peoples apprehensions concerning taxation. He begins by asking the reader to understand that “the prosperity of commerce is now perceived and acknowledged by all enlightened statesmen to be the most useful as well as the most productive source of national wealth, and has accordingly become a primary object of their political cares.” Now Hamilton shows a great faith in the integrity of primary political and economic objects of federal government.

Further on Hamilton alludes to the four classes outlined by Adam Smith and Charles Pinkney, but first mentions the “assiduous merchant, the laborious husbandmen, the active mechanic, and the industrious manufacturer — all orders of men look forward with eager expectation and growing alacrity to this pleasing reward of their toils,” i.e., “the multiplication of gratification, the promotion, introduction, and circulation “of the precious metals, those darling objects of human avarice and enterprise, serving to vivify and invigorate all the channels of industry and to make them flow with greater activity and copiousness.”² Hamilton was speaking of only 10 percent of the population. He was speaking to 90 percent of the population, who earned their living from the land; in agriculture.

Herein Hamilton poses an obtuse query regarding the “often-agitated question between agriculture and commerce.” It is at this point that Hamilton begins to express certain tendencies toward a vision—initially one of industry, but ultimately one of domination and empire. In Federalist No. 12, Hamilton speaks highly of agriculture, within a context of having the burden of taxation. It would seem from Hamilton’s public argument, that agriculture and commerce each have interests that are “intimately blended

¹Alexander Hamilton, A Full Vindication of the Measures of Congress, (N.Y., 1774), in Syrett and Cooke, eds., **The Papers of Alexander Hamilton**, I, 55.

²Rossiter, ed., **The Federalist Papers**, No. 12, 91.

and interwoven.”¹

Within a context of utility Union would provide a “freer vent for the products of the earth, which furnishes new incitements to the cultivators of land, which is the most powerful instrument in increasing the quantity of money in a state.” Hamilton later warns that “in this country if the principal part [of revenue] be not drawn from commerce, it must fall with oppressive weight upon land.”²

Here Hamilton is building to a conclusion that commerce bear the weight of taxation. First he claims that certain taxes such as excise are not consonant with “the feelings of the people.” Neither are they sufficiently numerous “to permit ample collection.”³ Meanwhile he acknowledges that in “States where almost the sole employment is agriculture” excise would not be proper. Other modes of taxation either “occasion the oppression of individuals” or “escape the eye and the hand of the tax-gatherer.” Yet, “the necessities of the State, nevertheless, must be satisfied in some mode or the other.” Hamilton continues his warning that “the defect of other resources must throw the principal weight of the public burdens on the possessors of land.”

What is most illuminating in this argument is that Hamilton concludes that the possessors of land can never provide “an adequate supply, (of revenue) unless all the sources of revenue are open to its demands, the finances of the community, under such embarrassments, cannot be put into a situation consistent with its respectability or its security. ...” In other words, the undisclosed “wants of government,” whether within or beyond taxation to support civil government, will not be “adequate.” Neither could the government provide for its “respectability,” i.e., flattery or its security, i.e., threat. “...Thus we shall not even have the consolations of a full treasury to atone for the oppressions of that valuable class of the citizens who are employed in the cultivation of the soil.”⁴

¹Rossiter, ed., **The Federalist Papers**, 91-92.

²Ibid., 96.

³“Early interested in finance, [Hamilton] worked to secure from the states the power for Congress to levy an impost in order to secure a national income. The effort failed by 1783 and he then began working for a stronger union.” Rose, “Hamilton and the Historians,” 854.

⁴Rossiter, ed., **The Federalist Papers**, No. 12, 91-96.

Did Hamilton really consider cultivators of the soil as a valuable class of citizens? Did Hamilton consider the Constitution as a valuable instrument to procure the principles of the Revolution? Or did Hamilton's growing vision require more revenue than cultivators of the land could provide? As Hamilton continues with Federalist No. 13, he states, "The money saved from one object may be usefully applied to another, and there will be so much less to be drawn from the pockets of the people."¹

Although the Federalist Papers at the time were not understood as public opinions of certain authors, they represented the "product of years of learned study and hard experience." Yet the authors, Jay, Madison, and Hamilton "had neither time or inclination to sort out and restate in orderly, comprehensive fashion their many brilliant observations about the nature of political man, or indeed about liberty or society or the purposes and forms of government." As we compare public and private opinion, we see in Hamilton alone, that while he appealed to the fears, and hopes of the people, he inadvertently conveyed principles that were inconsistent with later actions. "Hamilton, in particular, was hardly the enthusiast for the Constitution that he appears to be in these pages."²

What Hamilton was enthusiastic about was his grandest vision. Hamilton's vision of industry for its own sake was merely part and parcel of a grander vision whose basis was increasing the authority of the executive. This would provide the power of authority to seize the means of a more comprehensive national planning that would ultimately provide for an expansive empire, whose domination would result from commerce and trade, supported and defended by military forces.³ This, in the end, will be seen to be inconsistent with the Revolutionary generation who found Hamilton's policies, threatening to the foundation of republican virtue. The principles of virtue and interest were the same for Hamilton as they were for

¹Rossiter, ed., **The Federalist Papers**, No. 13, 97.

²Ibid., **Introduction**, xv.

³"Hamilton can be said to have added a fourth term to the triads of Montesquieu, showing that if virtue is the principle of republics, interest is that of empires, so that a non classical federalism is necessary if the republic is to be also an empire...Government must now become an engine for the protection and expansion of external power." Pocock, **The Machiavellian Moment**, 530.

Madison, but not virtue itself.¹

Gordon Wood's "End of Classical Politics", illustrates an abandonment of virtue which is further qualified, in Pocock's **The Machiavellian Moment**. In the context of Florentine political theory, virtue was seen as *virtus* (civic excellence) coming from the Greek *arete* and "shared in its conceptual development. From the meaning of 'civic excellence' — some quality respected by other citizens and productive leadership and authority over them — *arete* had been refined, by Socrates and Plato, to mean moral goodness which alone qualified a man for civic capacity."²

Roman virtue can be seen to apply especially to Hamilton and his principles. Machiavelli's Roman virtue was from the Latin [*v*]irtus: the qualities typical of a true man: manly spirit, resolution, valour, or steadfastness. In another context it can be "excellence of character or mind, worth, merit, ability, etc. or a particular excellence of character, ability." These, however, refer to virtues and not virtue. Still, there is "moral excellence" (requiring a judgment or standard), and "virtue, goodness."³

The Etymological Dictionary of the English Language affords us a closer examination of Roman virtue. *Virtus* is seen as manly excellence and is more attributable to a Roman centurion than a Roman Stoic, much less a Christian.⁴ What is interesting especially in the context of the ancients impact upon modern values is that "the spelling has been changed from *vertu* to *virtue* to bring it nearer to the Latin."⁵ For the Revolutionary generation, virtue was seen among the ancients was equated with political

¹Pocock, **The Machiavellian Moment**, 531.

²*Ibid.*, 37.

³"Personified as a goddess," and other virtues are in **The Oxford Latin Dictionary**, P.G.W. ed. (N.Y.: Oxford University Press, 1983), 2073.

⁴This Roman quality of manly excellence may have been the source of Hamilton's allegation of Jefferson's "womanish" quality. "Hamilton apparently regarded Jefferson with contempt for his alleged softheadedness and womanishness." Rose, "Alexander Hamilton and the Historians," 879.

⁵Walter W. Skeat, ed., **The Etymological Dictionary of the English Language**, (Oxford, Oxford University Press, 1959), 693.

and military skill.¹ Virtue was also civic virtue or “that quality that enabled men to rise above private interests in order to act for the good of the whole.”²

Like many principles, virtue was a principle with which the classically educated, historically immersed, and Christian based, applied to no one particular brand. The Oxford English Dictionary gives an even further elaboration on the use of virtue, which comes from the Latin. Separating the divine qualities of virtue from virtues we find a particularly applicable definition of virtue for the Revolutionary generation, as “conformity of life and conduct with the principles of morality; voluntary³ observance of the recognized moral laws or standards of right conduct; abstention on moral grounds from any form of wrong-doing or vice.”⁴

This is readily apparent in the judgment and opinions of colonists who saw in their corrupt heritage a sovereign who failed in his duty, a sovereign who had no voluntary observance of recognized moral laws, and no abstention on moral grounds from any wrong-doing or vice. This definition of virtue for the Revolutionary generation makes quite clear that the morality of the sovereign extended beyond personal behavior but it placed morality under the auspices of the sovereign as the guardian of liberty and defender of the faith, – as was set forth from “time immemorial,” through custom passing into law.⁵ Wood’s “End of Classical Politics” recognized a shift in all governments.”⁶ This was not an acquiescence to majority rule. Americans were still reaching for their collective political identity and safeguards of liberty through individual means. “If Americans had been compelled to abandon a theory of constitutional humanism which related

¹Richard, **The Founders and the Classics**, 87.

²Appleby, **Capitalism and A New Social Order**, 14.

³This connotation of voluntary is of the same quality as the desire to do good.

⁴**The Oxford English Dictionary**, Vol. XIX, 675-677.

⁵See Sir John Fortescue’s *De Laudibus Legum Anglie* as declaring that in the “study of law, that all human laws are either laws of nature, or custom, or statutes. As quoted in Pocock, **The Machiavellian Moment**, 11-12.

⁶*Ibid.*, 612.

the personality to government directly and according to its diversities, they had not thereby given up the pursuit of a form of political society in which the individual might be free and know himself in his relation to society.”¹

The irony though, is that the Federalists instituted a government of the people, for the people, and by the people, but held the people accountable for sustaining the very traditional virtue they rejected. It is clearly evident that if any one ideology or regime was accountable for sustaining virtue it was they who rested on the virtue of the Revolutionary generation in creating their ideology or regime.

The problem that remained, however, was that the shift from republic to empire historically entailed a threat of corruption...² Madison’s republic; “in which a scheme of representation takes place” was taken further by Hamilton. Moreover, “Madison, when a colleague of Hamilton’s had helped build an image of the federal representative structure as one which might go on expanding, with interest being added to interest, and yet never becoming corrupted.”³

If self-interest were to prevail, within a context of an imminent commercial age, would individual interests be abandoned? “No government, Americans told themselves over and over, had ever before so completely set its roots in the sentiments and aims of its citizens.”⁴

Virtue was still the principle of republics. Empires, however, especially to Hamilton, who now “added a fourth term to the triads of Montesquieu,” and were building a political platform of interested colleagues to support his vision of empire. This is why Hamilton’s brand of federalism was seen as nonclassical and was a threat of corruption of

¹Pocock, **The Machiavellian Moment**, 527.

²Historically, a shift from republic to empire was seen as corruption. For a comparison and contrast of republic, empire, and, corruption from Greece to the American frontier see Ibid., 510-511. See the arguments of anti-Federalists and Montesquieu on the shift from republic to empire and its consequential failure in Richard, **The Founders and the Classics**, 114. “Hamilton agreed that the modern principle of representation invalidated Montesquieu’s assertion.” Ibid. See Madison, “insisted that large republics would be more moderate, stable, and just than small republics.” Madison, **Notes of the Debates in the Federal Convention**, 114-115.

³Pocock, **The Machiavellian Moment**, 530.

⁴Wood, **The Creation of the American Republic**, 612.

classical values. “If Madison separated himself passionately from Hamilton within a very few years of constitutional ratification, one reason for doing so may have been that Hamilton’s argument clearly presupposes a higher degree of corruption, and a more brutally open recognition of its existence by government, than Madison thought could possibly be accepted.”¹

The individual liberties now rested indeed depended upon political equality. “By contrast, the republican view of America portrayed the new world as the theatre for a dramatically different social and moral order. Here men would be relatively equal in wealth and power, and above all, independent and economically competent as individuals.”²

Though Hamilton and Madison both embraced the idea of movement from virtue to interest, there developed an opposition due to the quality of virtue and interest. “The really great danger to liberty in the extended republic of America,” warned Madison in 1791, “was that each individual may become insignificant in his own eyes hitherto the very foundation of republican government.”³

The Polybian and Machiavellian struggles continued well into the 1790s. “Politics in such a society could no longer be simply described as a contest between rulers and people, between institutionalized orders of society. The political struggles would in fact be among the people themselves, among all the various groups and individuals seeking to create inequality out of their equality by gaining control of a government divested of its former identity with society.”⁴

Now the argument was founded in “ascendency of commerce over frugality, [and] empire over virtue.”⁵ Within government itself, however, the self-interest of individuals was now being seen as a fundamental quality of federalism. Preference for success over merit, or virtue over virtue,⁶ was clearly the shift in fundamental principle for Hamilton, more than for

¹Pocock, **The Machiavellian Moment**, 530.

²McCoy, **The Elusive Republic**, 62.

³Wood, **The Creation of the American Republic**, 612.

⁴*Ibid.*, 608.

⁵Pocock, **The Machiavellian Moment**, 530.

⁶*Ibid.*, 529.

Federalists. The Federalists of the early 1790s, “saw themselves as... upholding the stern unbending virtue of the natural aristocracy.”¹

The principles of virtue and justice, classical virtue and historical corruption, self-love and self-interest, were nearly reconciled with the advent of the federal Constitution. “Yet the Federalists’ intellectual achievement really transcended their particular political and social intentions and became more important and more influential than they themselves anticipated. Because their ideas were so popularly based and embodied what Americans had been groping towards from the beginning of their history, the Federalists’ creation could be, and eventually was, easily adapted and expanded by others with quite different interests and aims at stake, indeed, contributing in time to the destruction of the very social world they had sought to maintain.”³

The inevitable clash was due entirely to the influence of one man on a certain stage of commercial development and utilizing that stage as a foundation for a vision. Relying on the faith of a people, tired from war and political struggle, “Hamilton dominated the American Government from 1790 to 1795. His administrative genius set the tone of the new government.”⁴

The direction of the federal Government is to be found in the “mass and variety of legislation and organization which characterized the first administration of Washington, and which permeated and was controlled by Hamilton’s spirit.”⁵ This spirit, like his private opinions, can best be seen in the effects of the policies that altered the principle of republican government. The means that Hamilton would utilize to realize a republic based on his vision of expansion and domination are seen in four certain events: Funding and Assumption, the United States Bank, Report on manufacturers, and the Whiskey Rebellion.

What nurtured Hamilton’s spirit is what nurtured his later vision of an expansive republic. As we look at the beginnings of Hamilton’s life we can

¹Pocock, **The Machiavellian Moment**, 531.

²Ibid., 550.

³Wood, **The Creation of the American Republic**, 615.

⁴Rose “Alexander Hamilton and the Historians,” 877-878.

⁵Ibid., 878.

already see, on the one hand, a prodigy, aching to realize his genius. On the other hand, there was a lonely boy with a troubled heart and a fear of authority. Hamilton sought solitude in business, where he feared “to be a groveling clerk and wishing for a war.”¹ Early on Hamilton viewed the American colonies as the rest of the Western world did; a powder keg in the making. Hamilton was eager and effective even when very young, in making things happen, and especially influencing others.²

Hamilton certainly had the opportunity to influence many of the potential leaders of the Revolutionary generation. When he came to America from the West Indies, “in October, 1772,”³ Hamilton had settled amongst his patrons in Elizabeth (town), New Jersey. “This pleasant village may well have seemed to Hamilton an American prototype, its leading citizens the archetypal Americans.”⁴ Hamilton’s sources of political philosophy in America and his knowledge of the political crises of the 1760s and early 1770’s “came principally from ardent Whigs, such as Mulligan, Boudinot, Livingston, Troup and others.” Hamilton was soon to witness the growing resistance by Whigs to the perceived tyrannical monarchy and it was this version of “liberty-loving patriots pitted against a tyrannical monarchy of which [Hamilton] soon became the public advocate.”⁵

Hamilton was surrounded, appropriately by people of destiny: Richard Stockton, a future signer of the Declaration of Independence, the future governor of New Jersey after declaring independence,⁶ “Elias Boudinot, trustee of Princeton,”⁷ “Henry Brackholst Livingston, who was Alexander’s

¹Alexander Hamilton to Edward Stevens, Nov. 11th, 1769, Syrett and Cooke, eds., **The Papers of Alexander Hamilton**, 4. “Stevens, was a student at King’s College, New York City, from 1770-1774.” Ibid., fn., 1.

²Hamilton had an “acquired a knack for winning the esteem and support of influential patrons.” Cooke, **Alexander Hamilton**, 8.

³Ann Lytton Venton’s Order in Favor of Alexander Hamilton, N.Y., May 3, in Syrett and Cooke, eds., **The Papers of Alexander Hamilton**, I, 40.

⁴Ibid., I, 7.

⁵Ibid., I, 8.

⁶Flexner, **The Young Hamilton**, 56.

⁷Cooke, **Alexander Hamilton**, 7.

fellow pupil...[who] became an important Revolutionary officer and a justice of the Supreme Court,” “William Livingston, the reigning Whig Presbyterian of the Middle Colonies,”¹ and even Elizabeth Schuyler, “whom he was some years later to marry.”² Hamilton’s sources and influence were clearly a broad survey of facts and opinions. Hamilton’s political philosophy was from no particular source, “writer, philosophical tradition, or specific mentor or friend,” but did serve “his ambitions.”³ Hamilton’s admiration, however, remained for “the principles of the English Constitution.”⁴

It is interesting, at least, to compare Hamilton’s early public opinion in his revolutionary pamphlets, with his later public opinion. At his early stage of political development Hamilton had embraced the “cause of mankind.”⁵ This was a time when his classical learning was fresh in his mind, and he was adept at speaking directly to the hearts of his fellow colonists. Hamilton’s knowledge of world history, was the same classical education as others of the Revolutionary generation. While knowledge of current history came from ardent Whigs, ancient history came from the same standards and content of education, of medieval times.⁶

Hamilton was impressed that in the early 1770s there was shared reminiscence of classical values and that the independence of thought and

¹Cooke, **Alexander Hamilton**, 7.

²Flexner, **The Young Hamilton**, 56.

³Cooke, **Alexander Hamilton**, 8.

⁴Flexner, **The Young Hamilton**, 63.

⁵“The cause of America is in a great measure the cause of all mankind.” Paine, **Common Sense**, Wendel, ed., 45. “A long habit of not thinking a thing is wrong, gives it the superficial appearance of being right, and raises at first a formidable outcry in defence of custom. But the tumult soon subsides, time makes more converts than reason.” Ibid., 46.

⁶“Americans derived their curriculum and pedagogical methods from the English educational system, which, like other European systems, had originated in the middle ages.” Richard, **The Founders and the Classics**, 20.

action as a respectable quality.¹ Hamilton was also cognizant of the origins of civil government as a voluntary compact² and government for the public good.³ Hamilton was of the opinion however, that although the people intended the public good, they didn't "always reason right about the means of promoting it."⁴ Hamilton's perception of these means were from history; contemporary and ancient. Tyrannical legislatures and domestic insurrection, like Shay's Rebellion, caused Hamilton to make his views public, and he considered people to be lacking in innate virtue. Hamilton failed to recognize that a government of and by the people is mutually responsible for maintaining virtue. Instead he blames the general populace. A government for the people was limited to honoring contracts, quelling domestic insurgency, and raising a nation of customers.

So Hamilton, in his own sense of [Roman] virtue, in his own desire to do good, lacking the virtues of his fellows, those of the Revolutionary generation, had no choice but to perceive the people as lacking innate virtue. There was for Hamilton no reconciling of Christianity with the

¹"Although the founders considered the classics an important source of enlightenment, they understood that the highest expression of classical virtue was independence of thought and action." Richard, **The Founders and the Classics**, 230.

²"The origin of all civil government, justly established must be a voluntary compact, between rulers and ruled." Alexander Hamilton, *A Full Vindication of the Measures of Congress...* (N.Y., 1774), in Syrett and Cooke, eds., **The Papers of Alexander Hamilton**, I, 88. See *ibid.*, on Whig contract, in Wood, **The Creation of the American Republic**, 274.

³"To make the people's welfare—the public good—the exclusive end of government became for the American's, as one general put it, their 'Polar Star,' the central tenet of the Whig faith, shared not only by Hamilton and Paine at opposite ends of the Whig spectrum, but by any American bitterly opposed to a system which held that a Part is greater than its Whole; or, in other Words, that some individuals ought to be considered, even to the Destruction of the Community, which they compose." Wood, **The Creation of the American Republic**, 55.

⁴*Ibid.*, 508.

classics.¹ Neither Christianity or king, or any republic but Rome, was appropriate for he how believed America was to come of age. Hamilton did not share in the republican faith that the people could govern themselves.

Hamilton also had a “disdain for a formula enjoying a great reputation among adherents of free government and republicanism—the formula of ‘a government of laws, not of men’ as the essence of good government.”² Government was not for Hamilton to be a foundry for forging the best of human qualities; he lacked faith in the peoples potential to influence national policy. Government he believed, as in ancient Rome, was something the people were supposed to protect because they owed their life’s meaning to it.

This was very contrary to the Revolutionary generations idea about why governments were instituted among men.³ “Herein then is the origin and rise of government; namely, a mode rendered necessary by the inability of moral virtue to govern the world; here too is the design and end of government, viz. freedom and security.”⁴

Like “industry for its own sake,”⁵ a government for its own sake was going to fulfill the destiny that Hamilton had been desiring. This was the difference between the Federalists and the Revolutionary generation: central authority and central government. There was no doubt that a centralized fiscal system warranted a central [fiscal] authority, but it inevitably encroached upon the central government through Hamilton’s policies and legislation. Because the regulating of commerce was a new power, designed to correct the weaknesses of the Confederation, its potential to influence the

¹“The reconciliation of Christianity with classical philosophy served a vital emotional function: it saved the founders from the painful necessity of abandoning the religion of their ancestors and of their countrymen,” Richard, **The Founders and the Classics**, 194.

²Stourzh, **Alexander Hamilton and the Idea of Republican Government**, 17.

³See, the **Declaration of Independence**.

⁴Paine, **Common Sense**, Wendel, ed., 53.

⁵“The whole tone of the document [Hamilton’s Report on Manufactures] is one of anticipating a glorious future for its own sake.” Cole, **Industrial and Commercial Correspondences of Alexander Hamilton**, 231-232.

principles of government were unforeseen and subsequently there were no checks on its authority.

The Revolutionary generation's modifications of ancient mixed government: democracy, aristocracy, and monarchy, were scrutinized and utilized so as to create a balanced government. Ultimately and unfortunately, the aristocratic and monarchical elements of government were empowered and aggrandized by the Federalists at the expense of the many.

Hamilton operated out of fear and shared those fears of poverty and alien domination in the Federalist Papers. As he produced the "sounds and appearances" that betrayed his fears, he began to create a following who shared those fears, and embraced the promise of reward and honor. Reward and honor for supporting a government that would protect as well as serve an administration was appropriate to Hamilton's brand of Roman virtue; strong and impenetrable. Hamilton was also strong and impenetrable.

Even as a little boy he took refuge in the detached and practical matters of business and administration. These early experiences are very relevant to his spirit and the impact upon republican virtue that his policies would have. This detachment is what those of the Revolutionary generation feared. What good is there to have a duty for the sovereign if that duty is detached and immersed in the business of public affairs, the Roman *res publica*?

As Montesquieu was quick to point out in *The Spirit of Laws*, love of one's country, political virtue, and honor were reflections of the same principle.¹ In a monarchy, honor is what gives one virtue, and in a republic, virtue is what gives one honor. Roman honor or English honor was not seen as a virtue to the Revolutionary generation.²

¹"What I distinguish by the name of virtue, in a republic, is the love of one's country, that is, the love of equality. It is not a moral, nor a Christian, but a political virtue; and it is the spring which sets the republican government in motion, as honour is the spring which gives motion to monarchy...In a word, honour is found in a republic, though its spring be political virtue; and political virtue is found in a monarchical government though it be actuated by honour." Montesquieu, **The Spirit of Laws**, Hutchins, ed., Advertisement, xxii. See also Wood, **The Creation of the American Republic**, Ch. 2., Republicanism; sec., 5, Equality, 70.

²It must be remembered that Roman and English honor as viewed in 1776 was seen in a context of corrupt times, a corruption that the Revolutionary generation lamented in their time. They lamented for the truly honorable Romans and English of their earlier times.

As the Revolutionary generation stared askance at the events unfolding in the 1790s, it was no mystery that the desire to do good, was clearly not for the people, except ultimately for citizens who might benefit from the states prosperity. The public good was limited to what was good for the government and public business. This was the very aggrandizement that history showed to be the inevitable fall from a republic's first principle.

Though Hamilton believed that what was good for one class of people was good for all, it was the want to do good for the form or nature of the republic, not its principle the human passions that set it into motion or in Benjamin Franklin's nearly dying words, "There is no form of government but what may be a blessing to the people."¹

Sadly, this principle of aggrandizement, the ruin of every republic and monarchical empire, was the foundation of Federalist values and purpose. As the Revolutionary generation lamented the loss of what the Republic could have become, they witnessed also a return to a loss of love and duty to the people and a sovereign whose duty would become a right.

¹Shaw, ed., **The Autobiography and Other Writings by Benjamin Franklin**, 252-253.

Chapter VI

Hamilton as Secretary of the Treasury: *The Financing of His Vision*

To found a great empire for the sole purpose of raising up a people of customers may at first sight appear a project fit only for a nation of shopkeepers. It is, however, a project altogether unfit for a nation of shopkeepers: but extremely fit for a nation whose government is influenced by shopkeepers: Such statesmen, and such statesmen only are capable of fancying that they will find some advantage in employing the blood and treasure of their fellow-citizens to found and maintain such an empire.¹

-Adam Smith, 1776

The Revolution and the constitutional era were not miraculous, “because they can be explained historically,”² These events were not without precedent. Hamilton’s policies as well, are able to be explained historically and had even more specific historical precedent. Although many have been unable to show a particular source or authority,³ of Hamilton’s policies, we can see him fitting into certain classical values, contributing to the “flow of

¹Smith, **The Wealth of Nations**, Book IV, Of Systems of Political Economy, Ch. VII, Of Colonies, 266. See “a great empire has been established for the sole purpose of raising up a nation of customers, [American and West Indian Colonies].” Ibid., 288.

²Bailyn, **The Ideological Origins of the American Revolution**, 66-67.

³“In seeking out the sources of Hamilton’s ideas, we soon learn that these sources are not readily discoverable.” Rose, “Alexander Hamilton and the Historians,” 856.

transatlantic thought,” and wanting to do good for the public good.

The earliest hints of a vision are apparent in his youth while on the island of Nevis, in the British West Indies. Fearing the destiny of a “groveling clerk...wishing for a war,”¹ and marveling at the violent forces of nature,² Hamilton is found setting his sights on North America. As early as 1774, in a Full Vindication of the Measures of Congress, Hamilton asserts the faith that “we can live without trade of any kind,” and then proceeds to enumerate why.³

The earliest hint of a vision for American industry is in his reference to “those hands, which may be deprived of business by the cessation of commerce.” His solution was to occupy those hands “in various kinds of manufactures and other internal improvements. If by the necessity of the thing, manufactures should once be established and take root among us, they will pave the way, still more, to the future grandeur and glory of America.”

By 1790, Hamilton had begun to achieve his vision of America’s future greatness. There was first the public debt, an insolvent nation, and the issue of assuming the debts of the states. His first step was to increase the central authority of the federal government. He did this by using the new

¹In 1769, Hamilton wrote, “Ned, my ambition is prevalent that I contemn the groveling condition of a clerk...I shall conclude in saying I wish there was a war.” Alexander Hamilton to Edward Stevens, Nov. 11th, 1769, Syrett and Cooke, eds., **The Papers of Alexander Hamilton**. 4. “Stevens, was a student at King’s College, New York City, from 1770-1774.” Ibid., fn., 1.

²“I take up my pen just to give you an imperfect account of one of the most dreadful Hurricanes that memory or any records whatever can trace...Hark-ruin and confusion on every side...Tis thy turn next; but one short moment, even now, Oh Lord help. Jesus be merciful...But see, the Lord relents. He hears our prayer. The Lightning ceases, The winds are appeased...My heart bleeds, but I have no power to solace! O ye, who revel in affluence, see the afflictions of humanity and bestow your superfluity to ease them...I am afraid Sir, you will think this description more the effort of imagination than a true picture of realities. But I can affirm with the greatest truth, that there is not a single circumstance touched upon, which I have not absolutely been an eyewitness to.” Alexander Hamilton to the Royal Danish American Gazette, St. Croix, Sept. 6, 1772, in Syrett and Cooke, eds., **The Papers of Alexander Hamilton** I, 37-38.

³Alexander Hamilton, A Full Vindication of the Measures of Congress, in Ibid., I, 55.

centralized fiscal authority that was required to correct the fiscal weaknesses of the Articles of the Confederation. These separate strands would ultimately be brought together by the same means, the funding and assumption of the state's debts, incurred because of the Revolution.

Hamilton was primarily concerned with creating sounds and appearances,¹ and he also demonstrated the ways and means to influence if not to form public opinion. Whether by appealing to the fears of the people or to their pride, Hamilton knew how to influence people and manipulate situations to his advantage.

It is fair to say that these advantages were never personal. His motive was not self-aggrandizement. He worked for his vision of a commercial and industrialized America.² In a broader context of domination and expansion, Hamilton set out "to make a second England of America, eventually to take over Britains ascendancy, that was a pursuit of national greatness that Hamilton linked to his own striving for enduring fame."³

The means to this end are seen in Hamilton's own words: "There is, in the nature of things, as will be more particularly noticed in another place, an intimate connection of interest between the government and the bank of a nation."⁴ It was this source that Hamilton favored to back and bankroll his

¹Hamilton most aptly applied the art of sounds and appearances to the establishment of the public credit. "Hamilton's funding system was part of his plan to adopt policies that produced sounds and appearances which would work toward the early establishment of public credit." Swanson, **Origins of Hamilton's Fiscal Policies**, 85. Hamilton makes frequent use and mention of sounds and appearances both in his financial and political sentiments. As a prelude to persuasion his convictions conveyed the sounds and appearances of authority and experience. "There are appearances to authorize a supposition that the adventurous spirit, which distinguishes the commercial character of America has already excited uneasy sensations in several of the maritime powers of Europe." Rossiter, ed., **The Federalist Papers**, No. 11, 85.

²"The true ground of Hamilton's great reputation is to be found in the mass and variety of legislation and organization which characterized the first administration of Washington." Rose, "Alexander Hamilton and the Historians," 878.

³Stourzh, **Alexander Hamilton and the Idea of Republican Government**, 6.

⁴McKee, ed., *Papers on Public Credit, Commerce, and Finance*, 58.

vision.

Although there were definite advantages to the public good by which Hamilton had succeeded with Funding and Assumption and the United States Bank, “Hamilton’s political purposes must never be forgotten in evaluating his policies.”¹ In evaluating these policies and their effects on the infant republic it will be shown that it was his desire, to build a commercial and industrial republic. But this industrial empire merely modified English models predicated upon Roman virtue: expansion, domination, and protection of trade and commerce, backed by an elite military. This was Hamilton’s concept of a republican government.²

As Secretary of Treasury, however, “Hamilton intended to go much beyond uniting all groups in favor of his policies. He aimed not merely at invigorating existing property groups by having national government extend them benefits.”³

It is also fair to say that Hamilton’s ideas were not the Revolutionary generation’s vision of America, the Revolutionaries had their visions too. “There was tremendous confidence that the United States could indeed initiate a commercial revolution that would extend and reorganize international trade along liberal lines.”⁴ Socially this would provide “the means of strengthening the ties of human brotherhood between countries.”⁵ This was not Hamilton’s vision. “He did not share the optimism of Washington and others that European treatment of American trade was temporary, preceding a revival of international trade.”⁶

“Hamilton’s vision of a modern American republic bore a remarkable resemblance to the eighteenth-century English model that so many republicans despised.”⁷ James Madison was appalled to learn that, “not all

¹Bourgin, **The Great Challenge**, 88.

²See Chapters III, and IV, below.

³Bourgin, **The Great Challenge**, 70.

⁴McCoy, **The Elusive Republic**, 89.

⁵Bourgin, **The Great Challenge**, 87.

⁶Ibid., 87

⁷McCoy, **The Elusive Republic**, 151.

of his Federalist colleagues shared his particular conception of a republican America; some of them he was appalled to learn, even thought in terms of deliberately promoting what he thought it necessary to forestall.”¹ It is clear that Hamilton was an administrative genius,² and though his policies were not original, his applications which produced specific results, were.

We are not concerned with Hamilton’s character for he was clearly a devoted American. As to the question of monarchy, it will be shown that it was not the royalty but the authority that Hamilton respected, admired, and wished to imitate, an authority that was motivated not by custom but by administration. This is seen in the difference between a central government and a central authority; The latter is a monarchy stripped of its regalia and its hereditary succession. It is undeniable, however, that the quality of Hamilton’s policies and legislative precedents did impact negatively on the republican virtue of the Revolutionary generation.

The Revolutionary generation’s vision did not exclude the exigencies of commerce but merely attempted to adapt it to a modern republican society.³ Furthermore, it was the virtues of a second revolution⁴ that would embrace and bring together that “great republic humanity” of George Washington.⁵ Unfortunately, this was not to be. This will be demonstrated when the negative effects upon the people are shown to have been avoided, and alternatives provided but rejected.

Although Hamilton’s sources of political principles and philosophies are difficult to discern, his passions are not: England and Rome were unquestionably his passions. It is easy to understand how he saw each

¹McCoy, **The Elusive Republic**, 120.

²Rose, “Alexander Hamilton and the Historians,” 877.

³“In one very fundamental sense, it was an ideology in flux, caught precariously between traditional concerns anchored in classical antiquity and the new and unstable conditions of an expansive commercial society. McCoy, **The Elusive Republic**, 48.

⁴“There was tremendous confidence that the United States could initiate a commercial revolution that would extend and reorganize international trade along liberal lines.” Ibid., 89.

⁵“I am a philanthropist by character,” wrote Washington to the Marquis de Lafayette, “and a citizen of the great republic humanity at large.” Washington to Lafayette, August 15th, 1786, in Padover, ed., **The Washington Papers**, 120.

relative to his vision for America. England and Rome historically demonstrated the grandeur achieved when commerce and trade were established, supported, and protected by an expansive, if not elite military. These are then are Hamilton's fundamental political principles, even though scholars generally find it difficult to pinpoint them.

Fear was central to Hamilton's psychological and political development and ironically not unlike Rome itself. Montesquieu illustrates Rome as an empire "whose passion was to command, whose ambition was to conquer. ..." ¹ and this demonstrates the *virtus* or civic excellence explained by Pocock. ²

Montagu later quotes Montesquieu as observing "that the Romans were ambitious from the lust of domination." ³ Adam Smith, explains that Romans colonized out of "irresistible necessity." ⁴

It is no secret that Hamilton admired Rome and had a great appreciation for military and commercial republics. Hamilton echoed these values and it was the purpose of his plans to finance empire: one of expansion and domination through trade and industry.

Although the Revolutionary generation were unanimous in whom they despised, especially the destroyer of republics, i.e., Caesar, Hamilton did not despise, but admired Caesar. "When Hamilton called Cato (a principal Roman hero), ⁵ the Tory and Caesar ("the founders' greatest villain"), ⁶ the Whig of his day" ⁷ it was a rationalization, politicized rhetoric.

Pocock explains that if Caesar was a Whig it was "in the context of Queen Anne's reign, when the Whigs had been the party of war, of

¹Montesquieu, **The Spirit of Laws**, Hutchins, ed., Book XI, 80.

²See pp. 27 fn 5, 70-74, 75 fn 1, 90, and 96 below.

³Montagu, *The Rise and Fall of the Ancient Republics*, 289.

⁴Smith, **The Wealth of Nations**, Book IV, 40.

⁵Richard, **The Founders and the Classics**, 57.

⁶*Ibid.*, 91.

⁷Pocock, **The Machiavellian Moment**, 529. See Richard, **The Founders and the Classics**, 92.

Marlborough, and the monied interest.”¹ Hamilton knew the emotions and psychological value of the sounds he was making. He not only went so far as to infer that Jefferson was a Caesar, but also accused him of “tenaciously grasping the substance of imperial domination.”²

The idea that an agrarian of classical values and agrarian vision such as Jefferson would pursue imperial domination is ironic, coming from a man grounded in Roman civic excellence. This is especially true when we find so many charges made by Hamilton as to Jefferson’s effeminate nature. Hamilton’s perception of Jefferson is especially appropriate if we considered Hamilton’s *virtus*: the characteristic quality of Roman virtue: manliness.

Through this we can begin to perceive the source of the constant attacks of corruption but not betrayal. “We should see then that when Jefferson accuses Hamilton of corrupting the Congress, he is using a concept that had a particular meaning at that time.”³

This we can understand in a context of a classical education and its attendant history of republics, from Sparta to the mid-eighteenth century. Corruption is not evil...it is merely not true to the first principle. In the case of republics, the first principle virtue, the want to do good, is as good, as the virtues and principles of the person who claims virtue. So in this respect we are not concerned with a lack of virtue on Hamilton’s part. We should be concerned with the quality of that virtue and the practices to attain the ultimate good of the state, and the impact of this particular virtue had on the republican virtue of the Revolutionary generation.

The implementation of Hamilton’s vision was at any cost, as in “the filching of the poor,” through Funding and Assumption,⁴ or the creation of an investor class, and the sponsoring of economic inequality. The enriching and empowering of the wealthy (foreign and domestic), and the aggrandizement of the military to dominate and expand foreign trade while enforcing domestic fiscal authority, were all means to Hamilton’s end.

¹Pocock, **The Machiavellian Moment**, 529.

²As quoted in Richard, **The Founders and the Classics**, 93.

³Rose, “Alexander Hamilton and the Historians,” 856.

⁴Adrienne Koch and William Peden eds., **The Life and Selected Writings of Thomas Jefferson** (New York: Random House, 1944), 122. Hereinafter cited as Koch and Peden, eds., **The Life and Selected Writings of Thomas Jefferson**.

Hamilton believed America was to be a glorious nation ready to compete, if not replace, the oldest nations of commercial greatness. Hamilton's virtue was an end, and the lawful means employed to attain that end were good for the government, but not the vision of the Revolutionary generation. "The ideal of a government of laws was for Hamilton a point of departure, not arrival."¹ The means and quality of federalism, aided capitalism, which negatively impacted the republican virtue of the Revolutionary generation. Capitalism as Hamilton perceived it had changed the purpose, direction, and principle of government, the offspring of the spirit of 1776. Hamilton's chief ambition was not personal, as much as it was to "influence the course of his nation's history."²

We are ultimately concerned with the effects or impact these means had on the foundation of republican virtue, the federal Constitution, and the intended course of the federal government. The innate virtue of the Revolutionary generation was ultimately to become unrepresented; the desire to do good was now replaced with civic excellence embodied in the spirit of federalism. The duty of the Sovereign was now not to guard liberty, it was to provide the luxuries Hamilton was convinced the people were more inclined to having.³

In the nascent capitalism of the late eighteenth century there was a perceived loss of republican manners. Although this was true, and an emergent marketplace economy would ultimately make avarice the measure of success. The people were not rejecting their heritage and its attendant virtue. They still expected, especially after the Revolution that government

¹Stourzh, **Alexander Hamilton and the Idea of Republican Government**, 61. See Hamilton's "disdain for a formula enjoying a great reputation among adherents of free government and republicanism-the formula of 'a government of laws, not of men' as the essence of good government." Ibid., 17. See "Hamilton knew there were occasions when the statesmen's sense of responsibility might force him to act against the letter of the law. Ibid., 33.

²Rose, "Alexander Hamilton and the Historians," 877.

³Hamilton "never doubted that the real disposition of human nature was toward luxury and away from classical virtue." McCoy, **The Elusive Republic**, 133.

would be virtuous.¹ Late eighteenth-century liberalism, federalism, and a market economy had created “free choice and freedom of action [and] were becoming more conspicuous in daily life.”²

Ultimately, Hamilton and the Federalists went far beyond correcting the fiscal weaknesses of the Confederation. It had laid a foundation of political authority and power that was to be exercised within a context of utility, necessity, and open endedness. Federalism was almost a limitless power within limited authority and until “the United States fairly goes to pieces no man can do more than alter or improve the work accomplished by Hamilton and his party.”³

Hamilton’s education for fiscal purposes was based on precedents of fiscal policies in England and America. Although “he seems to have developed every main principle of his political and economic philosophy before his twenty-fifth year, it is true that the scope of his intellectual interests was limited, and he was lacking the qualities of sensitivity, curiosity, and depth. Nevertheless, what he lacked in these areas, he compensated for with a clear vision of what he wanted to achieve and a resolute determination to achieve it.”⁴

Hamilton was not the great inventor of expedient “financial solutions.”⁵ He merely modified schemes already in practice. The sources of Hamilton’s ideas about finance are not as easily traceable as the biographies of Plutarch he etched in his commonplace book.⁶ “Hamilton read extensively on economic and financial subjects, and his choice of models could even have been based on present or past precedents

¹[By 1776] “there was even a desperate attempt, by many Americans to realize the traditional Commonwealth ideal of a corporate society, in which the common good would be the only objective of government.” Wood, **The Creation of the American Republic**, 54.

²Appleby, **Capitalism and A New Social Order**, 35.

³Rose, “Alexander Hamilton and the Historians,” 878.

⁴Bourgin, **The Great Challenge**, 68.

⁵Rose, “Alexander Hamilton and the Historians,” 864.

⁶Hamilton “copied large extracts from Plutarch’s lives of Theseus, Romulus, Lycurgus, and Numa Pompilius, all founders of republics.” Richard, **The Founders and the Classics**, 26.

established in Holland, France, and other countries.”¹

The first step toward making the nation solvent was to restore public credit. To make the nation solvent and a good risk for investment required political support of Hamilton’s policies. Hamilton required foreign and domestic investment as well, those of property, and the monied men to support his regime and its national planning that did not stop with fiscal policies. The first step toward establishing a political state was to capitalize on the failure of the old regime and “dissociate the national debt of the new government from the debt of the old government.”²

In Hamilton’s first report on public credit he states that the “nature” of the public debt “was the price of liberty...and embarrassments of a defective constitution.”³ Referring of course to the Confederation. Furthermore, it was necessary to keep faith with creditors while disassociating “the national debt of the new government from the debt of the old government.”⁴

While Hamilton was accomplishing this and preparing his First Report on Public Credit, he was leading a new regime that was coming of age under the new federal Constitution and under the first administration. Hamilton’s efforts proved that “change in a regime can result from the purposeful efforts of members of the political elite seeking to transform the regime from within.”⁵ Earlier, Hamilton and other nationals worked “to secure from the states power for Congress to levy an impost in order to secure a national income. The effort failed by 1783 and he then began working for a stronger union.”⁶

Regime politics and its resultant conflicts were apparent in the influence and support of federalism, especially over Hamilton’s Funding and Assumption. This was certainly a regime issue by virtue of the watershed of lasting controversy. That Hamilton was the leader of the

¹Swanson, **Origins of Hamilton’s Fiscal Policies**, 34.

²Ibid., 85.

³McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 6, 11.

⁴Swanson, **Origins of Hamilton’s Fiscal Policies**, 85.

⁵Stourzh, **Alexander Hamilton and the Idea of Republican Government**, 128.

⁶Rose, “Alexander Hamilton and the Historians,” 854.

political elite is seen from the influence and support of investors, men of property, and monied men that marshaled around him. The very regime issues that confronted Hamilton while he altered “the course of his nations history”¹ are testimony to his adeptness in coercing compliance.² Early on, Hamilton and other nationalists “saw the public debt as the key to marshaling public debtors behind their goals of increased powers for the central government.”³

It was incumbent upon the first administration to exercise its federal authority, and once in power, Hamilton and others “who had participated in helping to design the Constitution, knew where the levers of power were and how to use them.”⁴ Here was the opportunity to enact the great republican experiment. It was not, however, an experiment in republicanism. It was an exercise in authority, based on a republican polity.

This republicanism dealt more with the nature and form of government, than its duty or obligation. Hamilton rests his argument on the constitutionality of the United States Bank, on the right of the sovereign, at the expense of the traditional duty of the sovereign. The foundation of republican virtue now rested in authority.

Hamilton’s role as Federalist leader and nation maker,⁵ administrative genius, and representative of the political elite, was without equal. He overshadowed all other members as his “restless drive pushed him into every corner of the new government.”⁶

Hamilton continued his wide appeal to the relatively who would

¹Rose, “Alexander Hamilton and the Historians,” 878.

²“When legitimate opposition [concerning the Whiskey Rebellion] had escalated into non-compliance and resistance to the regime,...the national government responded with coercion or, as Hamilton had more delicately put it, with ‘those means which in the last resort are in the power of the executive.’” Forsythe, **Taxation and Political Change**, 47. For the effects of regime politics and authority crisis, and its effects on participants especially citizenry “strongly moved by such disputes,” see *ibid.*, 120-122.

³*Ibid.*, 17.

⁴Bourgin, **The Great Challenge**, 64.

⁵Rose, “Alexander Hamilton and the Historians,” 878.

⁶*Ibid.*, 854.

ultimately support and benefit from his policies. Hamilton believed that what was “good for a particular class of persons is good for the country.”¹ Here we have that vital distinction between the desire to do good for government...civic excellence, and the desire to do good for the public good...republican virtue.

Only with a trickle down theory would the general public benefit from the aggrandizement of the particular (wealthy) class who would in turn benefit from financing the present regime, and its power of authority. This particular class was immediately beneficial to the rapid industrial, commercial, and civic excellence of Hamilton’s vision.

Hamilton’s constant reference to this particular class as enlightened men did not refer to their classical, Christian, or philanthropist nature but those wise enough to take advantage of his schemes.. It excited investment, which to anyone willing to part with their money could mean only profit. “Money, say the proverb, makes money. When you have got a little, it is often easy to get more. The great difficulty is to get that little.”²

This is no enlightened wisdom, it is common wisdom. It takes not a financial genius to acquire wealth, it takes money. “Those who are most commonly creditors of a nation are, generally speaking, enlightened men...”³ “It cannot but merit particular attention, that among ourselves, the most enlightened friends of good government are those whose expectations are the highest.”⁴

Would Hamilton qualify good government as morally good or fiscally good, (sound)? Did 90 per-cent of the population, those who lived off the land, have high expectations? They did have high expectations, not only in the republican nature of government but economic prosperity as well. In 1790 Hamilton “had an opportunity to demonstrate his interest on behalf of the average small landowner. Instead, he presented recommendations, that to the agrarian bloc seemed like a bold proposal to enrich the monied

¹Rose, “Alexander Hamilton and the Historians,”860.

²Smith, **The Wealth of Nations**, Book. I, 39.

³McKee, ed., **Papers on Public, Credit, Commerce, and Finance**, 5.

⁴Ibid.

speculators at the expense of the small, land-hungry farmer.”¹

The divisions of North and South were setting fast. “Jackson [a congressman from Georgia] realized that Hamilton was indeed looking to the ‘stock-jobbers’ and ‘monied interest’ for support and that the Federalist program did little to benefit his own agrarian constituency.”²

Hamilton knew that the particular class would inevitably “be bound to the government and his administration by the strongest of all possible ties—direct and immediate personal interest.”³ Hamilton also knew that such an alliance between government, and monied interest, “would antagonize the persons of real property and bonded slave property.”⁴ This is where we find the instincts of Beard more appropriate. Beard would have been more correct if he had focused on the federal Constitution being used as an economic document, rather than being created as one.

By the time the secretary of the treasury provided his First Report on Public Credit to Congress, Hamilton was well on his way to being seen by the enlightened men of credit and commerce as a source of prosperity. Hamilton’s “new official position gave him an opportunity to make his views those of Washington’s administration.”⁵

There was indeed an alliance between government and commerce. Both depended on the establishment of credit and a strong government. Not everyone of the Revolutionary generation or even the Federalists believed that a country’s integrity relied on the support of the wealthy, but that the wealthy were such because of the safety and prosperity of the state. There was much prosperity in late eighteenth century America, it just wasn’t centralized or concentrated. In fact prosperity was believed to be because

¹Bourgin, **The Great Challenge**, 104. “Hamilton’s plan offered exceedingly attractive terms to people who had large amounts of money to invest in Western lands and who would in turn sell these lands in small parcels to the farmer on long-term payments. The plan was, quite frankly, a revenue scheme, as Hamilton believed the condition of the treasury justified measures that made fiscal considerations paramount and the needs of the farmer secondary.” Ibid., fn. 19.

²Forsythe, **Taxation and Political Change**, 35.

³Bourgin, **The Great Challenge**, 70.

⁴Ibid.

⁵Ibid., 90.

of an “enterprising spirit” and not the encouragement or financial support of government. Robert Morris wrote in 1777 “that no official encouragement or regulation of commerce was necessary. The enterprising spirit of American traders accounted for the prevalent prosperity because their own interest and the public good goes hand in hand.”¹

Hamilton’s view, to the contrary, held that there could be no plan succeeding without the interest and credit of rich individuals with those of the state.² Hamilton was not concerned with individual prosperity but the prosperity of the state. With this in view we can see how Hamilton justified his policies and their impact. Further, we can begin to understand how the Revolutionary generation “saw his program as turning the Revolution of 1776 upside down.” An analysis of the political, social, and economic impact of Funding and Assumption will demonstrate further the peculiar use of Roman civic excellence and English models utilized to realize his vision.

In 1790 the public debt, including those of the states was at approximately 80 million dollars. It was incumbent upon the secretary to restore the nation to creditworthy status. It was also incumbent upon the Federalist generation to “discharge the sacred obligations of the Revolutionary debt, which was owed to widows, orphans, veterans, and other patriots.”³

Hamilton’s modification of the moral obligation is another example of the quality of his virtue. Speaking highly of enlightened men “who are most commonly called creditors,” Hamilton speaks of Providence, faith, and moral obligation in his Report on Public Credit. But the classical and Christian connotations elude Hamilton him. “While the observance of that

¹Robert Morris, January, 1777, as quoted in Rose, “Alexander Hamilton and the Historians,” 861.

²Ibid.

³“In 1782 Robert Morris argued that payment on the interest and principal of the public debt through a 5 percent import duty on all foreign goods were ‘sacred obligations...owed to widows, orphans, veterans, and other patriots.’ Where Morris was seeking to justify a tax scheme, Hamilton was seeking to justify his Funding scheme. The issue was not the nation’s moral obligations to widows and children or the interests of creditors, but the expanding scope of control exercised by the national political regime in America.” Forsythe, **Taxation and Political Change**, 16-17.

good faith, which is the basis of public credit, is recommended by the strongest inducement of political expediency, it is enforced by consideration of still greater authority. There are arguments for it which rest on the immutable principles of moral obligation. And in proportion as the mind is disposed to contemplate, in order of Providence, an intimate connection between public virtue and public happiness, will be its repugnancy to a violation of those principles.”¹

While some perceive Hamilton as demonstrating genius, others see a negligence in his policies that did not need to adversely affect the many. Furthermore his policies were not original in that they were modifications of past programs, and Hamilton did succeed where past Americans had failed, at a cost. Still others demonstrate the fact that Hamilton had definite political purposes and used the nation’s crisis to serve as a foundation for his own political ends. Robert Morris, the eminent financier under the Articles of the Confederation, was a source for Hamilton and the policies he is credited with as being original.

Morris had been a Philadelphia merchant who was appointed the first superintendent of finance under the Confederation. Morris’s conviction for the development of a strong national government was a source of controversy. He was perceived as attempting to weaken states’ authority by seizing the power of taxation. Hamilton was later to succeed where Morris failed. Hamilton had made “special efforts to preempt large areas of taxation by moving into them before the states did.”² From the funding of the public debt to the establishing of a United States bank, Hamilton was not alone.

In fact, Morris, in 1782, began to work toward discharging the public debt. He began to argue for the application of “payments in interest and principal of those war obligations,” and he began to argue for it as a fund to discharge the sacred obligations of the Revolutionary debt, which was owed to widows, orphans, veterans, and other patriots. Since most of the debt had resulted from the operations of the Continental Army, Morris

¹McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 5-6.

²Forsythe, **Taxation and Political Change**, 24. “With the exception of the policies set forth in the Report on Manufactures, all the ideas discussed by Hamilton’s reports had been previously set forth by Robert Morris and others.” Rose, “Alexander Hamilton and the Historians,” 858.

argued that its repayment was the duty of Congress, not of the states.”¹

Morris served Hamilton well as a role model. “One writer remarks that Hamilton’s policies and Robert Morris’ earlier plans ‘were similar in every significant detail.’ He then complains about the praise heaped on Hamilton and denied to Morris.”² Hamilton’s models of finance can be searched for on both sides of the Atlantic. “The radical schemes of projectors of one era frequently survive to become the orthodoxy of a subsequent age.”³

Hamilton’s genius is found in the application of new principles to old models. Speculation in rising prices was not new, whether they be government loan certificates or land purchases. This rage was in vogue immediately after the Glorious Revolution, and can be seen in the land speculation under the Articles of the Confederation. The similarities of Hamilton’s fiscal policies to that of England is the source of inquiry about the confusion of Hamilton’s monarchial desires. “Hamilton’s vision of a modern American republic bore a remarkable resemblance to the eighteenth-century English model that so many Americans despised.”⁴

The principle that went undetermined was the increasing of a central authority resulting in a republic built on expansion and domination – Roman civic excellence. The English model that Hamilton modified was not to “plant in America a British system of finance,” as the Revolutionary generation feared. What the eighteenth-century republicans saw in Hamilton’s policies as “turning the Revolution of 1776 upside down” was the principle.

In England, after the Glorious Revolution, “it was the era of company-forming and stock jobbing.”⁵ One major difference between America’s

¹Forsythe, **Taxation and Political Change**, 16-17.

²As quoted in Rose, “Alexander Hamilton and the Historians,” 858.

³Swanson, **Origins of Hamilton’s Fiscal Policies**, 11.

⁴McCoy, **The Elusive Republic**, 151.

⁵“Since Hamilton set out to plant in America a British system of finances that would promote the same kind of economic public finance that would promote the same kind of economic development that England had undergone since the Glorious Revolution, it is no wonder that scores of Americans saw his program as turning the Revolution of 1776 upside down.” Ibid., 153. See “The first years after the Glorious Revolution witnessed an upturn in the passion for speculation. It was

funded debt and England's was that England was creating new debt while America was financing a debt already in existence.¹ The similarity that inflamed the republican was that while England "incorporated and granted exclusive trading rights in certain areas of the world,"²

America was slowly creating a new investor class to provide an economic foundation to Hamilton's vision. There was no direct sponsorship of privileged companies, but there would, if Hamilton was to have his way. There would be direct intervention in the marketplace through the enrichment of the investor class and federal encouragement of industry. In principle, this angered the Revolutionary generation, especially since America went to war to establish justice, especially economic justice. The Revolution had never intended to further perpetuate the privileged who financed the vision of their government.

This is the essence of laissez-faire economics: let the people choose. Yet, Hamilton's policies clearly represent a cleverly designed fiscal management to finance his vision of industry "for its own sake."³ Individual prosperity creating national prosperity was the ideal of the Revolutionary generation. This was the essence of economic, political, and social justice. Hamilton would not only agree but add, "It cannot but merit particular attention, that, among ourselves, the most enlightened friends of good government are those whose expectations are the highest."⁴

Enlightenment, in this sense, is not referring to classical, Christian, or even, social enlightenment. Nonetheless, the Revolutionary generation did have high expectations, above and beyond the settlement of monetary debt.

the era of company-forming and stock jobbing." Swanson, **Origins of Hamilton's Fiscal Policies**, 13. See "Jackson [a congressman from Georgia] realized that Hamilton was indeed looking to the 'stock-jobbers' and 'monied interest' for support, and that the Federalist program did little to benefit his own agrarian constituency." Forsythe, *Taxation and Political Change*, 3.

¹Swanson, **Origins of Hamilton's Fiscal Policies**, 85.

²Ibid., 15.

³"The whole tone of the document [Report on Manufacturers] is one of anticipating a glorious future for its own sake [the Hartford woolen factory]." Cole, **Industrial and Commercial Correspondences of Alexander Hamilton**, 231-232.

⁴McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 6-7.

For the Revolutionary generation that was a point of departure. Hamilton's conversion policies of Funding and Assumption did however, create a precedent in the area of national finance. Hamilton succeeded in lowering "the average rate of interest on the debt [that] usually follows, not precedes, the establishment of public credit."¹

So, while the English models were developed in a period of little knowledge about financing, America's were not. Hamilton did succeed in bringing about financial maturity in a short time. What angered the Revolutionary generation was simply that there were alternatives,² which were consistently rejected. Hamilton did not invent the financial solutions, neither do "they prove his responsibility and high sense of duty."³

It was not for individual prosperity but a sense of duty to civic excellence that demonstrates Hamilton's Roman virtue and his fondness for utility being the "prime end of all law."⁴ When we explore the impact upon individuals, and their states, we shall also discover that "Hamilton's policies had purposes that can be classified as almost wholly political, including fostering an economic environment that would support his political ends."⁵

Hamilton "was recommending that the national government immediately assume a burden of upward of \$70 million of debt. This would include not only the national governments' foreign and domestic debt, but also the indebtedness of the states, to be funded and redeemed in full, without discrimination and without discount."⁶

¹Swanson, **Origins of Hamilton's Fiscal Policy**, 85.

²"Although Hamilton's policies were adopted at the time, they were not the only policies available and many of these same policies were actually abandoned within a few years after Hamilton's retirement from government." Rose, "Alexander Hamilton and the Historians," 855, For other proposals of Morris, see *ibid.*, 862, Madison, *ibid.*, 863, and Jefferson, *ibid.*, 867. See how "the government could have settled its obligations honorably with a far smaller load of debt than Hamilton wished to impose." Bourgin, **The Great Challenge**, 74.

³Rose, "Alexander Hamilton and the Historians," 864.

⁴Stourzh, **Alexander Hamilton and the Idea of Republican Government**, 25.

⁵Swanson, **Origins of Hamilton's Fiscal Policies**, 87.

⁶Bourgin, **The Great Challenge**, 73.

Thomas Jefferson was very clear as to what the public debt was and to whom it was owed. In his *The Anas* he succinctly expresses that “during the war the greatest difficulty we encountered was the want of money or means to pay our soldiers who fought, or our farmers, manufacturers and merchants, who furnished the necessary supplies of food and clothing for them.”¹ This was the moral obligation referred to by both Robert Morris and later Alexander Hamilton in his first Report on Public Credit. “after the expedient of paper money had exhausted itself, certificates of debt were given to individual creditors, with assurance of payment so soon as the United States should be able.”

This was the public debt...owed to creditors, inclusive of soldiers and citizens. “But the distresses of these people,” Jefferson continues, “often obliged them to part with these for the half, the fifth, and even a tenth of their value; and speculators had made a trade of cozening them from the holders by the most fraudulent practices, and persuasions that they would be paid. In the bill for funding and paying these, Hamilton made no difference between the original holders and the fraudulent purchasers of this paper.”²

Hamilton did not consider the purchasers as “fraudulent,” but as “fair purchasers.” Hamilton did not deny that many had suffered and “parted with their securities from necessity.” Ironically, his advice for “complaint of injury, (and) claim of redress...respects the Govt. solely,”³ and left no one any better off. Individual prosperity was not Hamilton’s concern.

What angered the Revolutionary generation is best put in Jefferson’s words. “Great and just repugnance arose at putting these two classes of creditors⁴ on the same footing, and great exertions were used to pay the former [original purchasers] the full value, and to the latter, speculators the price only which they had paid, with interest. But this would have prevented the game which was to be played, and for which the minds of greedy members were already tutored and prepared. When the trial of strength on these several efforts had indicated the form in which the bill would finally

¹Koch and Peden, eds., **The Life and Selected Writings of Thomas Jefferson**, 121.

²*Ibid.*, 665. See also Rose, “Alexander Hamilton and the Historians,” 868.

³McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 11.

⁴Original holders and speculators.

pass, this being known within doors sooner than without, and especially, than to those who were in distant parts of the Union, the base scramble began.”¹

Although Madison and Jefferson and others had proposals to deal with the public debt, biographers still continue to paint Hamilton and Jefferson and their partisan basis as political. Their conceptions of virtue, and subsequently the impact of Hamilton’s policies were the source of political differences. Jefferson did not simply oppose “Hamilton without any reasonable proposals to substitute.”² What was for Jefferson cause for alarm upon his return from France caused his interest in public finance. Up until that time he had “never been particularly interested in problems of public debt.”³ In Jefferson’s words, the impact of Hamilton’s policies amounted to “immense sums [being] filched from the poor and ignorant, and fortunes accumulated by those who had themselves been poor enough before...This game was over, and another was on the carpet at the moment of [his] arrival.”⁴

What is interesting about the assumption that followed was that where Jefferson recorded for posterity, that speculators “were flying in all directions,” Whitney K. Bates documented and “with precision [appraised] the size and extent of northern speculation in [southern] debts.” State debts from the Revolution and its subsequent debates sparked “the most bitter and angry contest ever known in Congress, before or since the Union of the States.”⁵ Surely the contest was rooted in an ever increasing awareness that the debts of the states, whether wisely or foolishly spent, was pretended to have been spent for general purposes. ... “and so another scramble was set on foot among the several States.”⁶

¹Koch and Peden, eds., **The Life and Selected Writings of Thomas Jefferson**, 121-122.

²Rose, “Alexander Hamilton and the Historians,” 867.

³Ibid., 868.

⁴Koch and Peden, eds., **The Life and Selected Writings of Thomas Jefferson**, 122.

⁵Ibid., 123.

⁶Ibid., 122.

In addition, as the public debt, without question, enriched the many, the Assumption of State debts did exactly the same. Of course the Revolutionary generation, and other “opponents came to fear nothing less than a conspiracy to corrupt American society and smash the republican experiment by imitating British forms, manners and institutions.”¹ There was no difference between the privileged companies created by the crown, or the privileged investors created by Hamilton’s policies.

Bates also establishes “the degree to which ownership had become concentrated.”² Furthermore “the extent of transfer increased directly with the size of individual subscriptions. In holdings of less than \$100, the average rate of transfer from the original owners was 55 per cent. In subscriptions ranging from \$5,000 to \$9,999, it was 80 percent. Most of the debt was in the hand of large holders.”³ The concerns of the Revolutionary generation were the effects of Hamilton’s policies, on individuals, as well as inviting an abuse of authority.

The means to restore public credit were “necessary evils,”⁴ and perhaps would have been acceptable if it stopped there, but it did not stop. “The abuse of authority was clearly coming from the office of the treasury and the role of New York as the center of speculation is clearly apparent.”⁵ Hamilton, although the center of speculation, did not, as evidence shows, “speculate himself...he did, however, act as an agent in security negotiations for his brother-in-law, John Barker Church, who was in England at the time.”⁶

¹McCoy, **The Elusive Republic**, 153.

²Bates, “Northern Speculators and Southern State Debts,” 32.

³Ibid.

⁴Swanson, **Origins of Hamilton’s Fiscal Policies**, 8.

⁵Bates, “Northern Speculators and Southern State Debts,” 38.

⁶“Robert Morris to Hamilton, Nov. 13, 1789, and Thomas Willing to Hamilton, Feb. 24, 1790.” Ibid., 40-41, f.n. 22. See “The enormous transactions in the name of Willing and Morris scattered through the books of nearly every state.” Charles Beard, **An Economic Interpretation of the Constitution**, 88. For a list of “intimate friends, R. Morris, T. Willing, G. Clymer, et al.,” see *ibid.*, 135, f.n. 2. See also “Swanson on Willing as business partner of Morris, first president of the Bank of North America and president of the new Federal Bank chartered through

Not Many people benefitted from speculation. It is clear that a certain class of wealthy citizens, non-citizens, state residents, and non-residents, were profiting from those who “had themselves been poor enough before.”¹ “More than half of the South Carolina debt had been transferred outside the state: 124 non residents held \$2,219,345, or 54 per cent of the total.”² Non resident owners held 53 per cent of the combined debts of Virginia, North Carolina, and South Carolina—\$4,567,891 out of \$8,662,123.

Ninety per cent (\$4,089,074) of all out-of-state subscriptions came from eighty holders of \$10,000 or more. The forty-seven owners of \$25,000 or above accounted for \$3,626,547 of this amount, or 79 per cent of all non resident holdings. This represents an average subscriptions of \$77,000.” Most of these debts were in hands of a relatively few people. In Virginia, we find that only “twenty-two people” shared \$1,070,077.”³

In the end, the public credit was restored and the nation was solvent. Alternatives were forsaken and those citizens who survived the Revolution, saw the promised hybrid republic resort to business as usual. “The effect of the funding system, and of the Assumption, would be temporary; it would be lost with the loss of the individual members whom it has enriched, and some engine of influence more permanent must be contrived. This engine was the Bank of the United States.”⁴

President Washington, on February 16, 1791, requested from Hamilton his opinion on the constitutionality of the “act to incorporate the subscribers to the Bank of the United States.”⁵ In his reply to President Washington, Hamilton in general terms states, “The great importance of such an institution to the successful administration of the department under his [Hamilton’s] particular care, and an expectation of serious ill consequences

Hamilton’s efforts.” Swanson, **Origins of Hamilton’s Fiscal Policies**, 61.

¹Koch and Peden, ed., **The Life and Selected Writings of Thomas Jefferson**, 122.

²Bates, “Northern Speculators and Southern State Debts,” 36.

³Ibid., 32.

⁴Koch and Peden, eds., **The Life and Selected Writings of Thomas Jefferson**, 125.

⁵McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 99.

to result from a failure of the measure, do not permit him to be without anxiety on public accounts. But the chief solicitude arises from a firm persuasion, that principles of construction like those espoused by the Secretary of State and the Attorney-General would be fatal to the just and indispensable authority of the United States.”¹

It is here that we can begin to gauge not only Hamilton’s particular brand of republican (Roman) virtue, but the purpose of federal authority being born from that “civic excellence” and not the duty of sovereign as espoused and beloved by the Revolutionary generation.

Hamilton’s argument begins with just this, authority, and adds that its principle “has been untouched by either of them”² [the secretary of state, Jefferson, and attorney-general, Randolph]. Hamilton eludes the principle duty of the sovereign by elaborating upon the right of the sovereign to serve a particular function, within specified powers.

Hamilton is obviously focusing on the nature and form of the Constitution to derive its just powers, and limiting his interpretation of that document to justify his political end. It will be clear from Hamilton’s argument that his vision of a “centralized capitalist state”³ required the further investment of monied men that shared the same vision of empire, domination, and expansion, through trade and commerce.

These very principles had already been denounced as unacceptable, no matter how they were modified. The source of authority was, for Hamilton, was the necessary and proper clause of the Constitution: Does it serve the power and authority of government? For Randolph and Jefferson, the source of authority was the purpose of government. Does it serve the people?

Although Hamilton speaks of general government and the federal government as being “sovereign as to objects,”⁴ the purpose of this argument on the constitutionality of a United States Bank, was to increase the central authority, by introducing “the doctrine of implied powers.”⁵ Furthermore, Hamilton adds that this doctrine “is equivalent to an

¹McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 101.

²Ibid., 103.

³Bourgin, **The Great Challenge**, 67.

⁴McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 102.

⁵Ibid., 109.

admission of the proposition that the government, as to its specified powers and objects, has plenary [absolute] and sovereign authority, in some cases paramount to the States; in others; co-ordinate with it.”¹

The idea of the United States bank being of primary importance² was not as important as his focus on interpreting the last of section VIII in article I of the federal Constitution: To make all laws which shall be necessary and proper for carrying into Execution the foregoing powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

This was the source of Hamilton’s authority, not the general principle of authority itself as espoused by him in his reply to Washington: “It is that which declares the Constitution, and the laws of the United States made in pursuance of it, and all treaties made, or which shall be made, under their authority, shall be the supreme law of the land. The power which can create the supreme law of the land in any case, is doubtless sovereign as to such case.”³

This sums up for Hamilton a “general and indisputable principle;” authority to erect corporations. Jefferson and Randolph did not deny the authority — they denied the necessity. There were alternatives, “There was no particular reason why Hamilton could have obtained the desired economic results mentioned above [aiding the development of private economy] by promoting a system of state banks,”⁴ but this would serve no political purpose or centralize capital, which would have encouraged industry through loans and provide an “appearance of a mature financial

¹McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 102.

²“Although the Bank was designed to benefit the commercial and financial classes, Hamilton regarded it as ‘a political machine of the greatest importance to the state.’” Bourgin, **The Great Challenge**, 77. See also, “That from a conviction (as suggested in his report [on the National Bank] herewith presented) that a national bank is an institution of primary importance to the prosperous administration of the finances.” McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 53.

³McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 102.

⁴Swanson, **Origins of Hamilton’s Fiscal Policies**, 86.

system.”¹

Hamilton did not argue about the necessity as Randolph did, but focused on federal authority “as to its objects² [which] were sovereign.”³ Neither could Jefferson or Randolph disagree with Hamilton’s premise and principle of authority, but they could disagree with the motivation for such. There was in this argument on the constitutionality of the United States Bank an inherent principle of authority. What was at stake was a transition from duty of sovereign to right of sovereign. As Hamilton said, “It was the intent of the [Constitutional] Convention, by that clause [Article I, sec. VIII, necessary and proper] to give a liberal latitude to the exercise of the specified powers.”⁴

Hamilton now expresses in what direction he would alter the principle of 1776. First, as to objects, Madison made it very clear in Federalist No. 45 that the Constitution “consists much less in the addition of NEW POWERS to the Union than in the invigoration of its ORIGINAL POWERS.”⁵ The only new power was to regulate commerce, but Hamilton corrupts regulation, into creation, corporation, and encouragement.

Second is Hamilton’s belief that the convention gave liberal latitude to the exercise of specified powers. The convention members’ “greatest fear was not that the chief executive would become too strong, but that the office would be too weak and succumb, as under the Articles [of the Confederation], to being a creature of Congress. To make sure that this did not happen, they designed the office so that the presidency also derived its authority directly from the Constitution—to be elected independently of Congress, for a fixed term and eligible for reelection and removal only for a cause.”⁶

It is clear that Hamilton was not content with accepting the wisdom of the Convention for correcting the weaknesses of the Confederation. His

¹Swanson, **Origins of Hamilton’s Fiscal Policies**, 87.

²Object, in this case, was the regulation of trade and commerce.

³McKee, ed., **Papers on Public Credit, Commerce and Finance**, 102.

⁴Ibid., 106.

⁵Rossiter, ed., **The Federalist Papers**, No. 45, 293.

⁶Bourgin, **The Great Challenge**, 50.

policies were not necessary. The republic of the Revolutionary generation came close to being realized, but the experiment was never allowed to come to fruition. Hamilton's intercession never allowed the Revolutionary generation's natural aristocracy to nurture social, political, and economic justice, because of government's intervention in the marketplace.

If anything, Hamilton's intercession demonstrates his ability to use the knowledge of how, to influence public opinion. It is Hamilton's use and neglect of Adam Smith's *Wealth of Nations* to create an industrial nation, that will be demonstrated presently.

Chapter VII

Utility and the Prime End of All Law: *Civic Excellence vs Republican Virtue*

As a general marches at the head of 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.¹

-Alexander Hamilton, 1777

To expect, indeed, that the freedom of trade should ever be entirely restored in Great Britain is as absurd as to expect that an Oceana or Utopia should ever be established in it...² When Hamilton wrote “utility is the prime end of all law,”³ he was not in agreement with the Revolutionary generation.

¹Alexander Hamilton, Pay Book of the State Company of Artillery, “New York-August 31st-1776-Pay Book of the State Company of Artillery Commanded by Alex. Hamilton.” In Syrett and Cooke, eds., **The Papers of Alexander Hamilton**, I, 390. Hamilton’s “notes on a wide variety of subjects” were recorded in the records of “accounts of H[amilton’s] company of artillery.” The notes sketched out by Hamilton probably had not begun “to use the blank pages for his notes until after May 23, 1777.” Ibid., 373.

²“...Not only the prejudices of the public, but what is much more unconquerable, the private interests of many individuals, irresistibly oppose it.” Smith, **The Wealth of Nations**, Book IV, Of Systems of Political Economy, 201.

³Stourzh, **Alexander Hamilton and the Idea of Republican Government**, 25.

That generation “defined utility in the broadest manner possible,”¹ and by virtue of correcting the weaknesses of the Confederation and “invigorating those powers,”² rather than creating new powers. The Revolutionary generation demonstrated its faith in the potential of human progress. They believed in a free society with a free government and vested that faith in the federal Constitution.

On the other hand, Hamilton’s steps to achieve greatness for America, were not acceptable to the Revolutionary³ “The revolt against England went far beyond a repudiation of monarchical government; it entailed a passionate rejection of the British form of political economy.”⁴ Adam Smith was very clear about the kind of misery that governments as business would bring, “It was the worst kind.”⁵

The colonist’s education and participation in politics, and their social awareness taught them that a mercantilist economy where a government is based on business and industry “perpetuated the misery and despair of millions of labouring men and their families.”⁶ This is because the principle

¹Richard, **The Founders and the Classics**, 37.

²“If the new Constitution be examined with accuracy and candor,” wrote Madison in **Federalist** No. 45, “it will be found that the change which it proposes consists much less in the addition of NEW POWERS to the Union than in the invigoration of its ORIGINAL POWERS.” Rossiter, ed., **The Federalist Papers**, 293.

³“There seems to be a continuing effort to preserve and use Hamilton as a symbol. The result has not been history.” Rose, “Alexander Hamilton and the Historians,” 854.

⁴McCoy, **The Elusive Republic**, 49.

⁵“The government of an exclusive company of merchants is, perhaps, the worst of all governments.” Smith, **The Wealth of Nations**, Book IV, 246. “The capricious ambition of kings and ministers has not, during the present and preceding century, been more fatal to the repose of Europe than the impertinent jealousy of merchants and manufactures.” Ibid., 211. “But a company of merchants are, it seems, incapable of considering themselves as sovereigns, even after they have become such.” Ibid., 277.

⁶McCoy, **The Elusive Republic**, 55.

of mercantilism is “that wealth consists in money, or in gold and silver.”¹ Hamilton had become reconciled with this greed, whether of a nation or a class of persons, for the sake of a vision.

Funding and Assumption were “necessary evils.”² The United States Bank, which was now incorporated, brought to the forefront the fear of absolute authority. Hamilton had long advocated for this authority and now realized it as he replaced the duty of the sovereign with the right of the sovereign.

The Revolutionary generation had gone to war against absolute and arbitrary authority. Now they were seeing the return of intervention in the marketplace, special interest, and privilege. “The beneficiaries of [Hamilton’s] policies realized that, in return for its favor, the government expected support from the Northern mercantile and financial elite: they were to lend it money; forswear smuggling and otherwise cooperate in the collection of taxes on commercial transactions; supply many of its office holders; and in general defend the new regime against its opponents in Congress, in the press, and in the nation at large.”³ The Revolutionary generation began to see steps taken backward regarding the purpose of government.

The United States Bank, besides being used to broaden the interpretation of authority with the right of the Sovereign, (as to its objects),⁴ served a definite economic purpose: “aiding the development of

¹Smith, **The Wealth of Nations**, Book IV, 182. See also “The increase of those metals will in this case be the effect, not the cause of public prosperity.” Ibid., Book II, 147. See, “Whatever, therefore, we may imagine the real wealth and revenue of a country to consist in, whether in the value of the annual produce of its land and labor, as plain reason seems to dictate; or in the quantity of the precious metals, which circulate within it, as vulgar prejudices suppose; in either view of the matter, every prodigal appears to be a public enemy, and every frugal man a public benefactor.” Ibid.

²Swanson, **Origins of Hamilton’s Fiscal Policies**, 8.

³Forsythe, **Taxation and Political Change**, 37.

⁴See Hamilton to Washington, Opinion as to the Constitutionality of the Bank of the United States, February 23, 1791, in McKee, ed., **Papers on Public Credit, Commerce, and Finance**. See “sovereign as to its objects” (to regulate commerce), in *ibid.*, 102-104, and 121. For Bank as general object, see *ibid.*, 131. “That all the specified powers of government are sovereign,” see *ibid.*, 101 and 132.

private economy.”¹ This would eventually lead to the last step of establishing a foundation for his vision. “Industry was to be deliberately and systematically encouraged by means of a long-range and far-reaching plan.”²

Congress was becoming cognizant if not suspicious of Hamilton’s policies. His Report on Manufacturing gave reason for encouraging manufacturers. The sense of “expediency” and “embarrassments which have obstructed the progress of our external trade, have led to serious reflections on the necessity of enlarging the sphere of our domestic commerce.”³

While Hamilton believed that “opulence” by virtue of the peoples’ “political and natural advantages” was something the United States was “authorized to aspire” towards.⁴ “He did not share in the faith of Washington and others that European trade policies were temporary.”⁵

This direct encouragement of private industry “for its own sake,”⁶ was not successful in Congress and the bill did not pass. “The new nation seemed to be inflicted by the very same symptoms of the British political and moral economy that the Revolutionaries had risked their lives to escape.”⁷ The Federalists, however, began to take notice of the falling away

For “right of Sovereign,” as general principle [being] inherent in the very definition of government,” see, *ibid.*, 101.

¹This was accomplished by “its ability to poole money capital for lending purposes, and partly through its ability to raise confidence in the business community, but mainly by its ability to provide a satisfactory medium of exchange.” Swanson, **Origins of Hamilton’s Fiscal Policies**, 86.

²Bourgin, **The Great Challenge**, 86.

³McKee, ed., **Papers on Public Credit Commerce, and Finance**, 177.

⁴*Ibid.*, 201.

⁵Bourgin, **The Great Challenge**, 88.

⁶“The whole tone of the document [Report on Manufactures] is one of anticipating a glorious future for its own sake [the Hartford Woolen Factory.]” Cole, **Industrial and Commercial Correspondences of Alexander Hamilton**, 231-232.

⁷McCoy, **The Elusive Republic**, 105.

from or not being true to the first principle of their forefathers: the desire to do good for the public good. This was the corruption that the colonists fought against and labeled Hamilton with.¹

The end of government, the *res publica*, the commonwealth, (the common weal), the public good, was not merely the public business but was inclusive of the public business. The end of government or We the People, includes the public business and industry.

The “Federalist intellectual achievement really transcended their particular political and social intentions and became more important and more influential than they themselves anticipated. Because their ideas were so popularly based and embodied what Americans had been groping for from the beginning of their history, the Federalists’ creation could be, and eventually was, easily adapted and expanded by others with quite different interests and aims at stake, indeed, contributing in time to the destruction of the very social world they had sought to maintain.”²

The means Hamilton used to impose his vision, and the powers he enumerated to increase a central authority, were, as he was so fond of demonstrating, sounds and appearances. The public and private opinions between which he vacillated, were really his public and private agenda. The “traditional republican heritage that Hamilton had so successfully discarded”³ was to be replaced with his own vision. Hamilton had contended that “it was a just observation that the people commonly intend the PUBLIC GOOD. This often applies to their very errors. But their good sense would despise the adulator who should pretend that they always reason right about the means of promoting it.”⁴

His Report on Manufacturing will demonstrate most ably how he used sounds and appearances within greater authority and sounder foundations.

¹“We should see then that when Jefferson accuses Hamilton of corrupting the Congress, he is using a concept that had a particular meaning at that time.” Rose, “Alexander Hamilton and the Historians,” 856.

²Wood, **The Creation of the American Republic**, 615.

³McCoy, **The Elusive Republic**, 132.

⁴Rossiter, ed., **The Federalist Papers**, No. 71, 432. See ‘The people commonly intend the PUBLIC GOOD,’ wrote Hamilton in **The Federalist**, but they did not ‘always reason right about the means of promoting it.’ As quoted in Wood, **The Creation of the American Republic**, 508.

His ability to interpret with a sense of the original intention is nowhere better illustrated than in his report on manufacturers. An analysis of this report will afford a greater understanding of this ability and is the subject of the rest of this chapter: The use, misuse, and neglect of Adam Smith's **The Wealth of Nations**.

Hamilton's Report on Manufacturers begins, "in obedience to the order of the House of Representatives of the 15th day of January, 1790, has applied his attention, at as early a period as his other duties would permit, to the subject of Manufacturers, and particularly to the means of promoting such as will tend to render the United States independent of other nations for essential, particularly for military supplies. ..."¹

Hamilton "argued from the assumption that the independence and security of a nation depend on its possessing within itself 'all the essentials of a national supply. These compromise the means of subsistence, habitation, clothing and defense.' It will be seen that Hamilton was taking a very broad view of the terms of the House's request."²

Generally, this "broad view" begins with the vision of an empire able to compete with the established nations for trade and commerce. In particular, the view is one of definite means to achieve this vision: the funding system, the United States Bank, and finally direct intervention with the encouragement of industry.

The Third Report on Manufacturers was a final attempt to realize his vision of an industrial society. "Industry was to be deliberately and systematically encouraged by means of a long-range and far-reaching plan."³ In fact, Hamilton's report is quite clear as to his vision. "The whole tone of the document is one of anticipating a glorious future for its own sake."⁴ This, more than anything, shows the detachment from the people, and attachment to the institution of government, or that Roman virtue, i.e., *virtus*...civic excellence.

Let our examination begin with Hamilton's arguments. The political, social and economic background of America, under the Confederation and

¹McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 178.

²Bourgin, **The Great Challenge**, 95.

³Ibid., 86.

⁴[The Hartford Woolen Factory.], Cole, **Industrial and Commercial Correspondences of Alexander Hamilton**, 231-232.

during the constitutional era were touched upon previously. This will be augmented as we discuss the rationale of Hamilton's argument with the aid of Adam Smith. "Indeed the whole cast of Hamilton's argument seems to have been affected by the study which he had made of *The Wealth of Nations*."¹

At first Hamilton states his reasons for encouraging manufacturers in the United States; "embarrassments which have obstructed the progress of our external trade, have led to serious reflections on the necessity of enlarging the sphere of our domestic commerce. The restrictive regulations, which in foreign markets, abridge the vent of the increasing surplus of our agricultural produce, serve to beget an earnest desire that a more extensive demand for that surplus may be created at home; and the complete success which has rewarded manufacturing enterprise in some valuable branches, conspiring with the promising symptoms which attend some less mature essays in others, justify a hope that the obstacles to the growth of this species of industry are less formidable than they were apprehended to be, and that it is not difficult to find, in its further extension, a full indemnification for any external disadvantages, which are or may be experienced, as well as an accession of resources, favorable to national independence and safety."²

Trade was a matter of importance and it was the duty of the sovereign to find new trade routes,³ as much as it was a duty of the sovereign to

¹Cole, **Industrial and Commercial Correspondences of Alexander Hamilton**, 231-232.

²McKee, ed., **Papers on Public Credit Commerce and Finance**, 177. Hamilton was of the opinion at one time that America could "live without trade of any kind. Food and clothing we have within ourselves. Our climate produces cotton, wool, flax and hemp, which, with proper cultivation would furnish us with summer apparel in abundance. The article of cotton indeed would do more, it would contribute to defend us from the inclemency of winter...etc, [sheep, employment, the silk worm, idle hands following cessation of commerce, occupied in various kinds of manufactures, and other internal improvements." [Alexander Hamilton], *A Full Vindication of the Measures of Congress*, (New York...1774), in Syrett and Cooke, eds., **The Papers of Alexander Hamilton**, I, 55.

³"Hamilton accounted himself a follower of David Hume's idea on foreign trade." Bourgin, **The Great Challenge**, 90. See Hamilton's Opinion as the Constitutionality of the Bank of the United States; "Suppose a new and unexplored branch of trade should present itself... Suppose it was manifest, that to undertake

protect trade.¹

Hamilton, however, did not share in the Revolutionary generation's faith that European discrimination was temporary. Hamilton's "views did not develop because of America's experience with European discriminatory trade policies. Hamilton had never been an internationalist. He did not share the optimism of Washington and others that European treatment of American trade was temporary, preceding a revival of international trade.

Had the European countries behaved in a more brotherly manner, in all probability Hamilton would still have favored it not because the Europeans allowed us no other course, but because he believed that in industry lay our great national destiny."²

Hamilton did not consider other vents of surplus such as the rising tensions of Europe, especially the French Revolution. The colonies were "just beginning to have increased commercial relations; since, with the abnormal conditions imposed by the French Revolution upon the trade between the mother country and the French West Indies, the ports in the latter were being opened to American Vessels."³ Thomas Paine said, "The commerce, by which she hath enriched herself, are the necessities of life, and will always have a market while eating is the custom of Europe."⁴

Hamilton's way of introducing doubts only to dispel them was part and

it with advantage required a union of capitals of a number of individuals...This is a means, which has been practiced to that end, by all the principal commercial nations...which have subsisted for centuries. Why not the United States, constitutionally, employ the means, usual in other countries, for attaining the ends intrusted to them?" McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 133.

¹"The protection of trade in general has always been considered as essential to the defence of the commonwealth, and upon that account, a necessary part of the duty of the executive." Smith, **The Wealth of Nations**, Book V, Of the Revenue of the Sovereign or Commonwealth, Part 3, Article I, Of the Public Works and Institutions for facilitating the Commerce of the Society, 315.

²Bourgin, **The Great Challenge**, 88.

³"Particularly significant are the letters of George Cabot and Jeremiah Wadsworth upon the trade to the French West Indies." Cole, **Industrial and Commercial Correspondences of Alexander Hamilton**, xxvi.

⁴Paine, **Common Sense**, Wendel, ed., 77.

parcel of his ability to produce sounds and appearances that lent credence to his views. Yet, trade was difficult and almost everywhere restrained and inhibited. “Here in the mercantilist policies of foreign nations was a real excuse for a greater independence.”¹

Ironically, Hamilton in his arguments and to support his views, “presents much that antedates *The Wealth of Nations*, much that is reminiscent of mercantilism rather than of the teachings of Adam Smith.”² “It is the object of that system [Mercantilism] to enrich a great nation rather by trade and manufacturers than the improvement and cultivation of land.”³

Furthermore, with mercantilism we find that the “interest of the consumer is almost constantly sacrificed to that of the producer; and it seems to consider production, and not consumption, as the ultimate end of all industry and commerce.”⁴ As we explore further we shall see Smith’s explanation of what Hamilton takes out of context.

Hamilton begins with “arguments against encouragement of manufacturers...In every country (say those who entertain them) agriculture is the most beneficial and productive object of human industry...Nothing can afford so advantageous an employment for capital and labor as the conversion of this extensive wilderness [Western territory] into cultivated farms...

To endeavor, by the extraordinary patronage of government, to accelerate the growth of manufacturers, is, in fact, to endeavor, by force and art, to transfer the natural current of industry from a more to a less beneficial channel. To leave industry to itself, therefore, is, in almost every case, the soundest as well as the simplest policy..

Extensive manufactures can only be the offspring of a redundant, at least of a full, population...sacrificing the interests of the community to those of particular classes...misdirection of labor...a virtual monopoly will be given to the persons employed on such fabrics; and an enhancement of price, the inevitable consequence of every monopoly, must be defrayed at the expense of the other parts of the society. It is far preferable, that those

¹Cole, **Industrial and Commercial Correspondences of Alexander Hamilton**, 232.

²Ibid., 247.

³Smith, **The Wealth of Nations**, Book IV, 272.

⁴Ibid., 287.

persons should be engaged in the cultivation of the earth, and that we should procure, in exchange for its productions, the commodities with which foreigners are able to supply us in greater perfection and upon better terms...”¹

To begin with, Hamilton’s use of Adam Smith is somewhat analyzed by Cole. After noting Hamilton’s literal and paraphrased use of Adam Smith, Cole shifts to “the haze of Physiocratic doctrine which, despite attempts to dispel it, still influenced the economic thought of the time.” These ideas were not unwarranted as pertained to political economy or the idea that “no one was really productive except the farmer.

These views, to be sure, were known to Smith, were considered by him in his book, and rejected.”² Smith did consider them, explained them, but did not reject them. He merely qualified them. “Though in representing the labour which is employed upon land as the only productive labour, the notions which it [the physiocratic doctrine of Quesnai] inculcates are perhaps too narrow and confined; yet in representing the wealth of nations as consisting, not in the unconsumable riches of money, but in consumable goods annually reproduced by the labour of the society, and in representing perfect liberty as the only effectual expedient for rendering this annual reproduction the greatest possible, its doctrine seems to be in every respect as just as it is generous and liberal.”³

Hamilton’s first doubt was presented, and to dispel it requires even more inquiry. While Hamilton pays decent respects by referring to “this mode of reasoning [which] is founded upon facts and principles which have certainly respectable pretensions...most general theories, however, admit of numerous exceptions, and there are few, if any, of the political kind, which do not blend a considerable portion of error with the truths they inculcate.”⁴ It is curious that the arguments presented by Hamilton are limited, narrow in scope, and an incomplete summary, when his arguments for are exceptionally lengthy; it was not a fair debate.

¹McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 178-179.

²Cole, ed., **Industrial and Commercial Correspondences of Alexander Hamilton**, 233.

³Smith, **The Wealth of Nations**, Book IV, 296.

⁴McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 179.

Therefore, let us examine further systems of Political Economy which represent the Produce of Land as either the sole or the principal Source of the Revenue and Wealth of every Country.¹ Adam Smith, prior to discussing the Physiocrats, embraces “that system which represents the produce of land as the sole source of the revenue and wealth of every country.” In this he searches for and finds the causes of a state of discouragement which “kept down the agriculture of that country [France] very much below the state to which it would naturally have risen in so very fertile a soil and so very happy a climate.

One of the causes appeared to be the preference given, by the institutions of Mr. Colbert, to the industry of the towns above that of the country.”² “Mr. Colbert, the famous minister of Louis XIV...had unfortunately embraced all the prejudices of the mercantile system of restraint and regulation...And to establish the necessary checks and controls for confining each to its proper sphere.”

In a footnote Hamilton is speaking of the board of trade [government supervision of the Bank of the U.S., using as an example the royal commerce of France].³ “He endeavored to regulate this upon the same model as the departments of a public office;...he bestowed upon certain branches of industry extraordinary privileges, while he laid others under as extraordinary restraints...He was not only disposed, like other European ministers, to encourage more the industry of the towns than that of the country. but, in order to support the industry of the towns, he was willing even to depress and keep down that of the country...If the rod be bent too much one way, says the proverb, in order to make it straight you must bend it as much the other. The French philosophers, who have proposed the system which represents agriculture as the sole source of the revenue and wealth of every country, seem to have adopted this proverbial maximum; and as in the plan of Mr. Colbert the industry of the towns was certainly overvalued in comparison with that of the country; so in their system it seems to be as certainly undervalued.”⁴

As Cole remarks, Hamilton “proceeds first to a thoroughgoing

¹Smith, **The Wealth of Nations**, Book IV, 288.

²Ibid., 289.

³Syrett and Cooke, eds., **The Papers of Alexander Hamilton**, I, 245-246.

⁴Smith, **The Wealth of Nations**, Book IV, 289.

demolishment of the Physiocratic position.”¹ Adam Smith goes to great length to encompass all systems that partially or wholly support Hamilton’s premise that “in every country (say those who entertain them) agriculture is the most beneficial and productive object of human industry...Nothing can afford so advantageous and employment of capital and labor as the conversion of this extensive wilderness into cultivated farms,”² i.e., agriculture.

Hamilton and Cole have not digested the explanation of the Physiocratic doctrine as demonstrated by Adam Smith. First, Smith clearly shows that “according to this system, the sum total of the annual produce of the land is distributed among the three classes above mentioned, [1., the class of Proprietors, 2., the cultivators or farmers, and 3., the artificers, manufacturers, and merchants]³ and in what manner the labour of the unproductive class does no more than replace the value of its own consumption, without increasing in any respect the value of that sum total, is represented by Mr. Quesnai, the very ingenious and profound author of this system, in some arithmetical formularies.”⁴

Cole claims that the “Physiocrats were a school of writers in eighteenth-century France, among whom Quesnay and Turgot, finance minister of Louis XV, were most prominent. The distinctive feature of their views was the emphasis upon the productivity upon which, indeed all other

¹Cole, ed., **Industrial and Commercial Correspondences of Alexander Hamilton**, 235.

²McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 178.

³?The whole annual produce of the land and labour of every country, or what comes to the same thing, the whole price of that annual produce, naturally divides itself, it has already been observed, into three parts; the rent of land, the wages of labour, and the profits of stock; and constitutes a revenue to three different orders of people; to those who live by rent, to those who live by wages, and those who live by profit. These are the three great, original, and constituent orders of every civilized society, from whose revenue that of every other order is ultimately derived.” Smith, **The Wealth of Nations**, Conclusion of Book I, Of the Causes of Improvement in the Productive Powers of Labour, and of the Order According to Which its Produce is Naturally Distributed Among the Different Ranks of the People, 109.

⁴Ibid., Book IV, 293.

elements in the population depended.”¹ Adam Smith, on the other hand says “this sect, in their works, which are very numerous, and which treat not only of what is properly called Political Economy, or of the nature and causes of the wealth of nations, but of every other branch of the system of civil government, all follow implicitly and without sensible variation, the doctrine of Mr. Quesnai.”²

The particulars however, do deal with productivity but consider barren, unproductive, or productive expense as original and annual expenses. Hence, Proprietors and cultivators are deemed the productive class, whose original and annual expenses afford “with the same capital, to raise a greater produce, and consequently to pay a greater rent.”³

Therefore, Proprietors and cultivators are deemed the productive class, whose original and annual expenses are deemed productive expenses, whose “advanced rent may be considered as the interest or profit due to the proprietor upon the expense or capital which he thus employs in the improvement of his land.”⁴

These ground expenses of land and improvement are deemed productive expenses. “All other expenses and all other orders of people, even those who in the common apprehensions of men are regarded as the most productive, are in this account of things represented as altogether barren or unproductive.”⁵

Was Cole mistaken, or perhaps was Hamilton merely using Adam Smith’s **Wealth of Nations** to advance his reasoning?⁶ As Cole points out, Hamilton’s initial problem was, “whether or not, as a general proposition,

¹Cole, ed., **Industrial and Commercial Correspondences of Alexander Hamilton**, 233.

²Smith, **The Wealth of Nations**, Book IV, 296.

³Ibid., 289.

⁴Ibid..

⁵Ibid., 290.

⁶It is clear that Hamilton had a limited and narrow view of Smith’s explanation. He repeatedly seems convinced that a certain quantity of production was the argument. If this were the case, of course, there would be a greater production in manufactories. This was not Adam Smith’s point.

manufacturers should be encouraged...Of such views Hamilton cannot permit a single pretension to remain, or his latter advocacy of manufacturing industry might as well at once be dismissed.”¹

Hamilton was speaking to 90 per cent of the population, (through their representatives) about 10 per cent of the population. Classical antiquity alone would attest to the productiveness fact that of agriculture as being the “most beneficial and productive object of human industry,”² and agriculture was inclusive of far greater social and spiritual benefits.

However, we are concerned here with economics, and not philosophy. As to political economy and the politics of such, Cole notes, Hamilton “is immediately concerned with the Physiocratic contention that agriculture alone is productive.”³ This has been examined in its particulars, and it is much more. Nonetheless, Cole advances that “even if this extreme position be relinquished, he must deal with the dictum — perhaps more plausible and so more dangerous—that agriculture is the most beneficial and productive of human industry.” If we examine Hamilton’s argument further we shall find an even greater understanding of Smith’s **Wealth of Nations**.

In citing “arguments against the encouragement of manufacturers,” Hamilton adds that “agriculture is the most beneficial and productive object of human industry,” and “nothing can afford so advantageous an employment for capital and labor as the conversion of this extensive wilderness into cultivated farms.”⁴

Adam Smith qualifies it first under the system of Mr. Colbert. Specifically, it is the cultivators or farmers who “contribute to the annual produce by, what are in this system, called the original and annual expenses, which they lay out upon the cultivation of the land.”⁵ However, there are

¹Cole, ed., **Industrial and Commercial Correspondences of Alexander Hamilton**, 234-235.

²McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 178.

³Cole, ed., **Industrial and Commercial Correspondences of Alexander Hamilton**, 234.

⁴McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 178.

⁵Smith, **The Wealth of Nations**, Book IV, 289.

two capitals or “two sorts of expenses.”¹ Moreover, “their original and annual expenses are for the same reason called, in this system, productive expenses, because over and above replacing their own value, they occasion the annual reproduction of this net produce.”²

Inasmuch as the Physiocrats had liberated the agricultural system of France, “their works have certainly been of some service to their country; not only by bringing into general discussion many subjects which had never been well examined before, but by influencing in some measure the public administration in favour of agriculture.”³

Here, with Mr. Colbert, the pendulum swings the other way, as encouragement of the industry of the town passes onto the encouragement of the industry of the country. “It is thus that every system which endeavors, either by extraordinary encouragements to draw towards a particular species of industry a greater share of the capital of the society than what would naturally go to it, or, by extraordinary restraints, force from a particular species of industry some share of the capital which would otherwise be employed in it, is in reality subversive of the great purpose which it means to promote.”⁴ But Hamilton’s words “nothing can afford so advantageous an employment for capital and labor...,” are clearly Adam Smith’s. An examination of this premise will afford an even greater understanding of what was meant and how it might be inapplicable to Hamilton’s premise of arguments “against the encouragement of manufactures.”⁵

In Chapter V, of Book II: Of the Nature, Accumulation, and Employment of Stock, Adam Smith explains, “There are two different ways in which a capital may be employed so as to yield a revenue or profit to its employer.”⁶ These two capitals are fixed and circulating. “That part of the capital of the farmer which is employed in the instruments of agriculture is a fixed, that which is employed in the wages and maintenance of his

¹Smith, **The Wealth of Nations**, Book IV, 289.

²Ibid., 290.

³Ibid., 296.

⁴Ibid., 300.

⁵Mckee, ed., **Papers on Public Credit, Commerce, and Finance**, 178.

⁶Smith, **The Wealth of Nations**, Book II, 118.

labouring servants, is a circulating capital. He makes a profit of the one by keeping it in his own possession, and of the other by parting with it—"e.g., raising cattle for milk, or sheep for wool, would be circulating capital while raising cattle or sheep for the butcher, would be a fixed capital. Capital employed in "raising, manufacturing, or purchasing goods, and selling them again with a profit...yields no revenue or profit to its employer, while it remains in his possession, or continues in the same shape."¹

Both the industry of the town and the country, encompass fixed and circulating capital, and in due proportion. It must be remembered that Adam Smith is concerned with revenue of the society, and the annual produce of land and labor, the wealth of nations. Therefore, "land, mines, and fisheries, require all both a fixed and a circulating capital to cultivate them; and their produce replaces with a profit, not only those capitals, but all others in the society."²

As to labor Adam Smith is quite clear in qualifying four ways in which capital may be employed. "First, procuring the rude produce annually required for the use and consumption of the society; or, secondly, in manufacturing and preparing that rude produce for immediate use and consumption; or, thirdly, in transporting either the rude or manufactured produce from the places where they abound to those where they are wanted; or, lastly, in dividing particular portions of either into such small parcels as suit the occasional demands of those who want them."³

It is at this juncture that Hamilton makes two points about the advantageous employment for capital and labor) out of Smith's one. "Equal capitals, however, employed in each of those four different ways, will immediately put into motion very different quantities of productive labor, and augment, too, in very different proportions the value of the annual produce of the land and labour of the society to which they belong."⁴

In an order of lesser to greater quantity of productive labor, Smith goes from retailer, to merchant, to master manufacturer, to farmer. "Part of the capital of the master manufacturer is employed as a fixed capital in the instruments of his trade, and replaces, together with its profits, that of some

¹Smith, **The Wealth of Nations**, Book II, 118.

²Ibid., 120.

³Ibid., 155.

⁴Ibid.

other artificer of whom he purchases them.

Part of his circulating capital is employed in purchasing materials, and replaces, with their profits, the capitals of the farmers and miners of whom he purchases them. But a great part of it is always, either annually, or in a much shorter period, distributed among the different workmen whom he employs. It augments the value of those materials by their wages, and by their masters' profits upon the whole stock of wages, materials, and instruments of trade employed in the business. It puts immediately into motion, therefore, a much greater quantity of productive labour of the society than an equal capital in the hands of any wholesale merchant." Proceeding to the employment of capital for farming Smith concludes, "No equal quantity of productive labour employed in manufactures can ever occasion so great a reproduction..." [as the farmer.]

The explanation for this will also afford another point of Hamilton's, which is either intentionally or unwittingly confounded. On the one hand, "the work of nature which remains after deducting or compensating everything which can be regarded as the work of man. It is seldom less than a fourth, and frequently more than a third of the whole produce."¹

From this Hamilton attempts to refute another benefit of capital engaged in agriculture, and that is "a net surplus or rent for the landlord or proprietor of the soil."² Adam Smith would agree with this, but he would make the qualification in that "this rent may be considered as the produce of those powers of nature, the use of which the landlord lends to the farmer. It is greater or smaller according to the supposed extent of those powers, or in other words, according to the supposed natural or improved fertility of land."³

Rent and profit, however, are inclusive when the proprietor is also the farmer, as in North America. "A gentleman who farms a part of his own estate, after paying the expense of cultivation, should gain both the rent of the landlord and the profit of the farmer. He is apt to denominate, however, his whole gain, profit, and thus confounds rent with profit, at least in the common language. The greater part of our North American and West Indian planters are in this situation. They farm, the greater part of them, their own

¹Smith, *The Wealth of Nations*, Book II, 155.

²McKee, ed., *Papers on Public Credit, Commerce, and Finance*, 180-181.

³Smith, *The Wealth of Nations*, Book II, 157.

estates, and accordingly we seldom hear of the rent of a plantation, but frequently of its profit.”¹

The Physiocratic element of which Hamilton and Cole consider a primary consideration is their laissez-faire principle. Smith demonstrates this vein of the Physiocratic principle—of laissez-faire, i.e., let the people choose in his discussion of the Physiocratic doctrine; “a state of the most perfect liberty and therefore the highest prosperity...every violation of that natural distribution which the most perfect liberty would establish, must, according to this system, necessarily degrade more or less, from one year to another, the value and sum total of the annual produce, and must necessarily occasion a gradual declension in the real wealth and revenue of the society...If a nation could not prosper without the enjoyment of perfect liberty and perfect justice, there is not a nation which could ever have prospered...

This system, however, with all its imperfections is, perhaps, the nearest approximation to the truth that has yet been published upon the subject of political economy...in representing the wealth of nations as consisting, not in the consumable goods annually reproduced by the labour of the society, and in representing perfect liberty as the only effectual expedient for rendering this annual reproduction the greatest possible, its doctrine seems to be in every respect as just as it is numerous.”²

Smith concludes, going beyond the Physiocratic and other agricultural systems, that “the greatest and most important branch of the commerce of every nation, it has already been observed, is that which is carried on between the inhabitants of the town and those of the country...The trade which is carried on between these two different sets of people consists ultimately in a certain quantity of rude produce exchanged for a certain quantity of manufactured produce. The dearer the latter, therefore, the cheaper the former; and whatever tends in any country to raise the price of manufactured produce tends to lower that of the rude produce of the land, and thereby to discourage agriculture...

Those systems, therefore, which, preferring agriculture to all other

¹Smith, **The Wealth of Nations**, Book I, 23.

²Ibid., Book IV, 293-296. Aside from the Physiocratic contention of “perfect liberty and justice,” Smith notes about Europe in general, “In the end of the fifteenth and beginning of the sixteenth centuries, the greater part of Europe was approaching towards a more settled form of government than it had enjoyed for several ages before.” Ibid., Book I, 78-79.

employments, in order to promote it, impose restraints upon manufactures and foreign trade, act contrary to the very end which they propose, and indirectly discourage that very species of industry which they mean to promote. ...”¹

This system diminishes the home market for exchange of rude produce and thereby discourages agriculture. “It is thus that every system which endeavors, either by extraordinary encouragements to draw towards a particular species of industry a greater share of the capital of the society than what would naturally go to it, or, by extraordinary restraints, force from a particular species of industry some share of the capital which would otherwise be employed in it, is in reality subversive of the great purpose which it means to promote. It retards, instead of accelerating, the progress of the society towards real wealth and greatness. ...” All systems either of preference or of restraint, therefore, being thus completely taken away, the obvious and simple system of natural liberty establishes itself of its own accord.”²

Cole had concluded that the Physiocratic system: “believed that agriculture had a peculiar productivity—upon which, indeed, all other elements in the population depended...These views, to be sure, were known to Smith, were considered by him in his book, and rejected.”³ To be sure, Smith examined “all the imperfections” of this system and only those imperfections were dismissed.

It is here that Hamilton shows not only a familiarity with Adam Smith, but also utilizes **The Wealth of Nations** for its political value without digesting either the sentiments or science. Since this system, or a basic idea of it, was “so diametrically opposed to the policy of which Hamilton had set himself to advocate, he felt it necessary to give them some special consideration—a consideration which forms an essential section of the famous report.”⁴

In particular as to the misunderstanding or misuse of Adam Smith, Hamilton continues with an idea which is clearly not examined in full. To

¹Smith, **Wealth of Nations**, Book IV, 299.

²Ibid., 300.

³Cole, ed., **Industrial and Commercial Correspondences of Alexander Hamilton**, 233.

⁴Ibid.

begin with Hamilton sets the stage of a two sided argument that begins with, "But while the exclusive productiveness of agricultural labor has been denied and refuted, (to his own satisfaction) the superiority of its productiveness has been conceded without hesitation. As this concession involves a point of considerable magnitude, in relation to its maxims of public administration, the grounds on which it rests are worthy of a distinct and particular examination."¹

Hamilton begins with Smith's argument but oversimplifies it. Cole merely notes Hamilton's "refutation of the second point, the alleged superiority in productivity of land...Smith had suggested that in agriculture nature labours along with; and though her labour costs no expense, its produce has its value as well as that of the most expensive workman.... Cole concludes that Smith "had admitted to a special effectiveness of labor engaged in agriculture."² Smith's understanding is clearly a consideration of the elements whereas Hamilton's, is very one sided. Cole's conclusion, as well as McKee's summary of Hamilton's statements are also minimal.

In Hamilton's Report on Manufacturing he states, "Labor of man alone may be more productive than the combined labour of man and nature."³ Hamilton's reading of Smith finds that "in the productions of the soil, nature co-operates with man; and that the effect of their joint labor must be greater than that of the labor of man alone."⁴

Smith is more precise in that he compares the productive power to effort, and finds that besides the "productive Laborer"—of servants, and cattle, — Nature also is a productive laborer. Smith is not concerned with the quantitative labor of increasing the fertility of nature toward the productive

¹McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 183.

²Cole, ed., **Industrial and Commercial Correspondences of Alexander Hamilton**, 235. Cole also takes notice of a point and counterpoint between Smith and Hamilton. Smith's point is that nature produces a value 'as well as the most expensive workman.' "But," writes Hamilton, "the labor of man alone, if it be applied with 'great skill and art', may be more productive than the combined work of nature and man, if their operations be directed towards 'more simple' objects", - although, to be sure, he fails to show what 'more productive' in this case really means." Ibid. Nature is simply more productive because it has no expense, although it produces a value.

³McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 183.

⁴Ibid.

power, but nature does not merely co-operate with man, “nature labours along with man; and though her labour costs no expense, its produce has its value, as well as that of the most expensive workman.

The most important operations of agriculture seem intended not so much to increase, though they do that too, as to direct the fertility of nature towards the production of the plants most profitable to man.... It is the work of nature which remains after deducting or compensating everything which can be regarded as the workman. It is seldom less than a fourth, and frequently more than a third of the whole produce.”¹

If we consider this savings and production, at no expense, we can see how it applies to Adam Smith’s most basic premise of all considerations in any system: “the whole annual produce of the land and labour of every country, or what comes to the same thing, the whole price of that annual produce, naturally divides itself into three parts, the wages of labour, the rent of land, and the profits of stock; and constitutes a revenue to three different orders of people; to those who live by wages, those who live by rent, and to those who live by profit.”²

In conclusion, which also shows the larger scope of Smith’s real and basic consideration, “of all the ways in which a capital can be employed, it [agriculture] is by far the most advantageous to the society.”³ This is the most striking contrast between Hamilton and Smith: Smith was concerned with society and all its members, whereas Hamilton presented a proposal for the sake of an industry. “Indeed the whole tone of the document [Report on Manufactures] is one of anticipating a glorious future for its own sake.”⁴

In light of the qualification of the arguments proposed by Hamilton as to those that would be “against encouragement of manufactures,” it would be counter-productive to engage the arguments for encouragement, point for

¹Smith, **The Wealth of Nations**, Book II, 157.

²Ibid., Book I, 109. See also “Wages, profit, and rent, are the three original sources of all revenue as well as of all exchangeable value.” Ibid., 22. See “labour, it must be remembered, is the ultimate price which is paid for everything, and in countries where labour is equally regarded, the money price of labour will be in proportion to that of the subsistence of the Laborer.” Ibid., 82.

³Ibid., Book II, 157.

⁴Cole, ed., **Industrial and Commercial Correspondences of Alexander Hamilton**, 231-232.

point. In fact, Hamilton's focus on the limited understanding of Smith's explanations are lent credence by Hamilton's first refutation in his third Report to Congress: that "manufacturing labor was not unproductive. ..."

That, "inasmuch as it is acknowledged that manufacturing labor-reproduces a value equal to that which is expended or consumed in carrying it on, and continues in existence the original stock or capital employed, it ought, on that account alone, to escape being considered as wholly unproductive." The productivity is not denied, it is the expenses which are either productive or unproductive. Either they do or do not contribute to the annual produce of land and labor; the real wealth of nations.

Hamilton's second contention that "artificers can augment the revenue of a society only by parsimony, is true in no other sense than in one which is equally applicable to husbandmen or cultivators. It may be alike affirmed of all these classes, that the fund acquired by their labor, and destined for their support, is not, in an ordinary way, more than equal to it. And hence it will follow that the augmentation of the wealth or capital of the community... can only proceed with respect to any of them, from the savings of the more thrifty and parsimonious."¹

As to the first point: the fund acquired by their labor, Adam Smith explains, "In what has consisted the revenue of the great body of the people, or what has been the nature of those funds which, in different ages and nations, have supplied their annual consumption, is the object of these four first books."² As to the second consideration, this is to be found in Smith's words, "As the capital of an individual can be increased only by what he saves from his annual revenue or his annual gains, so the capital of a society, which is the same with that of all the individuals who compose it, can be increased only in the same manner."³

Where Hamilton contends that "the annual produce of the land and labor of a country can only be increased in two ways — by some improvement in the productive powers of the useful labor which actually exists within it, or by some increase in the quantity of such labor,"⁴ it is

¹McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 182.

²Smith, **The Wealth of Nations**. The first four books consist of 300 of a total of 421 pages.

³Ibid., Book II, 146.

⁴McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 182.

Smith he echoes. “The annual produce of the land and labour of any nation can be increased in its value by no other means but by increasing either the number of its productive Laborer, or the productive powers of those labourers, who had before been employed.”¹

As we continue analyzing Hamilton’s report, we must keep in mind that his refutations as well as his reasoning are not motivated by a sincere desire to understand Smith’s position. Where Hamilton is concerned primarily with individual profits for a particular class of persons, whom he has consistently applied to for support of his vision, Smith was primarily concerned with those systems that were most advantageous or disadvantageous to the society.

As Hamilton continues, he enumerates “the principal circumstances from which it may be inferred that manufacturing establishments not only occasion a positive augmentation of the produce and revenue of the society, but they contribute essentially to rendering them greater than they could possibly be without such establishments.”²

To the first, manufacturers promote a greater division of labor than agriculture, would not be refuted by Smith. “The nature of agriculture, indeed, does not admit of so many subdivisions of labour, nor of so complete a separation of one business from another, as manufacturers.”³ As Hamilton continues to rely “so largely upon Smith,” and we have ascertained entirely different motivations, it would be advantageous to the reader to look at the Report on Manufactures within the context of the time, and how it was applied. And secondly, look at the impact this quality of capitalism had on the future.

It is quite clear that Adam Smith, saw the impact of the capitalism that afforded industry its greatness, had the potential of the same misery that mercantilism afforded, and was well known to the Revolutionary generation.

However Hamilton was of a different mind. “After brief consideration of the reasons why encouragements to manufacturers might at once be

¹Smith, **The Wealth of Nations**, Book II, 148.

²McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 190.

³Smith, **The Wealth of Nations**, Book I, 4. Smith does qualify the cultivator further in that, “Not only the art of the farmer, the general direction of the operations of husbandry, but many inferior branches of country labour require much more skill and experience than the greater part of mechanic trades.” Ibid., 54.

extended and not delayed,” he concludes and begins to assert his private agenda. He now thinks that he has adequately defended his chosen policy and that “there remains but a discussion of the means to be adopted to the furtherance thereof. ...” Protecting duties, prohibitions on the export of raw materials, bounties, premiums, etc., are all scrutinized with care, and the advantages and disadvantages of each weighed in the balance.¹

Cole concludes by stating that Hamilton’s Report “is formulated with a judicious moderation, with a cogency of reasoning, and with a steadiness of purpose such as few subsequent papers on the same subject have possessed...Indeed, so pervasive has been the influence of this document, at least in this country, that no one should pretend to an acquaintance with our protectionist literature who has not read and studied the Report with the attention which it unquestionably deserves.”²

So then, the pendulum of history swung the other way as mercantilism passed over to capitalism. The nature and form changed but the spirit and principle did not. This was the intuitive and instinctual rejection afforded to Hamilton by the Revolutionary generation.

It was, however, not the teachings of Adam Smith, or any other theorist that resulted in the failure of Hamilton’s last step to change the face of the American economy by “aiding and assisting private enterprise by means of a large scale, continuous program of national planning.”³

It was history; America’s own current history that had revolted from the mercantile practices of the Mother Country: intervention in the marketplace, subsidy, special privilege, etc. There was not much difference between the East India Company’s special privileges that led to the Boston Tea Party, and any large-scale supported industry. “The adverse reaction of the public to the launching of the S.U.M. [Society for Useful Manufactures] helps to explain why Hamilton’s Report of Manufactures received so little support. People were clearly not yet prepared to accept a regime of large-scale manufacturing enterprise, especially if subsidy and special privileges

¹Cole, ed., **Industrial and Commercial Correspondences of Alexander Hamilton**, 238.

²Ibid., 242-243. It may be added that Hamilton’s protectionist policy “has occasionally been identified with the tariff policies of the 1920’s that almost spelled the doom of American agriculture.” Bourgin, *The Great Challenge*, 94.

³Bourgin, **The Great Challenge**, 68.

were involved.”¹

The impact of Hamilton’s policies, especially upon republican virtue, have hitherto gone unnoticed. As Adam Smith has provided a wealth of knowledge to Hamilton, and subsequently to his posterity, it would be only fair to consider his views on the human side of people, industry, and the marketplace.

Herein we shall find a dark contrast with Hamilton and, moreover, we shall also find a greater means to understand Hamilton’s idea of republican government as one more suitable to public business than social progress. It was civic excellence that afforded government its authority but not necessarily a duty, in the noblest sense, as it was to the Revolutionary generation.

The class predilections of Hamilton² have always been dismissed as values of the eighteenth century; putting women and children to work for example. Adam Smith, was equally concerned with the kind of labor that had a price and a cost.

To begin with, Smith summed up work as “the annual labour of every nation (which) is the fund which originally supplies it with all the necessaries and conveniences of life which it annually consumes, and which consist always either in the immediate produce of that labour, or in what is purchased with that produce from other nations.”³

The division of labor above and beyond particular establishments is broadened by Smith to include those offices and talents that make up society and are distinguished in their maturity. “This division of labour, from which so many advantages are derived, such as (social occupations, and machines; ship of the sailor, mill of the fuller, or even the loom of the weaver), let us consider only what a variety of labour is requisite in order to form that very simple machine, the shears with which the shepherd clips the wool. The miner,...builder of the furnace,...seller of the timber,...,brick maker..., brick-layer,...the workmen who attend the furnace, the millwright,

¹Bourgin, **The Great Challenge**, 104.

²“Hamilton’s class predilections coincided with the great objects of his policy. He accepted the twin principles of class domination and exploitation as inevitable, and with them, the maxim that political power rests on the control of property.” Ibid., 69. For Hamilton’s view of money as property see McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 129-132.

³Smith, **The Wealth of Nations**, Book I, 1.

the forger, the smith, must all of them join their different arts in order to produce them...and consider what a variety of labour is employed about each of them, [and] we shall be sensible that, without the assistance and co-operation of many thousands, the very meanest person in a civilized country could not be provided....

In a civilized society he stands at all times in need of the co-operation and assistance of great multitudes, while his whole life is scarce sufficient to gain the friendship of a few persons.”¹ “In almost every other race of animals each individual, when it is grown up to maturity, is entirely independent, and in its natural state has occasion for the assistance of no other living creature.

But man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only. He will be more likely to prevail if he can interest their self-love in his favour, and show them that it is for their own advantage to do for him what he requires...We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.”²

“The difference of natural talents in different men is, in reality, much less than we are aware of; and the very different genius which appears to distinguish men of different professions, when grown up to maturity, is not upon many occasions so much the cause as the effect of the division of labor. The difference seems to arise not so much from nature as from habit, custom, and education. When they came into the world, and for the first six or eight years of their existence, they were perhaps very much alike.”³

This division of labor, in a society produces the “three original sources of all revenue as well as of all exchangeable revenue: “wages, profit, and rent.” “All other revenue is ultimately derived from some one or other of these...The revenue derived from labour is called wages.”⁴ “When the stock which a man possesses is no more than sufficient to maintain him for a few days or a few weeks, he seldom thinks of deriving any revenue from it. He

¹Smith, **The Wealth of Nations**, Book I, 6-7.

²Ibid., Here Adam Smith gives as an example: “It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from regard to their own interest.” Ibid.

³Ibid., 7-8.

⁴Ibid., 22.

consumes it as sparingly as he can, and endeavors by his labour to acquire something which may supply its place before it be consumed altogether. His revenue is, in this case, derived from his labour only. This is the state of the greater part of the labouring poor in all countries.”¹

Smith further discusses the place wages of labor play in contributing to the welfare of the laborer and his family. In describing the means by which a laborer can achieve independence Smith concerns himself with “contract” between the “master” and the “workmen.” “The workman desire to get as much, the masters to give as little as possible. The former are disposed to combine in order to raise, the latter in order to lower the wages of labour...The masters, being fewer in number, can combine much more easily; and the law, besides, authorizes, or at least does not prohibit their combinations, while it prohibits those of the workmen.

We have no acts of parliament against combining to lower the price of work; but many against combining to raise it...Many workmen could not subsist a week, few could subsist a month, and scarce any a year without employment. In the long run the workman may be as necessary to his master as his master is to him; but the necessity is not so immediate.”² Whether from a humanitarian view, or an economic view, Smith is explaining the value of labor in relation to the wealth of a nation.

Moreover, the worth of the laborer is further examined in his judgments of society, and in the perpetuation of the laboring poor, and what may contribute to a more effective and productive laborer. It is also a concern and a critique of the laborer’s lot in life, and the idea that the worth of a laborer is much more than the value of his produce. Furthermore, Smith claims, that it is the government’s duty to prevent what seems imminently probable with a particular division of labor: “his dexterity at his own particular trade seems, in this manner, to be acquired at the expense of his intellectual, social, and martial virtues. But in every improved and civilized society this is the state into which the labouring poor, that is, the great body of the people, must necessarily fall, unless government takes some pains to prevent it.”³ Hamilton would not agree by virtue of his encouragement of industry and its subsequent labor force. Industry cannot exist without the laborer.

¹Smith, **The Wealth of Nations**, Book II, 118.

²Ibid., Book I, 28.

³Ibid., Book V, 341.

To begin with, “a Laborer must always live by his work, and his wages must at least be sufficient to maintain him. They must even upon occasions be somewhat more; otherwise, it would be impossible for him to bring up a family, and the race of such workmen could not last beyond the first generation... The increase of revenue and stock is the increase of national wealth.

The demand for those who live by wages, therefore, naturally increases with the increase of national wealth, and cannot possibly increase without it.”¹ As the riches of a country increase and the demand of labor increases, it does not mean those wages will be any higher. “It is not, accordingly, in the richest countries, but in the most thriving, or in those which are growing rich the fastest, that the wages of labour are highest.”²

Next, Smith compares and contrasts the laboring poor in relation to the reward of labor and the maintenance³ of the laboring poor. The former is a “natural symptom of increasing national wealth” while the latter is a “natural symptom that things are at a stand, and their starving condition [is] that they are going fast backwards.”⁴ In an observation as to the “advantage” or “inconveniency” to society that the poor should benefit from improvement, Smith contends, “No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable.

¹Smith, **The Wealth of Nations**, Book I, 28-29. This passage is almost prophetic in that it seems to herald the theory of subsistence wages that prevailed in England during its industrial revolution, in the eighteenth-century. Others have used Adam Smith to support their own theories, with judgments of laborers and their utilitarian value from Hamilton to Karl Marx, and some late twentieth-century schools of thought on political economy.

²Ibid., 29. See further for the example afforded to colonial America of high wages and the effects of marriage, children, old age, and well rewarded labor. America is compared to England although America is “not so rich...it is thriving, and advancing with much greater rapidity to the further acquisition of riches.” Ibid, 30.

³Ibid., 31. “In a country where the funds destined for the maintenance of labour were sensibly decaying...the demand for servants and Laborer would, in all different classes of employments, be less than it had been the year before.” Those “bred in the superior class” would seek employment in the already overstocked class of workmen. Ibid., 30-31.

⁴Ibid., 31.

It is but equity besides, that they who feed, clothe, and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed, and lodged.”¹

As the “necessaries of life occasion the great expense of the poor,” they are both the foundation and support of society. By necessaries, Smith was referring to “not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for credible people even of the lowest order, to be without. Under necessaries, therefore, I comprehend not only those things which nature, but those things which the established rules of decency have rendered necessary to the lowest rank of people.”²

There is an intimate connection between the interests of society and the laboring poor. The poor, however, have little time, and often not the wherewithal to pursue their individual and collective interest. It is, however, the general obligation of society to understand the laboring poor and how effectually to improve their condition, not only for contributing to the annual produce of land and labor but to the virtues of a given society. “Though the interest of the Laborer is strictly connected with that of the society, he is incapable either of comprehending that interest or of understanding its connection with his own.

His condition leaves him no time to receive the necessary information, and his education and habits are commonly such as to render him unfit to judge even though he was fully informed. In the public deliberations, therefore, his voice is little heard and less regarded, except upon some particular occasions, when his clamor is animated, set on and supported by his employers, not for his, but their own particular purposes.”³

Adam Smith is committed to the education of the laboring poor. The most basic education which for a “small expense the public can facilitate, can encourage, and can even impose upon almost the whole body of the people the necessity of acquiring those most essential parts of education.”

The reasons are economic, the motives are not. As to the former, “the common people...have little time to spare for education. Their parents can

¹Smith, **The Wealth of Nations**, Book I, 33. Here Smith is referring to “the sole end and purpose of both the fixed and circulating capital. It is this stock which feeds, clothes, and lodges the people.” Ibid., 120.

²Ibid., Book V, 383.

³Ibid., Book II, 110.

scarce afford to maintain them even in infancy. As soon as they are able to work they must apply to some trade by which they can earn their subsistence. That trade, too, is generally so simple and uniform as to give little exercise to the understanding, while, at the same time, their labour is both constant and so severe, that it leaves them little leisure and less inclination to apply to, or even to think of, anything else.”¹

Adam Smith is concerned with the narrow-mindedness of those who labor and the loss of human qualities, just as Hamilton had been concerned with their loss of civil and religious qualities² “In some cases the state of the society necessarily places the greater part of individuals in such situations as naturally form in them, without any attention of government, almost all the abilities and virtues which that state requires, or perhaps can admit of.

In other cases the state of the society does not place the greater part of individuals in such situations, and some attention of government is necessary in order to prevent the almost entire corruption and degeneracy of the great body of people. In the progress of the division of labour, the employment of the far greater part of those who live by labour, that is, of the great body of the people, comes to be confined to a very few simple operations, frequently one or two. But the understandings of the greater part of men are necessarily formed by their ordinary employments.”³

Adam Smith begins with education for a greater social purpose, above and beyond the economic advantage of the annual produce of land and labor. “The more they are instructed the less liable they are to the delusions of enthusiasm and superstition, which, among ignorant nations, frequently occasion the most dreadful disorders.

An instructed and intelligent people, besides, are always more decent and orderly than an ignorant or stupid one. They feel themselves, each

¹Smith, **The Wealth of Nations**, Book V, 342.

²Remember civil and religious liberty always go together, if the foundation of one is sapped, the other will fall of course.” Alexander Hamilton, *The Farmer Refuted...*(N.Y., 1775), in Syrett and Cooke, eds., **The Papers of Alexander Hamilton**, I, 68.

³Smith, **The Wealth of Nations**, Book V, 340.

individually,¹ more respectable and more likely to obtain the respect of their lawful superiors, and they are therefore more disposed to respect those superiors. They are more disposed to examine, and more capable of seeing through, the interested complaints of faction and sedition, and they are, upon that account, less apt to be misled into any wanton or unnecessary opposition to the measures of government.

In free countries, where the safety of government depends very much upon the favourable judgement which the people may form of its conduct, it must surely be of the highest importance that they should not be disposed to judge rashly or capriciously concerning it.”²

In conclusion, we can see the limited but focused attention Hamilton gave to Adam Smith. He used Smith’s systems to support his own political agenda, while neglecting Smith’s complete analysis. Furthermore, where authority is concerned, Smith would have us understand that authority is vested in a duty to provide for everyone.

Smith was plain in his understanding of the benefits and effects of particular systems, and especially his own British system. Not all of Smith’s work dealt with economics, or the annual produce of land and labor, or at least what was seemingly extraneous, that which only impacted the wealth of nations. Smith’s work is a broad survey of humanity and its economic history. He echoes Montesquieu’s words on the difference between a monarchy and a republic. “In a monarchy it is honor which gives one virtue and in a republic it is virtue which gives one honor.”³

We can see Smith’s desire to contribute to a greater understanding while having all people considered, and ultimately benefit. Smith’s

¹See the shift from virtue to self-interest in Wood, **The Creation of the American Republic**; End of Classical Politics, 612. See also “theory of constitutional Humanism which related the personality to government directly and according to its diversity in Pocock, **The Machiavellian Moment**, 527.

²Smith, **The Wealth of Nations**, Book V, Of the Revenue of the Sovereign or Commonwealth, Part 3, Of the Expense of Public Works and Public Institutions, Article II, Of the Expense of the Institutions for the Education of Youth, 343.

³“In a word, honour is found in a republic, though its spring be political virtue; and political virtue is found in a monarchical government though it be actuated by honour.” Montesquieu, **The Spirit of Laws**, Hutchins, ed., Advertisement, xxii. See also Wood, **The Creation of the American Republic**, Ch. 2., Republicanism; sec., 5, Equality, 70.

contribution to the public good has given him great honor. Unfortunately, the virtue and honor of Hamilton is limited to that Roman quality that would put everyone's life in service to the state. That civic excellence, however, was a mere beginning, not an end, for the Revolutionary generation.¹

¹For Federalists as being equated with Roman civic excellence, see pp. 129. For Federalists "faith" and "values" rooted in their "modification, and not rejection, of traditional expectations about the role of authority in public life, [and] about the permanence of social classes and the desirable distance between the governed and the governors," as *virtus*, civic excellence, or Roman virtue, see pp. 132. For Federalist models based in classical values, see pp. 156-157 and 207. For Rome as an empire "whose passion was to command, whose ambition was to conquer," see pp. 193. For Hamilton's vision as one of expansion, domination, and aggrandizement of government, see pp. 129 and 211. For the duty of the sovereign and republican virtue being replaced by civic excellence, see pp. 197-198, 223, and 221. For a vital distinction between the desire to do good for government... civic excellence, and the desire to do good for the public good... republican virtue, see pp. 203.

Chapter VIII

Ancient Dilemmas and Modern Virtues: *Capitalism's Impact upon Republican Virtue:*

Most of our political evils may be traced up to our commercial ones, as most of our moral may to our political.¹

-James Madison, 1786

The subject matters too much-matters in the sense of shaping the way we live what we may do, and how the government may act. We must get the two-hundred-year-old story straight, in some way, in order to make sense of our world.²

-Bernard Bailyn, **The Ideological Origins of the American Revolution**

From settlement to colony, confederation, and federalism, republican society had progressed and evolved in America. The foundation of this republican society gave birth to generations, well aware that their liberties were unique. Many knew of great and glorious empires whose heritage was oppressive to human potential. Those who were to become Americans, because of their unique heritage of liberty, became increasingly aware of purpose and shaping their own destiny.

James Madison to Thomas Jefferson, March 18, 1786, Rutland, eds., et al., **Madison Papers**, (Charlottesville: University Press of Virginia, 1984), 502.

²“No one has mastered all the useful writings on the Constitution; no one ever will. There is too much; there is movement in too many directions at once; too many disparate issues are alive and flourishing quite independently of each other. Yet there will never be enough. The subject matters too much...” Bailyn, **The Ideological Origins of the American Revolution**, 321.

A foundation of religion and education supported belief in the greater good not only the public good. It was believed for many centuries that humans had a purpose. Being human meant to realize human potential. In the eighteenth century, to realize human potential was the purpose of many but it was impossible without liberty and freedom. Nothing has ever stood in the way of social progress, but societies have always struggled in their progress.

Generations of Europeans and their colonial descendants adhered to the system of knowledge that represented the science, philosophy, and religion of their day. Colonial Americans were coming to the realization that they had a place in a world where liberty was not granted but a world that was increasingly attempting to destroy liberty. Colonial Americans also knew that liberty needed to be maintained only by virtue.

Colonial Americans sought to understand the present through the past.¹ Americans, in particular, struggled, fought, and preserved the unalienable right to liberty. The past testified that virtue could only be maintained by human will. The present for the Revolutionary generation was presenting a test of wills that would sustain or destroy its own heritage. The struggle for these colonial Americans, this Revolutionary generation, was to hold on to the principles of their English and European heritage, while pursuing the very liberties their ancestors also fought for.

The Revolutionary generation's understanding of the living past and present testified that human potential need only be freed and nurtured by the desire to do good; virtue. That which is good in the nature of the people was

¹"For there is no difficulty in reporting the known facts, and it is not hard to foretell the future by inference from the past." Polybius, **The Histories**, 272. See "Wise men say, and not without reason, that whoever wishes to foresee the future must consult the past; for human events ever resemble those of preceding times. This arises from the fact that they are produced by men who have been, and ever will be, animated by the same passions, and thus they must necessarily have the same results." Machiavelli, **The Prince and the Discourses**, Max Lerner, ed., 530. See "When I have been obliged to look back into antiquity, I have endeavored to assume the spirit of the ancients, lest I should consider those things alike which are really different; and lest I should miss the difference of those which appear to be alike." Montesquieu, **The Spirit of Laws**, xxi. See "For they [the colonists] believed with Trenchard, with Bolingbroke, Hume, and Machiavelli - with the basic presupposition of eighteenth-century history and political theory-that what happened yesterday will come to pass again, and the same causes will produce like effects in all ages." Bailyn, **The Ideological Origins of the American Revolution**, 85.

the foundation of its principal motivation to remedy political evils and institute governments. “The sacrifice of individual interests to the greater good of the whole formed the essence of republicanism and comprehended for Americans the idealistic goal of their revolution.”¹

The greater good was becoming less defined and more universal, because virtue and commerce were initiating another revolution with moral and social dimensions arising from an emerging economic way of life. “Republicanism after all involved the whole character of the society. But for Americans this social dimension of republicanism was precisely the point of the Revolution.”² Americans were also “acutely aware of the moral dimension of economic life,”³ and struggled to realize a faith that held that “the spirit of capitalism could be accommodated both to more modern republican principles and to a more complex social and economic environment.”⁴

Virtue and commerce arose and fell alongside their respective republics until such a time as those republics abandoned their heritage,

¹Wood, **The Creation of the American Republic**, 53. See also “In the context of classical republican thought virtue meant civic virtue, the quality that enabled men to rise above private interests in order to act for the good of the whole.” Appleby, **Capitalism and A New Social Order**, 14.

²Wood, **The Creation of the American Republic**, 93. See “in no obvious sense was the American Revolution undertaken as a social revolution,” in Bailyn, **The Ideological Origins of the American Revolution**, 302.

³McCoy, **The Elusive Republic**, 7.

⁴Ibid., 74. See “‘must the society, strangle wealth, the first offspring of liberty, in its birth and thus in effect destroy liberty as well? Or is there no proper use of wealth and civil happiness, the genuine descendants of civil liberty, without abusing them to the nourishment of luxury and corruption? Like other Whigs in 1776 the answer was ‘to regulate the use of wealth, but not to exclude it.’” Wood, **The Creation of the American Republic**, 65. We can also find this principle in Rossiter, ed., **The Federalist Papers**, No. 10. Therein Madison discusses the separate interests (those of property and those without, creditors, debtors, manufacturing, mercantile, and moneyed interests) that inevitably lead to faction. Ultimately it is the “principal task of modern legislation [to regulate] these various and interfering interests.” Ibid., 79.

where money, and neither nature nor nature's God, was esteemed.¹ It became the duty of statehood not to preserve, protect or defend honor, but to preserve, protect, and defend political and economic interests.

The fall of any republic was the loss of honor in not consulting their ancestors who had established good government and for not respecting their wisdom. The Revolutionary generation had consulted its ancestors, and the ancestors validated the concerns; they provided the "valuable improvements made by the American constitutions on the popular models, both ancient and modern,"² and beheld the "republican remedy for the diseases most incident to republican government."³

In eighteenth-century America, the learned and the faithful established their belief that virtue and commerce were spiritual and intellectually, reconcilable, and the foundation of liberty was through social progress. "The expansion of commerce and industry was believed also to be the means of strengthening the ties of human brotherhood between the countries."⁴ The dichotomy of the age left many without that faith because contemporary history showed it was not likely, given the commercial practices of European nations. "Commerce, which ought naturally to be, among nations, as among individuals, a bond of union and friendship, has become the most fertile source of discord and animosity."⁵

Hamilton had accepted this premise of discord and animosity while the Revolutionary generation attempted to embrace union and friendship. The age-old struggle of virtue and commerce was born again in yet another never realized republic.

The debate of virtue and commerce in the late eighteenth century was

¹For example: When the Romans "had contracted a relish for the luxury of Asia, they quickly found that the wealth of Asia was necessary to support it; and this discovery as quickly produced a total change in their manners. Before that time the love of glory, and a contempt of wealth, was the ruling passion of the Romans. Since that time money was the only object of their applause and desire." Montagu, **The Rise and Fall of the Ancient Republics**, 224.

²Rossiter, ed., **The Federalist Papers**, 77.

³Ibid., 84.

⁴Bourgin, **The Great Challenge**, 87.

⁵Smith, **The Wealth of Nations**, Book IV, 212.

no less important than the debate over the kind of virtue that would shape commercial principles within the context of a republican political economy.¹ “If America was to be a republic, it appeared that commerce and its consequences would have to be integrated into a more relevant and realistic conception of republicanism.”² It was not in “isolation”³ that America was to prosper but in contradistinction to unjust and oppressive mercantile practices. “The revolt against England went far beyond a repudiation of monarchical government; it entailed a passionate rejection of the British form of political economy.”⁴ The Revolutionary generation was to embrace commerce, modified by republican virtue, as much as they embraced the federal Constitution modified by republican virtue.

The commercial practices and political economies of the eighteenth-century were oppressive to the economic, political, and social aspirations of Colonial America and humankind in general. Adam Smith had stated nothing new in 1776 when he professed that “an exclusive company of merchants had not only the power of oppressing..., the government of an exclusive company of merchants is, perhaps the worst of all governments.”⁵

Commerce and government were to be as separate as church and state, and for the same reason; to safeguard against the encroachment of liberty.

¹Ultimately this dichotomy would polarize into Federalists and Republicans. The Federalists mobilized a central authority to provide for the public good-public utility, public use, and the incorporation of revenue with military authority. They soon controlled national solvency, national taxation, encouragement and the support and benefit of commerce and industry. Whereas the Republicans were relying on virtue — the desire to do good for the public good, to support not a central authority but a central government. In either case, the republican taxes that would support civil government supported instead the vision of the Federalist regime. Federalists advocated laws that governed their own authority, whereas Republicans advocated laws that served (in principle) the peoples’ authority.

²Wood, **The Creation of the American Republic**, 72.

³“Yet the founders had neither the inclination or the ability to isolate themselves from an increasingly egalitarian and commercial society.” Richard, **The Founders and the Classics**, 239.

⁴McCoy, **The Elusive Republic**, 49.

⁵Smith, **The Wealth of Nations**, 246.

Whether slaves to the crown, or would-be slaves to the marketplace,¹ both were a potential threat to liberty.² Institutions not principles were to remain separate. Commerce, like religion, would also receive the same sanctity under the federal Constitution: the supreme Law of the Land.³ Taxes were to support civil government, that in turn would support society,⁴ and as

¹They endeavor to persuade us, that the absolute sovereignty of parliament does not imply our absolute slavery; that it is a Christian duty to submit to be plundered of all we have, merely because some of our fellow-subjects are wicked enough to require it of us, that slavery, so far from being a great evil, is a great blessing; and even, that our contest with Britain is founded entirely upon the petty duty of 3 pence per pound on East India tea; whereas the whole world knows, it is built upon this interesting question, whether the inhabitants of Great-Britain have a right to dispose of the lives, and properties of the inhabitants of America, or not?" [Alexander Hamilton], *A Full Vindication of the Measures of Congress*, in Syrett, and Cooke, eds., **The Papers of Alexander Hamilton**, I, 46.

²"It was in the northern and middle colonies, however, that arguments against slavery explicitly associated with the Anglo-American political controversy were heard throughout the period, increased steadily in number and intensity, and resulted in material alterations. At first the relevance of chattel slavery to libertarian ideas was noted only in individual passages of isolated pamphlets." Bailyn, **The Ideological Origins of the American Revolution**, 237. See also "To found a great empire for the sole purpose of raising up a people of customers may at first sight appear a project fit only for a nation of shopkeepers." Smith, **The Wealth of Nations**, Book IV, Ch. VII, 266.

³"All debts contracted and Engagements entered into, before the Adoption of this Constitution, shall be as valid against the United States under this Constitution, as under the Confederation," See Article VI. It is unfortunate that this did not apply to the government itself when it came time to obligate itself to the repayment in full to the soldiers, citizens, widow[er]s, and orphans of the Revolutionary War debt. Republicans were concerned with the moral obligation above and beyond the financial obligation. It was not any sacred or supreme Law of the Land that government under Hamilton, became obligated to monied men, capitalists, and other speculators in the public debt, western lands, and other government holdings. Moral obligation was in itself a virtue. The federal government in the 1790s had a moral obligation to the veterans and families of the Revolutionary generation which they not only, did not repay but in fact denied.

⁴"The common advantages which every empire derives from the provinces subject to its dominion consist, first, in the military force which they furnish for its defence; and, secondly, in the revenue which they furnish for the support of its civil

Hamilton said, “civil and religious liberty always go together.”¹

The colonists, however, would never suffer the oppressions of a commercial society or a commercial/military republican government because the Revolutionary generation were free thinkers.² Commercial and military polities could never support free thinkers, and free thinkers could never prosper in such an environment.

The Revolutionary generation had a “unique inheritance of liberty” from their European and colonial ancestors, perpetuated by the laws of custom and protected by the duty of the sovereign.³ This liberty and duty were to carry over into the new age of commerce, and the nations were to be freed from mercantilist restrictions.

The laws of custom, of mutual obligation between citizen and sovereign, the traditions of liberty sanctified through the duty of the sovereign, were expected to invigorate the new age with original powers. “The difference between the genius of the British Constitution which protects and governs North America, and that of the mercantile company which oppresses and domineers in the East Indies, cannot better be illustrated than by the different state of those countries.”⁴ Government in America was to govern commerce. Commerce was not intended to govern the body politic.

The Revolutionary generation was confronted by an increasingly complex commercial theater. An enlightened generation struggled with the age-old dilemma of virtue and commercial vice. “The eighteenth-century marked a watershed in the economic as well as the intellectual history of western Europe, for the leading thinkers of that era had to assess the impact of a commercial revolution that had transformed nearly every aspect of

government.” Smith, **The Wealth of Nations**, Book IV, Ch. VII, 256.

¹Syrett and Cooke, eds., **The Papers of Alexander Hamilton**, I, 68. See pp. 17 below.

²“Although the founders considered the classics an important source of enlightenment, they understood that the highest expression of classical virtue was independence of thought and action.” Richard, **The Founders and the Classics**, 230.

³See chapters I and II below.

⁴Smith, **The Wealth of Nations**, Book I, 31.

European society since the fifteenth century.”¹ That new age and “commercial revolution” would inevitably impact upon a republican heritage of Christian and classical virtue: the foundation of republican society in colonial America.

For the Revolutionary generation to realize the republic was able to sustain and preserve the heritage of their ancestors it had to synthesize the wisdom of the ages: European, classical and Christian history.² To realize social progress would require influence, at least as much as the encouragement of government to seize the opportunity and alter the patterns, forces, and motivations of mercantilism,³ by invigorating commerce itself with new powers and to liberate its wealth and revenue. “There was tremendous confidence that the United States could indeed initiate a commercial revolution that would extend and reorganize international trade along liberal lines.”⁴

As much as the Revolutionary generation depended on virtue to sustain republicanism, it depended on virtue to maintain political economy. It would no less require a virtuous people to sustain it. “The very greatness of republicanism, its utter dependence on the people, [would be] at the same time its source of weakness.”⁵ This was another age-old dilemma: how to reconcile the wants of commerce with the maintenance of the stability of the republic.

¹McCoy, **The Elusive Republic**, 17.

²“The founders considered the histories of the classical world, England, and American (including their own experiences) their three most significant pasts.” Richard, **The Founders and the Classics**, 82.

³“It cannot be very difficult to determine who have been the contrivers of this whole mercantile system; not the consumers, we may believe, whose interest has been entirely neglected; but the producers, whose interest has been so carefully attended to; and among this latter class our merchants and manufacturers have been by far the principal architects.” Smith, **The Wealth of Nations**, Book IV, Conclusion of the Mercantile system, 288. See also “the best of them all [European nations in regard to exclusive trade monopoly] that of England, is only somewhat less illiberal and oppressive than that of any of the rest.” *Ibid.*, 255.

⁴McCoy, **The Elusive Republic**, 89.

⁵Wood, **The Creation of the American Republic**, 66. See the shift from virtue to interest in Wood’s *End of Classical Politics*, 111-112.

Classical and enlightened virtue argued that commerce could unite mankind. Roman virtue, or civic excellence revived by Machiavelli and embraced by Hamilton, argued that expansion of trade, backed by an elite military, was the duty of civic excellence, and required a spirit of “manliness” for support, encouragement, and protection. The former virtue embraced and was motivated by faith that the desire to do good, virtue, was its own reward whereas Roman virtue operated out of fear of losing liberty, and dominating before being dominated.

When Hamilton arrived in America in 1772 he had learned of the colonies’ controversy first-hand by enlightened “Presbyterian Whig’s.” “Hamilton would become the first advocate of the Whigs “paranoid mistrust of power”¹ The colonists’ controversy was a century-old struggle and not a reaction to sudden and contemporary events.² Not being from those generations, connected by lineage and controversy, Hamilton stepped onto the American stage to witness the effects of a century of controversy, and a perceived fear of arbitrary and often oppressive authority.

This was not unlike his fear of authority, or the natural and civil forces he witnessed as a boy on Nevis, in the British West Indies. From Nevis to Francis Barber, and Kings College, Hamilton responded to his fears. The hurricanes on Nevis, the anarchy of revolution, and the Federalist Papers show fear, not faith. Herein is the difference between Roman virtue, subjugating out of fear of losing liberty, and classical, Christian virtue, faith in the desire to do good.

Colonial Englishmen in America knew their rights, and knew when their rights, as well as their heritage of freedom, were being violated. Their fears were warranted but Hamilton and the Revolutionary generation had very different ideas about what to eventually do about those fears.

Federalism and its Constitution were a modification and not a rejection of the republican virtue of the Revolutionary generation. The impact of capitalism upon republican virtue is seen through Hamilton’s intercession while secretary of the treasury. This intercession was to result in reducing the federal Constitution from a doctrine of social progress, to an economic

¹Wood, **The Creation of the American Republic**, 17.

²“There was no sharp break between a placid pre-Revolutionary era and the turmoil of the 1760s and 1770s. The argument, the claims and counter-claims, the fears and apprehensions that fill the pamphlets, letters, newspapers, and state papers of the Revolutionary years had in fact been heard throughout the century.” Bailyn, **The Ideological Origins of the American Revolution**, xv.

document for the purpose of public utility. Predicated on Roman virtue, Hamilton's vision was of domination and expansion. This was empowered through attempts to establish a reciprocal relationship between commerce and the Department of the Treasury.

Hamilton provided the power of authority to a nascent capitalism¹ at the expense of republican heritage, tradition, and virtue, a capitalism that ultimately was only a modification of mercantilism and not a liberation from its practices. The effects of Hamilton's policies on the economic justice that the Revolutionary generation expected to realize, through its hybrid republic, is seen in the aggrandizement of the wealthy.²

Through Hamilton's intercession every source of revenue became an object, so as to have the federal government become sovereign as to its objects: Hamilton achieved his absolute (monarchial), authority.³ When Hamilton produced the Report on Manufacturing he was seen as subverting "both the fundamental principles of republican government and the democratic social structure on which it depended."⁴

The sages of the Revolution had produced the means to insure that liberty would be the foundation of social, political, and economic opportunity. To establish justice, was to return to first principles, and it was inclusive of economic, political, and social justice. In accordance with history, the fall from the Revolution's first principle resulted in a classical example of Aristotelian perversion, and the Polybian promise of the cycle of virtue and corruption. Founding principles were resorted to when

¹"Hamilton's vision was of a capitalist industrialized state aiding and assisting private enterprise by means of a large scale, continuous programs of national planning." Bourgin, **The Great Challenge**, 68. See "Hamilton's class predilections coincided with the objects of his policy. "He accepted the twin principles of class domination and exploitation as inevitable, and with them, the maxim that political power rests on the control of property." Ibid., 69. See those with property and those without as potential faction in Rossiter, **The Federalist Papers**, No. 10, 79.

²See Chapters V., and VI., below.

³The Monarchial authority sought by Hamilton was achieved with the argument on the constitutionality of a United States Bank. By creating a doctrine of the *right of the sovereign*, (which was the alleged premise), the *duty of the sovereign* and all its attendant republican heritage, had been successfully discarded.

⁴McCoy, **The Elusive Republic**, 155.

survival necessitated the remedy of political evils. Falling away from those principles was of course, corruption.

To remedy political evils, republics consistently sought the first principles upon which their polity was founded. This is why James Madison made it so clear that the federal Constitution “was less in the addition of NEW POWERS to the Union than in the invigoration of its ORIGINAL POWERS.”¹ Hamilton used this authority to assert political power and there were no safeguards. Hamilton replaced the central government of the Revolutionary generation with a central authority.

As in all other models, both ancient and modern, weaknesses were corrected, but America’s unique federal polity had no precedent and had no equal. What Hamilton utilized in an attempt to realize his vision was the only thing that was new about the federal Constitution. The republic of the Revolutionary generation was never realized. Hamilton reduced its principles to economic exigencies, vision, and commercial avarice. Hamilton exemplified a Polybian perversion, from a potential legacy, to a republican experiment, and then secured a commercial military republic.

What took other republics centuries and even millennia to realize in their rise and fall, because of Hamilton’s policies of Roman virtue, civic excellence, and political persuasions took America scarcely a quarter of a century. “The developments of the decade [1790s] had created a sense of urgency among many Americans who saw a desperate need to seize control of the federal government from men who appeared bent on overturning the principles of a republican revolution.”² Americans in the late eighteenth-century intended and hoped for dramatic change.

The struggle of virtue and corruption was rendered meaningful to the Revolutionary generation, and their immediate posterity. In their heritage, faith, and classical education, “their arguments for history centered on its utility in breaking the cycles of the past.”³ This is also why the sages of the Revolution, in convention, strove to determine forever the fate of republican

¹Rossiter, ed., **The Federalist Papers**, No. 45, 293.

²McCoy, **The Elusive Republic**, 184.

³Richard, **The Founders and the classics**, 180.

government. To not repeat the mistakes of the past,¹ to learn from history, so as to “prevent tyranny,”² and “to diagnose and remedy the ills of society.”³ And they succeeded when they rose in self-affirming sovereignty,⁴ corrected the weaknesses of the Confederation, and invigorated commerce with the power of authority, but still struggled to realize their Revolutionary principle; social purpose not governmental aggrandizement.

Hamilton’s first step to increasing federal central authority and arresting constitutional authority was to aggrandize the central fiscal authority (to tax or raise revenue), which was lacking under the Articles of the Confederation as an “original power.”⁵ This change that the federal

¹“American society was to be revolutionary, in short, precisely because it would not repeat the familiar eighteenth century pattern of a stark and widening division between the propertied few and the masses of laboring poor.” McCoy, **The Elusive Republic**, 66. Compare Hamilton’s acceptable view “of class domination and exploitation as inevitable, and with them, the maxim that political power rests on the control of property.” Bourgin, **The Great Challenge**, 69.

²“The founders believed that the purpose of history was the prevention of tyranny.” Richard, **The Founders and the Classics**, 85. See also particular to John Adams and Thomas Jefferson in *ibid.*, 86. See the founders inheritance of “their political conception of history from the ancients,” in *ibid.*, 87. Generally, the founders “truly believed that ancient history was a source of knowledge which must be utilized in making decisions.” *ibid.*, 84.

³Wood, **The Creation of the American Republic**, 52. See also Richard, **The Founders and the Classics**, 104, 180.

⁴“The assent of the states, in their sovereign capacity, is implied in calling a convention, and thus submitting that instrument to the people.” Beard, **An Economic Interpretation of the Constitution**, 11. See also “The Declaration of Independence, too, denounced a contract between ruler and ruled; the fact that it was issued jointly by the United States in Congress Assembled — i.e. by an organized society — prevents us from seeing in that act a dissolution of Locke’s kind of social contract...the setting up of government...to the establishment of a trust, involving trustor, trustee, and beneficiary.” Stourzh, **Alexander Hamilton and the Idea of Republican Government**, 25-26.

⁵“Hamilton’s plan for establishing the Funding system and the national bank was only part of the total system of planning that he envisaged for the future. Although separate objectives in themselves they constituted the first step in his

Constitution afforded was explained by Madison “to be much less the addition of NEW POWERS than the invigoration of its ORIGINAL POWERS.” “The regulation of commerce, it is true,” said Madison, “is a new power.”¹

Where the Confederation lacked this original power, it created a new one: to preserve the gains of the Revolution; not to alter its principles, only its form; for a more perfect Union. As a new power, the authority to regulate commerce came about without being able to anticipate, from the past, how this power might encroach upon the delicate balance of the unique federal polity.

The sages of the Revolution were unable to provide a check on the aggrandizement of this power or as an encroachment against the economic, political, and social justice, the Revolution and the federal Constitution intended to establish. This new power, however, proved to be a proverbial Achilles heel.

There was a need to raise revenue to support the civil government, and Hamilton had “made special efforts to preempt large areas of taxation by moving into them before the states did.”² This new power, however, was never intended to finance the vision of any one particular person, or an ideology, but a generation; the Revolutionary generation, whose vision was social, political, and economic equal opportunity.

This new power was to correct a weakness, except that Hamilton used it as leverage to finance his vision of an industrial-commercial, and military regime, predicated on Roman virtue, or “civic excellence.” This quality carried Hamilton into the very sanctity of republican virtue, when amassing legislation to influence the founding operations of federal function,

larger financial program.” Bourgin, **The Great Challenge**, 86. “The second goal of the Federalist fiscal system was to promote the development of the central state, and was not emphasized in public discussion.” *ibid.*, 32. “In the first ten years after ratification of the Constitution, Alexander Hamilton designed and began to put into effect a full program of internal taxes, including excises and a direct tax.” Forsythe, **Taxation and Political Change**, 60.

¹Rossiter, ed., **The Federalist Papers**, No. 45, 293.

²Forsythe, **Taxation and Political Change**, 24.

according to his vision.¹

Hamilton had enough classical education to recognize the principles of faction and luxury and their subsequent impact upon republican principles. In creating the sounds and appearances necessary for drawing capital from foreign investors and other sources, Hamilton either used these historical maxims, or exploited them by turning a deaf ear and blind eye to the principles which create partnerships between monied men and government and how such practices historically have impacted the first principles of the republics in question: Sparta, Athens, Thebes, Carthage, Rome, Renaissance Italy, and England.

In any case, the demagogues of faction, and the proponents of luxury, have historically required money to back their ambitions. No matter that money and those ambitions historically lead to avarice and sectional conflict, it was money Hamilton was willing to acquire at any cost. Funding and Assumption, the United States Bank, the politicization of industry, and the Whiskey Rebellion are the major examples of Hamilton's modification of republican virtue. This modification by means of influence, through appealing to the fears and desperation of the people, and the "love of money and power,"² and through changing the regime from within,³ introduced a change: a counter-revolution, contrary to the gains of the Revolution.

This counter-revolution was not the coup d'etat of Charles Beard, but it was a seizure of power, a usurpation of authority. Once wealth was concentrated by the beneficiaries of Funding and Assumption, Hamilton ultimately challenged the constitutional limits of authority by establishing a repository for that concentrated wealth, the United States Bank.

¹"The true ground of Hamilton's great reputation is to be found in the mass and variety of legislation and organization which characterized the first administration of Washington, and which were permeated and controlled by Hamilton's spirit. Rose, "Hamilton and the Historians," 878.

²Madison, **Notes of the Debates in the Federal Convention**, 130-131. While in convention Hamilton expounded upon "a list of five "great & essential principles necessary for the support of government," and number two was "the love of power. Men love power." See pp. 101 below, for the complete list of the five "great & essential principles necessary for the support of government."

³As Alexander Hamilton's efforts must prove, change in a regime can result from the purposeful efforts of members of the political elite seeking to transform the regime from within." Forsythe, **Taxation and Political Change**, 128.

Establishing sovereignty, “as to its objects”, Hamilton and the Federalists, considered its objects, federal, national, and personal, and continued to increase the central authority through economic means: revenue, and taxation. Hamilton’s continued use of “influence, money, power,” and legislation to realize his vision came to an abrupt halt with his Report on Manufacturers.

Subsequently, it was this aggrandizement and influence that earned Hamilton charges of corruption¹ and how Hamilton “turned the Revolution of 1776, upside down.”² Moreover, Hamilton’s advocacy of monarchy, founded upon believing that men “loved power” and required, “emmoulements” and “honors” to love their country, was misleading³.

When Hamilton had established “sovereignty as to its objects” with his argument on the Constitutionality of the United States Bank he was intending to make those objects federal, national, and personal, acting upon the States and their citizenry.⁴ Like the central authority of a monarch who has sovereignty over its subjects, a monarch has no less sovereignty over its objects.

¹“We should see then that when Jefferson accuses Hamilton of corrupting the Congress, he is using a concept that had a particular meaning at that time.” Rose, “Alexander Hamilton and the Historians,” 856. See also “Many of Hamilton’s opponents came to fear nothing less than a conspiracy to corrupt American society and smash the republican experiment by imitating British forms, manners, and institutions.” McCoy, **The Elusive Republic**, 153.

²“Since Hamilton set out to plant in America a British system of public finance that would promote the same kind of economic development that England had undergone since the Glorious Revolution, it is no wonder that scores of Americans saw his program as turning the Revolution of 1776 upside down.” McCoy, **The Elusive Republic**, 153.

³See pp.54 below, for the complete list of the five “great & essential principles necessary for the support of government.”

⁴“As Hamilton saw it, if the central government was to establish among the people an ‘habitual sense of obligation’ it must be free in every instance possible to act directly upon the citizenry, even in such matters as taxation.” Forsythe, **Taxation and Political Change**, 22. See also Rossiter, ed., **The Federalist Papers**, No. 27.

When money is an object,¹ as it was in his argument on the constitutionality of the United States Bank, and the source of all revenue is labor,² revenue as object, is equal to revenue of subject. Subsequently, there is a semantical difference between object and subject. It is interesting to note that in Hamilton's own words, revenue is raised specifically for purposes to be applied, and it is not the intention that the raising of money is an end to itself.³ In an absolute monarchy all sources of revenue are subject to the sovereign.

The legacy of the impact of capitalism upon republican virtue is, in the early twenty-first century, a source of confusion as to the purpose of federal government and the subsequent prosperity of the present heirs to the Revolution. Hamilton had succeeded in "turning the Revolution upside down"⁴ because the emphasis of virtue was being placed on civic virtue.⁵

¹See money as property and hence an object in Hamilton's Opinion as to the Constitutionality of the United States Bank, Hamilton to Washington, February 23, 1791 in McKee, ed., **Paperson Public Credit Commerce, and Finance**, 129-132.

²"The property which every man has is his own labor, as it is the original foundation of all other property, so it is the most sacred and inviolable." Smith, **The Wealth of Nations**, Book I, 52. See also "Wages, profit, and rent, are the three original sources of all revenue as well as of all exchangeable value." Ibid., 22, 109.

³"It would be more accurate to say that the object to which money is intended to be applied is the final cause for raising it...The support of troops for the common defence-the payment of the public debt, are the true final causes for raising money." Opinion as to the Constitutionality of the United States Bank, Hamilton to Washington, February, 23, 1791 in McKee, ed., **Papers on Public Credit, Commerce, and Finance**, 129. The fact that "revenue is raised for specific purpose" gives us a more meaningful understanding of Federalist legacy. Into the late twentieth century, it seems that the only ideological difference between Republicans, (eighteenth-century Federalists), and Democrats (eighteenth-century Republicans), is the specific purposes for which revenue is raised.

⁴McCoy, **The Elusive Republic**, 153.

⁵"In the context of classical republican thought virtue meant civic virtue, the quality that enabled men to rise above private interests in order to act for the good of the whole. By the 1780's this meaning is less clear." Appleby, **Capitalism and A New Social Order**, 14. Surely the Revolutionaries who sacrificed their private interests, demonstrated an undeniable desire to do good, not only for

The Revolutionary generation's vision was further modified by Hamilton in his pursuit of civic excellence.¹ The desire to do good for the public good emphasized doing good for those systems that support its polity, its industries, and fundamentally, its society.

In Hamilton's sense, the people benefit from the public business. In the classical sense, public business benefits from the people who provide an environment conducive to its prosperity. To this end Adam Smith advocates that "it is not very unreasonable that the rich should contribute to the public expense, not only in proportion to their revenue, but something more than in that proportion."² Yet as we can see from the impact of Hamilton's Funding and Assumption scheme it was the veterans, widows, and orphans whose cost was immeasurable.

Republican virtue of the Revolutionary generation was inclusive of, but not limited to public utility. It considered history and witnessed a constant struggle to realize human potential. The Revolutionary generation was the posterity that had come from the wilderness³ as much as from Nature's God to realize the liberty of their colonial and European ancestors and that attempted to insure that liberty through Revolution, Confederation, and the federal Constitution.

With the Revolution, a new commonwealth in a new world was realized through a representative republic and a representative republic was eventually realized through a representative democracy. Innate within this political development Hamilton had established certain political values and precedent principles, contrary to the Revolutionary generation and was willing to sacrifice the honor of its citizens, soldiers, widows, and orphans for matters of state, and its exigencies. Hamilton had sacrificed more than this, though. Perhaps without knowing it, he had betrayed and dishonored his noble ancestors who had established and perpetuated a "unique

themselves, but each other and their posterity. Surely this principle was to carry over into a government of and by the people...for the people.

¹See Chapter VII, below.

²Smith, **The Wealth of Nations**, 370.

³"We have reminded [our English brethren] of the circumstances of our emigration and settlement here." **The Declaration of Independence**.

inheritance of liberty.”¹

It is a certain nobleness that allows for any person to sacrifice their lives, fortunes, or sacred honor.² These values are ironic because members of the Revolutionary generation had themselves willingly sacrificed their needs only to find a new government sacrificing them, instead of realizing the republic they suffered and died for.

Funding and Assumption had sacrificed widows, orphans, soldiers, and citizens to Hamilton’s “sacred honours and emoluments.” The widows, orphans, soldiers, and citizens were owed for what they had suffered and which they had earned through their material and spiritual sacrifices. The prosperity they had suffered and died for was sold out for ten cents on the Continental dollar. The monied men, merchants,³ and northern speculators in southern debt earned their riches through the people’s misfortune, the peace treaty and the constitutional mandate of honoring debts.⁴

This, however, didn’t apply to widows, orphans, and soldiers, but

¹“The colonists’ attitude to the whole world of politics and government was fundamentally shaped by the root assumption that they, as Britishers, shared in a unique inheritance of liberty.” Bailyn, **The Ideological Origins of the American Revolution**, 66.

²“And for the support of this declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our Lives, our Fortunes, and our sacred Honor.” **The Declaration of Independence**.

³Of all the profit that was made by the Revolution by merchants and other monied men it is interesting to note Adam Smith’s understanding of what contributed to the American’s overwhelming debt in 1776. “The most common way in which the colonists contract this debt is not by borrowing upon bond of the rich people of the mother country, though they sometimes do this too, but by running as much in arrear to their correspondents, who supply them with goods from Europe, as those correspondents will allow them.” Smith, **The Wealth of Nations**, Book IV, 260.

⁴The federal Constitution, Article I, sec. 10: No state shall...pass any ...Law...impairing the obligation of contracts, and Article VI, All Debts contracted and Engagements entered into, before the adoption of this Constitution, shall be as valid against the United States under this Constitution, as under the Confederation.” It was unfortunate for the Revolutionary generation that Hamilton’s Funding and Assumption scheme dishonored the obligation, of contracts, owed to the soldiers, widows, and orphans, for ten cents on the dollar.

Hamilton was quite clear that depreciation of Continental script was the fault of the old government. Although the Revolutionary generation earned its republic through sacrifice and their sacred honor, the hybrid republic, founded upon a desire to do good, was scarce never realized.

The mercantile practices of profit, expansion of trade, and domination were not paramount to the foundation of the federal intention, but they were paramount to Hamilton's steps to an ever increasing central authority. The blatant encouragement of wealth for the few was seen by the Revolutionary generation as the inevitable return to the past. Instead of freeing the people from the oppressive greed of mercantilism, Hamilton merely encouraged the primary passions of mercantilism and its practices, and made them available to that many more people. It still required a broad-based impoverished citizenry to support a new hierarchal society, and Hamilton's class predilections were very appropriate to the coming industrial prosperity. The seizing of economic opportunity, in a land teeming with burgeoning wealth, in an era of nascent capitalism, was what Hamilton had provided as he appealed to the base emotions of money, power, and a population yearning for prosperity, fatigued by war, economic depression, and political faction.

Hamilton had first practiced the authority of expansion and domination on the states and the citizenry of those states, he laid a foundation of federal practice that was inconsistent with the spirit of '76. If the people wanted virtue it seemed they would have to find it amongst themselves, not in their Federalist representatives or the federal government.

The republican experiment failed because Roman virtue had subjugated classical and Christian virtue. In less than a decade, Hamilton, through his intercessions, witnessed his own unrealized vision. By the end of the eighteenth-century Americans feared "that the commercialization of American society was spiraling out of control."¹ The republic of America and the happiness of its members were forever altered, not determined by Hamilton, because of fear and want of empire through commercial and industrial avarice. Hamilton betrayed the principles of the Revolution in which he participated in, as a soldier but not as a legacy. His legacy was to come later and it would forever impact republican virtue as it was understood before, during, and after the Revolution.

Who knows what hybrid republic would have been realized if it were not for Hamilton's intercessions. Who knows what might have happened or not happened, as with the Civil War, if sectional and political lines had not

¹McCoy, *The Elusive Republic*, 174.

developed, so as to benefit one group over another.¹

Hamilton's achievements are not to be disputed,² but his principles are. "The developments of the decade [1790s] had created a sense of urgency among many Americans who saw a desperate need to seize control of the federal government from men who appeared bent on overturning the principles of a republican revolution."³ Subsequent to Hamilton's intercession, Federalist ideology⁴ developed from an insidious betrayal of the American Revolution.

Since 1800, the federal regime of America has been embroiled in civil, imperial, overt and covert wars. These wars, and other economic exigencies, are rooted in Hamiltonian principles of expansion, domination, and a partnership between government and the commercial/industrial/military complex, controlling the economy and wealth of America while exploiting its riches consisting of natural and human resources.

The present-day concerns that the federal government is free to act directly upon the citizenry is also rooted in Hamiltonian principle with the precedent of taxation being foremost. The idea "that all lawful power derives from the people and must be held in check to preserve their freedom is the oldest and most central tenet of American Constitutionalism." It is doubtful the people in 1776 or the twenty-first-century would accept any absolutism of government but the usurpation of authority to control individuals is a concern and contrary, to the founder's faith, which is, in part, America's heritage.

The people, however, are in danger of losing the heritage of their

¹"The charge that the South and the countryside were in some objective sense exploited cannot be refuted." Forsythe, **Taxation and Political Change**, 137.

²"Hamilton dominated the American government from 1790 to 1795. His administrative genius set the tone of the new government. There was a responsible government when he finished." Rose, "Hamilton and the Historians," 877-878.

³McCoy, **The Elusive Republic**, 184.

⁴"The Federalist creation could be, and eventually was, easily adapted and expanded by others with quite different interests and aims at stake, indeed contributing to the destruction of the very social world they had sought to maintain." Wood, **The Creation of the American Republic**, 615.

founders, which is the foundation of republican society,¹ which in turn is the foundation of liberty, which in its turn, is the foundation of its heritage. The Revolutionary generation defended and put in place a constitution that did not give rights but was a recognition of those natural rights and the duty of any sovereign was to protect and defend the people; or there wouldn't be any sovereign.²

Where is the duty of the sovereign, especially when the sovereign is vested in the supreme law of the Land? The Supreme Court has the duty to render judgment on the constitutionality of all laws, and actions, that impact the people. The supreme judicial court should be an active force in shaping governmental policy, by virtue of its final word on constitutionality. "The inescapable boundaries of societal context and consciousness argue not that judges should restrain themselves further, but that they must raise distinctive voices of principle."³

The people complain of heavy and uncertain⁴ taxation, arbitrary judgment by authority, and oppressed social progress. The majority of wealth is still controlled by a wealthy minority. "Business and other corporate entities provide the apparatus to collect most personal income taxes through withholding, a device which has made tax rebellions almost impossible."⁵

Yet, these very same corporate identities are beneficiaries of corporate welfare, subsidy, and legal tax evasion. Where is the people's authority, where is their power? If power rests in authority, authority as Hamilton demonstrated, rests with revenue, the people's revenue. Yet, the people are

¹Laurence H. Tribe, **American Constitutional Law**, (Mineola, New York: The Foundation Press, inc., 1978), 1-2. Hereinafter cited as Tribe, **American Constitutional Law**.

²"But when a long train of abuses and usurpations, pursuing invariably the same object, evinces a design to reduce them under absolute despotism, it is their right, it is their duty, to throw off such government, and to provide new guards for their future security." **The Declaration of Independence**.

³Tribe, **American Constitutional Law**, iv.

⁴"Let the tax be light or heavy, uncertainty is always a great grievance." Smith, **The Wealth of Nations**, Book V, 382.

⁵Forsythe, **Taxation and Political Change**, 135.

powerless to hold onto money and have little time to enjoy it or even benefit from it. Is an American's authentic meaning to life, found in the marketplace?

Why do Americans work so much and more often than not, for so little? Why is time so less important than acquiring goods and services and then barely having the time to enjoy them? Americans, it seems, do not have the time to participate in politics and the rearing of children, like their European, colonial, and Continental ancestors.

Where is the people's power? Americans know where their authority is. It is in the federal Constitution, specifically the preamble. Yet, this is merely rhetoric bordering-semantics, unless the authority of Articles I-VII are empowered to serve the people through the principles in the preamble.

Wealth is power,¹ power is authority. This is why money talks, especially in politics. If the people truly had a voice, their representatives in government would not be announce agendas, they would be to declaring purpose. What is the purpose of government? What is the duty and obligation of government?

The people suffer the same oppressions as the Revolutionary generation except that social progress is found not in realizing human potential but in commercial progress. Progress is wanted in terms of a fair share or a piece of the pie. The people are fooled when they are appeased with technology and other conveniences, while threats of environmental disaster, world disorder, (of which America's federal regime's are a contributing member), and failing economies confront their domestic tranquility. It has gotten much more difficult for most people, especially in cities to even think of an American dream and too many children grow up never being children, especially in the cities.

In the early nineteenth century it was oppressive labor and in the early twenty first-century it is amorality and vice that divert people's attention from the interference of government. The federal government intrudes upon church, home, and school.

Instead of invigorating their liberties, the federal government suppresses their prayers, intrudes upon the authority and privacy of their parents, and offers education that only benefits the gross national product.

Funding for education is increasingly in favor of technology while the

¹"Wealth, as Mr. Hobbes says, is power. The power which that possession [wealth] conveys to him, is the power of purchasing a certain command over all the labour, or of all the produce of labor." Smith, **The Wealth of Nations**, Book I, 13.

liberal arts and university presses are being forced to comply with the marketplace of demand or to die out. The people are in danger of losing their heritage and the liberty of independent thought and action.

Minds are wasted before they have the opportunity to blossom, because there is no money for enlightenment, healthy Spartan bodies, or Athenian minds. It is becoming increasingly socially unacceptable to be a free thinker, in contradistinction to political correctness, status quo, and keeping up with the Jones'. Freethinking is certainly not socially rewarded but it was independence of thought and action that the Revolutionary generation admired. "Train a child in the way he should go and when he is old he will not turn from it."¹

This same idea was prevalent among the members of the Revolutionary generation who believed that "the writings, models, knowledge, and ideas which the classics furnished, the founders contended that they were indispensable training in virtue."² Virtue must be nurtured as much as it should be sought, as it was in Rome,³ before the corrupt times. Virtue is neither hereditary nor is it perpetual.⁴ It must be supported, encouraged, nurtured, and exemplified.

Where are the safeguards of liberty, which is certainly more than freedom? Is there a duty of the sovereign or merely the rights of the sovereign as espoused by Hamilton? The Revolutionary generation would certainly attest that liberty begins with enlightened minds through enlightened education. The U.S. Senate in particular, for example, was intended to embody a classical repository of learning and history.

Socrates, so admired by classical learners saw education as "the rightly educated prove what we mean by good, and that no aspect of education is

¹**The Holy Bible**, Proverbs, 22:6.

²Richard, **The Founders and the Classics**, 37. "When we are planning for posterity, we ought to remember, that virtue is not hereditary." Paine, **Common Sense**, Wendel, ed., 116. See "virtue, as I have already remarked, is not hereditary, neither is it perpetual." Ibid., 130.

³"Poverty was never allowed to stand in the way of achievement of any rank or honor, and that virtue and merit were sought for under whatever roof they dwelt." Machiavelli, **The Prince and the Discourses**, Max Lerner, ed., 486.

⁴Paine, **Common Sense**, Thomas Wendel, ed., 116, and 130.

to be disparaged; it is the highest blessing bestowed on mankind.”¹

Enlightened education can liberate as well as protect from the sounds and appearances of would be sovereigns appearing to serve the people.² The more the people “are instructed the less liable they are to the delusions of enthusiasm and superstition, which among ignorant nations, frequently occasion the most dreadful disorders. An instructed and intelligent people, besides, are always more decent and orderly than an ignorant and stupid one.”³ Education that diverts one’s attention from self-fulfillment is clearly a utilitarian value of a government, not of the near realized republic of the Revolutionary generation. Being a citizen mattered in the eighteenth-century. That is all that should matter – not gender, race, or orientation.

The issue that confronts early twenty-first-century America is the confusion that continues to separate the people from government. When economic interests are the primary or the only basis of representation, political authority will only empower economic interest. Therefore, political economy becomes the only duty of politicians who serve the sovereign (the supreme law of the land), but do not represent the people.

The idea of interests⁴ being the basis of representation, reduces the universal to the particular. Making the nature or form of representation, based in economy, it modifies the representatives’ duty and makes principle subservient to nature or form. The federal government still follows the principles and precepts of Hamilton’s narrow vision: power through authority, self-aggrandizement, and reducing the federal Constitution from a doctrine of social progress to a utilitarian and economic document. In other words, taxes support civil government, which in turn supports commerce and not society.

Most Americans believe, inherently, that government should govern,

¹Hamilton, ed., **The Dialogues of Plato**, in *Laws*, 643e-644b, 1243-1244.

²“I have never known much good done by those who affected to trade for the public good.” Smith, **The Wealth of Nations**, Book IV, 194. See also “public services are never better performed than when their reward comes only in consequence of their being performed and is proportioned to the diligence employed in performing them.” *Ibid*, Book V, 313.

³*Ibid.*, Book V, 343.

⁴See the movement from virtue to interest in Wood, **The Creation of the American Republic**, *End of Classical Politics*, 111-112.

and not intrude upon or interfere with life, liberty, and the pursuit of happiness. Moreover, it would be the duty of the sovereign to protect life, liberty, or the people's pursuit of happiness. It is from this principle that Americans should find the attorney general as a legal arm defending the people against unfair laws and enforcing constitutionality of those laws. The people still believe that the desire to do good for the public good is the first principle of America's "unique inheritance of liberty."¹

Proof of this is by virtue of the fact that every July fourth, in every corner of the Union, at every church picnic and civic celebration, the Declaration of Independence is read, remembered, and kept alive. School-age children learn of their republic through, "I pledge allegiance to the flag, of the United States of America, and to the republic for which it stands, one nation under God." This appeal to the innate goodness of a child is because people believe children believe in goodness; because it is good-unless the world shows them something else. The government is the last thing on earth, American children should ever doubt, but they sense the heavy hearts, discontents, contradictions, and confusion, of the adult world they grow into.

The people however, grow increasingly dismayed with justice only for criminals, corporate welfare, covert and overt wars, poverty — of mind, of body, and soul — ignorance, arbitrary judgment, revenue raising schemes at every turn — from local, to county, to state and federal fines and fees.² Americans still believe that they live in a representative democracy but most American's do not understand, why such beautiful language and intent — as expressed in the Declaration of Independence — and the federal Constitution's preamble, is not apparent in the language and intent of their representatives.

When the federal government has nowhere else to expand and dominate, they turn inward upon their own constituents. Otherwise, they look to the international community for common enemies. At home the

¹"The colonists' attitude to the whole world of politics and government was fundamentally shaped by the root assumption that they, as Britishers, shared in a unique inheritance of liberty." Bailyn, **The Ideological Origins of the American Revolution**, 66.

²Although Adam Smith is speaking of stamp-duties as a modern [1776] invention learned by Great Britain, it conveys a definite principle: "There is no art which one government sooner learns of another than that of draining money from the pockets of the people." Smith, **The Wealth of Nations**, Book V, 379.

federal government continues to empower, and support the commercial, industrial, and military complex. War is a good way to stimulate the economy; when that economy is based solely on the health of the Dow industrial average.

The President, having sovereign authority outside the borders of America,¹ has the duty and obligation to export republican virtue, — the desire to do good. How is America represented in the world? Is America admired for serving the “republic humanity” of President Washington? Is the marketplace that America brings to the rest of the world regulated to serve the public good abroad, as it does at home? Is the marketplace that America exports, tempered by the virtues of justice? When American money is invested in foreign countries, can that money employ slave labor, or pollute the environment in a way it could not do at home?

At home, restaurants, and bookstores and every other small business, are left as statistics of failure or success. No amount of rhetoric or partisan persuasion can alleviate the apprehension that government is not conducive to social progress or to the liberation of the wealth of the nation. If government and business continue to mesh, the people will continue to become, a “nation of customers, influenced by shopkeepers.”² History has shown that a corporate marketplace, in partnership with any form of government is not a blessing to the people. Commerce aided by technology, just may ultimately govern the American republic. Commerce is certainly not without influence on policy, politicians, or an electorate influenced by the media that is, in turn, supported by the marketplace.

Hamilton’s commercial empire is now in every corner of the globe; with every other old and new empire. World order requires a cooperation not a prolific melting pot of marketplace nationalism. The marketplace should be for the peoples benefit; the people should not be for the benefit

¹“In an era that could quite sharply distinguish action abroad from action at home, the unique posture of the President with regard to foreign affairs was proclaimed by the then representative John Marshall: [Chief Justice, 1801-1835], ‘The President is the sole organ of the nation in its external relations, and its sole representative with foreign nations.’ Tribe, **American Constitutional Law**, 163. See also 164, fn., 4, “Clearly, what Marshall had foremost in mind was simply the President’s role as instrument of communication with other governments.”

²“I am a philanthropist by character,” wrote Washington to the Marquis de Lafayette, “and a citizen of the great republic humanity at large.” Washington to Lafayette, August 15th, 1786, Padover, ed., **The Washington Papers**, 120.

of the marketplace or indeed, America will have bred a nation of customers.

Wealth and freedom must expand now to follow the empire's expansion or fall in on itself, consumed and bursting into a proverbial supernova. Many empires fall because of growing dependency on other nations or dependency on commercial money.

In the ever increasing complexity of America, it is luxuries that divert and impact American natural progress. People are not genetically predisposed for a crowded, polluted, controlled, and sedated world. Americans are in danger of participating in their own oppression from fear of want and fear of authority while luxuries and technology soothe their doubts. Much as television in the 1950s soothed Americans fears' of an imminently dangerous world.

What is the purpose of government? The people know there is something wrong because what they believe is not what they see in practice by government in general, at home or abroad. Virtue is still the first principle, for many a citizen live to desiring to do good for the public good, civic good, and the good of their neighbor. Many a citizen also believes in the desire to do good, but ironically competition not cooperation, is the fundamental guarantee of survival and prosperity in a marketplace economy. Government needs to be "invigorated" so as to reclaim, its "original powers" as much as its original principle, republican virtue.

Republican virtue is to be realized through freedom. Wealth, health, and technology must be freed from the clogged channels of waste, greed, and exploitive profit. Education, and the dissemination of knowledge, about how and why America came to realize its republican revolution without realizing its republic, should be requisite learning for the youngest of children. It is not indoctrination to provide education and other healthy environments, that support free thinking children to develop "independence of thought and action," modified by education, example, and social reward.

The children must be cared for; their innate faith in goodness, must be validated; they must be given the opportunity to understand their world, how it came to be, and of whom they are the posterity. They must be loved by all. Above all, they require time. The children require attention, face to face attention. How can this happen though, if parents and guardians only have time and energy for work? This would be the way to honor the mothers and fathers, who suffered or died in battle. It is only by nurturing truth, beauty, and enlightenment that the Revolutionary generation can be honored because truth, beauty, and enlightenment, was their contribution, if not their constitution.

It would not be indoctrination to present to free thinking children the

virtues of other republics and their citizens, the history of their ancestors, or the ideas of duty, virtue, or citizenship. The republican perceptions of citizenship throughout history set good examples for nations who carry a republic's standard. Where the Revolutionary generation prided itself on education, active citizenship, worship, and political participation, today's citizens have not the time.

The people have not the time to nurture their own children because they are losing their liberties and freedoms to something worse than mercantile practices. They participate in their own oppression, torn between the fear of want, or the want of gain, and the fear of authority. Subject to nearly unrestrained commercial influence, authority, and an almost contempt for the greater good, the people are growing dependant upon the marketplace for an authentic meaning to life. The marketplace does not, however, provide-time. Only the government is able, through the power of its granted authority to free up the engines of prosperity.

The people constantly struggle while the wealth of nations abound, but there is no realizing it because government has forgotten about human potential and social progress. Even they who have much, struggle to hold onto what they have acquired.

People struggle with the loss of faith, and with the idea that the origins of government are good, and should be for the betterment of all. Both government and the people, who are really one, ought to remember the reason that governments are instituted. The people need to remember their Revolution beyond the ceremonial reading of the Declaration of Independence. They need to remember those soldiers, widow[er]s, and orphans, who from battle to battle, fought a war against tyranny.

To remember is to teach; to teach is to learn; to learn is to realize. This of course cannot happen without education, — a certain kind and quality of education, — the first and foremost duty of the sovereign, the most respected virtue of the Revolutionary generation, and central to the tradition of liberty.

It would also behoove Americans to remember that amidst the field of blue that contain fifty brilliant stars in the federal flag, there is a circle of thirteen stars, inseparable from its stripes. These thirteen stars and stripes, representing thirteen colonies, were proclaimed by The Continental Congress, to represent a new constellation. The republican virtue that created this new constellation, was not rejected in the federal Constitution, but remains intact within the preamble:

We the people, in order to form a more perfect Union, [as opposed to the Confederation which was unable to regulate commerce and raise

sufficient revenue], to establish Justice, [social, political, and economic], insure domestic Tranquillity, [far beyond the quelling of domestic insurrection], provide for the common defence, [as in the social contract when a sovereign protects from outside enemies, as well as, amongst the people themselves, or protect the people against the arbitrary authority of local magistrates], promote the General Welfare, [far beyond the securing of a prosperous marketplace], and to secure the Blessings of Liberty, [that which would result if there were a duty and not only a right of the sovereign], to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

Historians agree that no matter what the founders produced in the hallowed halls of the constitutional convention, that consensus had to meet the approval of the electorate.¹ The people did not approve of the nature and form of Articles I-VII, no more than today do the people grasp the immense complexity of that nature or form.²

What the people approved of was the understanding of the human passions that set it into motion; the desire to do good for the public good: republican virtue. It is this simple faith that was the cause and motivation of the Revolutionary generation. Every generation since 1776, have also believed that the duty and obligation of government is based in virtue.

However, who is to say what the public good is or what good is in general, has caused many a republican society to struggle with the duty and obligation of government. Virtue can only be understood, when embraced

¹Madison “thought this provision essential...For these reasons as well as others he thought it indispensable that the new Constitution should be ratified in the most unexceptional form, and by the supreme authority of the people themselves. Madison, **Notes of the Debates in the Federal Convention**, 70. See also “The Convention Delegates recognized that they had to write a constitution which would meet with the approval of the electorate.” Brown, **Charles Beard and the Constitution**, 40, and 113. See Bourgin, **The Great Challenge**, 32.

²“The American Constitution is the final and climatic expression of the ideology of the American Revolution. As such, in the two centuries of its existence, it has become the subject of more elaborate and detailed scrutiny and commentary than has been given to any document except the Bible.” Bailyn, **The Ideological Origins of the American Revolution**, 321.

as a basic truth.¹ Virtue, the desire to do good is a basic truth on which all other truths rest. Social progress, and ethical behavior were of paramount importance and clearly the expectations of the Revolutionary generation. In President Washington's Farewell Address he made it clear, for all and future presidents: "Observe good faith and justice towards all nations. Cultivate peace and harmony with all.-Religion and Morality enjoin this conduct; and can it be that good policy does not equally enjoin it?"² What have American Presidents accomplished in the latter half of the twentieth-century? What will the first half of the twenty first-century realize? What brand of virtue is America exporting? What brand of virtue do these regimes represent? Besides morality in government, Washington had a clear expectation or desire for the future of foreign policy: "The great role of conduct for us, in regard to foreign Nations, is, in extending our commercial relations, to have with them as little Political connection as possible,-So far as we have already formed engagements, let them be fulfilled with perfect good faith,-Here let us stop."³

In America's representative republic it is for representatives to exemplify virtue, especially at home. In America, there is more to republican virtue, than the public affairs, the *res publica* of the Roman republic and the Roman quality of virtue. America ought to be more than a reflection of Rome's and Hamilton's brand of virtue: the expansion and domination of trade, backed by an elite military.

This Hamiltonian idea of republican government,⁴ has served many a federal regime, seeking imperial domination and the expansion of trade. It is clearly not the virtue of the Revolutionary generation. Only in military republics, such as Rome, would you find leaders who conquer or invade, on the premise of idle threat or to expand their marketplace.

¹Socrates to Meno: "Try to tell me the general nature of virtue. Stop making many out of the one, as the humorists say when somebody breaks a plate." Edith Hamilton, ed., **The Collected Dialogues of Plato**, in Meno, 73d-73e, 356.

²President Washington's *Farewell Address*, September 17th, 1796, in Meyers, eds., et al., **Sources of the American Republic**, Vol. 1, doc. # 64, 202.

³*Ibid.*, 207.

⁴"There seems to be a continuing effort to preserve and use Hamilton as a symbol. The result has not been history." Rose, "Alexander Hamilton and the Historians," 854.

Government cannot safeguard liberty by empowering private industry, local, county, or state authority to encroach upon rights of privacy, health or happiness. It is for government, even more than the people, to cling to the one unalterable principle; virtue. The government has a moral duty, to serve the people. If that is a given society will progress toward peace and harmony. Then will America realize the republic of the Revolutionary generation. A republic motivated by virtue, desiring to do good for (all of the) public good For it is the hybrid republic, that the founders envisioned.

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