Next topics:

1. Federalists and Antifederalists
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1. Federalist and Antifederalist debates

A. Letter #1 of the Federal Farmer to the Republican

October 8th, 1787.

Dear Sir,

My letters to you last winter, on the subject of a well balanced national government for the United States, were the result of free enquiry; when I passed from that subject to enquiries relative to our commerce, revenues, past administration, etc. I anticipated the anxieties I feel, on carefully examining the plan of government proposed by the convention. It appears to be a plan retaining some federal features; but to be the first important step, and to aim strongly to one consolidated government of the United States. It leaves the powers of government, and the representation of the people, so unnaturally divided between the general and state governments, that the operations of our system must be very uncertain. My uniform federal attachments, and the interest I have in the protection of property, and a steady execution of the laws, will convince you, that, if I am under any bias at all, it is in favor of any general system which shall promise those advantages. The instability of our laws increases my wishes for firm and steady government; but then, I can consent to no government, which, in my opinion, is not calculated equally to preserve the rights of all orders of men in the community. My object has been to join with those who have endeavoured to supply the defects in the forms of our governments by a steady and proper administration of them. Though I have long apprehended that fraudulent debtors, and embarrassed men, on the one hand, and men, on the other, unfriendly to republican equality, would produce an uneasiness among the people, and prepare the way, not for cool and deliberate reforms in the governments, but for changes calculated to promote the interests of particular orders of men. Acquit me, sir, of any agency in the formation of the new system; I shall be satisfied with seeing, if it shall be adopted, a prudent administration. Indeed I am so much convinced of the truth of Pope's maxim, that "That which is best administered is best," that I am much inclined to subscribe to it from experience. I am not disposed to unreasonably contend about forms. I know our situation is critical, and it behoves us to make the best of it. A federal government of some sort is necessary. We have suffered the present to languish; and whether the confederation was capable or not originally of answering any valuable purposes, it is now but of little importance. I will pass by the men, and states, who have been particularly instrumental in preparing the way for a change, and, perhaps, for governments not very favourable to the people at large. A constitution is now presented which we may reject, or which
we may accept, with or without amendments; and to which point we ought to direct our exertions, is the question. To determine this question, with propriety, we must attentively examine the system itself, and the probable consequences of either step. This I shall endeavour to do, so far as I am able, with candor and fairness; and leave you to decide upon the propriety of my opinions, the weight of my reasons, and how far my conclusions are well drawn. Whatever may be the conduct of others, on the present occasion, I do not mean, hastily and positively to decide on the merits of the constitution proposed. I shall be open to conviction, and always disposed to adopt that which, all things considered, shall appear to me to be most for the happiness of the community. It must be granted, that if men hastily and blindly adopt a system of government, they will as hastily and as blindly be led to alter or abolish it; and changes must ensue, one after another, till the peaceable and better part of the community will grow weary with changes, tumults and disorders, and be disposed to accept any government, however despotic, that shall promise stability and firmness.

The first principal question that occurs, is. Whether, considering our situation, we ought to precipitate the adoption of the proposed constitution? If we remain cool and temperate, we are in no immediate danger of any commotions; we are in a state of perfect peace, and in no danger of invasions; the state governments are in the full exercise of their powers; and our governments answer all present exigencies, except the regulation of trade, securing credit, in some cases, and providing for the interest, in some instances, of the public debts; and whether we adopt a change, three or nine months hence, can make but little odds with the private circumstances of individuals; their happiness and prosperity, after all, depend principally upon their own exertions. We are hardly recovered from a long and distressing war: The farmers, fishmen, &c. have not yet fully repaired the waste made by it. Industry and frugality are again assuming their proper station. Private debts are lessened, and public debts incurred by the war have been, by various ways, diminished; and the public lands have now become a productive source for diminishing them much more. I know uneasy men, who wish very much to precipitate, do not admit all these facts; but they are facts well known to all men who are thoroughly informed in the affairs of this country. It must, however, be admitted, that our federal system is defective, and that some of the state governments are not well administered; but, then, we impute to the defects in our governments many evils and embarrassments which are most clearly the result of the late war. We must allow men to conduct on the present occasion, as on all similar ones. They will urge a thousand pretences to answer their purposes on both sides. When we want a man to change his condition, we describe it as miserable, wretched, and despised; and draw a pleasing picture of that which we would have him assume. And when we wish the contrary, we reverse our descriptions. Whenever a clamor is raised, and idle men get to work, it is highly necessary to examine facts carefully, and without unreasonably suspecting men of falshood, to examine, and enquire attentively, under what impressions they act. It is too often the case in political concerns, that men state facts not as they are, but as they wish them to be; and almost every man, by calling to mind past scenes, will find this to be true.

Nothing but the passions of ambitious, impatient, or disorderly men, I conceive, will plunge us into commotions, if time should be taken fully to examine and consider the system proposed. Men who feel easy in their circumstances, and such as are not sanguine in their expectations relative to the consequences of the proposed change, will remain quiet under the existing governments. Many commercial and monied men, who are uneasy, not without just cause, ought
to be respected; and, by no means, unreasonably disappointed in their expectations and hopes; but as to those who expect employments under the new constitution; as to those weak and ardent men who always expect to be gainers by revolutions, and whose lot it generally is to get out of one difficulty into another, they are very little to be regarded: and as to those who designedly avail themselves of this weakness and ardor, they are to be despised. It is natural for men, who wish to hasten the adoption of a measure, to tell us, now is the crisis — now is the critical moment which must be seized, or all will be lost: and to shut the door against free enquiry, whenever conscious the thing presented has defects in it, which time and investigation will probably discover. This has been the custom of tyrants and their dependants in all ages. If it is true, what has been so often said, that the people of this country cannot change their condition for the worse, I presume it still behoves them to endeavour deliberately to change it for the better. The fickle and ardent, in any community, are the proper tools for establishing despotic government. But it is deliberate and thinking men, who must establish and secure governments on free principles. Before they decide on the plan proposed, they will enquire whether it will probably be a blessing or a curse to this people.

The present moment discovers a new face in our affairs. Our object has been all along, to reform our federal system, and to strengthen our governments — to establish peace, order and justice in the community — but a new object now presents. The plan of government now proposed is evidently calculated totally to change, in time, our condition as a people. Instead of being thirteen republics, under a federal head, it is clearly designed to make us one consolidated government. Of this, I think, I shall fully convince you, in my following letters on this subject. This consolidation of the states has been the object of several men in this country for some time past. Whether such a change can ever be effected in any manner; whether it can be effected without convulsions and civil wars; whether such a change will not totally destroy the liberties of this country — time only can determine.

To have a just idea of the government before us, and to shew that a consolidated one is the object in view, it is necessary not only to examine the plan, but also its history, and the politics of its particular friends.

The confederation was formed when great confidence was placed in the voluntary exertions of individuals, and of the respective states; and the framers of it, to guard against usurpation, so limited and checked the powers, that, in many respects, they are inadequate to the exigencies of the union. We find, therefore, members of congress urging alterations in the federal system almost as soon as it was adopted. It was early proposed to vest congress with powers to levy an impost, to regulate trade, etc. but such was known to be the caution of the states in parting with power, that the vestment, even of these, was proposed to be under several checks and limitations. During the war, the general confusion, and the introduction of paper money, infused in the minds of people vague ideas respecting government and credit. We expected too much from the return of peace, and of course we have been disappointed. Our governments have been new and unsettled; and several legislatures, by making tender, suspension, and paper money laws, have given just cause of uneasiness to creditors. By these and other causes, several orders of men in the community have been prepared, by degrees, for a change of government; and this very abuse of power in the legislatures, which, in some cases, has been charged upon the democratic part of the community, has furnished aristocratical men with those very weapons, and those very means,
with which, in great measure, they are rapidly effecting their favourite object. And should an oppressive government be the consequence of the proposed change, posterity may reproach not only a few overbearing unprincipled men, but those parties in the states which have misused their powers.

The conduct of several legislatures, touching paper money, and tender laws, has prepared many honest men for changes in government, which otherwise they would not have thought of — when by the evils, on the one hand, and by the secret instigations of artful men, on the other, the minds of men were become sufficiently uneasy, a bold step was taken, which is usually followed by a revolution, or a civil war. A general convention for mere commercial purposes was moved for — the authors of this measure saw that the people’s attention was turned solely to the amendment of the federal system; and that, had the idea of a total change been started, probably no state would have appointed members to the convention. The idea of destroying, ultimately, the state government, and forming one consolidated system, could not have been admitted — a convention, therefore, merely for vesting in congress power to regulate trade was proposed. This was pleasing to the commercial towns; and the landed people had little or no concern about it. September, 1786, a few men from the middle states met at Annapolis, and hastily proposed a convention to be held in May, 1787, for the purpose, generally, of amending the confederation — this was done before the delegates of Massachusetts, and of the other states arrived — still not a word was said about destroying the old constitution, and making a new one — The states still unsuspecting, and not aware that they were passing the Rubicon, appointed members to the new convention, for the sole and express purpose of revising and amending the confederation — and, probably, not one man in ten thousand in the United States, till within these ten or twelve days, had an idea that the old ship was to be destroyed, and he put to the alternative of embarking in the new ship presented, or of being left in danger of sinking — The States. I believe, universally supposed the convention would report alterations in the confederation, which would pass an examination in congress, and after being agreed to there, would be confirmed by all the legislatures, or be rejected. Virginia made a very respectable appointment, and placed at the head of it the first man in America: In this appointment there was a mixture of political characters; but Pennsylvania appointed principally those men who are esteemed aristocratical. Here the favourite moment for changing the government was evidently discerned by a few men, who seized it with address. Ten other states appointed, and tho’ they chose men principally connected with commerce and the judicial department yet they appointed many good republican characters — had they all attended we should now see, I am persuaded a better system presented. The non-attendance of eight or nine men, who were appointed members of the convention, I shall ever consider as a very unfortunate event to the United States. — Had they attended, I am pretty clear, that the result of the convention would not have had that strong tendency to aristocracy now discernable in every part of the plan. There would not have been so great an accumulation of powers, especially as to the internal police of the country, in a few hands, as the constitution reported proposes to vest in them — the young visionary men, and the consolidating aristocracy, would have been more restrained than they have been. Eleven states met in the convention, and after four months close attention presented the new constitution, to be adopted or rejected by the people. The uneasy and fickle part of the community may be prepared to receive any form of government; but, I presume, the enlightened and substantial part will give any constitution presented for their adoption, a candid and thorough examination; and silence those designing or empty men, who weakly and rashly attempt to precipitate the adoption of a system of so much
importance — We shall view the convention with proper respect — and, at the same time, that we reflect there were men of abilities and integrity in it, we must recollect how disproportionately the democratic and aristocratic parts of the community were represented — Perhaps the judicious friends and opposers of the new constitution will agree, that it is best to let it rest solely on its own merits, or be condemned for its own defects.

In the first place, I shall premise, that the plan proposed is a plan of accommodation — and that it is in this way only, and by giving up a part of our opinions, that we can ever expect to obtain a government founded in freedom and compact. This circumstance candid men will always keep in view, in the discussion of this subject.

The plan proposed appears to be partly federal, but principally however, calculated ultimately to make the states one consolidated government.

The first interesting question, therefore suggested, is, how far the states can be consolidated into one entire government on free principles. In considering this question extensive objects are to be taken into view, and important changes in the forms of government to be carefully attended to in all their consequences. The happiness of the people at large must be the great object with every honest statesman, and he will direct every movement to this point. If we are so situated as a people, as not to be able to enjoy equal happiness and advantages under one government, the consolidation of the states cannot be admitted.

There are three different forms of free government under which the United States may exist as one nation; and now is, perhaps, the time to determine to which we will direct our views. 1. Distinct republics connected under a federal head. In this case the respective state governments must be the principal guardians of the peoples rights, and exclusively regulate their internal police; in them must rest the balance of government. The congress of the states, or federal head, must consist of delegates amenable to, and removeable by the respective states: This congress must have general directing powers; powers to require men and monies of the states; to make treaties, peace and war; to direct the operations of armies, etc. Under this federal modification of government, the powers of congress would be rather advisory or recommendatory than coercive. 2. We may do away the several state governments, and form or consolidate all the states into one entire government, with one executive, one judiciary, and one legislature, consisting of senators and representatives collected from all parts of the union: In this case there would be a compleat consolidation of the states. 3. We may consolidate the states as to certain national objects, and leave them severally distinct independent republics, as to internal police generally. Let the general government consist of an executive, a judiciary, and balanced legislature, and its powers extend exclusively to all foreign concerns, causes arising on the seas to commerce, imports, armies, navies, Indian affairs, peace and war, and to a few internal concerns of the community; to the coin, post-offices, weights and measures, a general plan for the militia, to naturalization, and, perhaps to bankruptcies, leaving the internal police of the community, in other respects, exclusively to the state governments; as the administration of justice in all causes arising internally, the laying and collecting of internal taxes, and the forming of the militia according to a general plan prescribed. In this case there would be a compleat consolidation, quoad certain objects only.
Touching the first, or federal plan, I do not think much can be said in its favor: The sovereignty of the nation, without coercive and efficient powers to collect the strength of it, cannot always be depended on to answer the purposes of government; and in a congress of representatives of sovereign states, there must necessarily be an unreasonable mixture of powers in the same hands.

As to the second, or compleat consolidating plan, it deserves to be carefully considered at this time, by every American: If it be impracticable, it is a fatal error to model our governments, directing our views ultimately to it.

The third plan, or partial consolidation, is, in my opinion, the only one that can secure the freedom and happiness of this people. I once had some general ideas that the second plan was practicable, but from long attention, and the proceedings of the convention, I am fully satisfied, that this third plan is the only one we can with safety and propriety proceed upon. Making this the standard to point out, with candor and fairness, the parts of the new constitution which appear to be improper, is my object. The convention appears to have proposed the partial consolidation evidently with a view to collect all powers ultimately, in the United States into one entire government; and from its views in this respect, and from the tenacity of the small states to have an equal vote in the senate, probably originated the greatest defects in the proposed plan.

Independant of the opinions of many great authors, that a free elective government cannot be extended over large territories, a few reflections must evince, that one government and general legislation alone, never can extend equal benefits to all parts of the United States: Different laws, customs, and opinions exist in the different states, which by a uniform system of laws would be unreasonably invaded. The United States contain about a million of square miles, and in half a century will, probably, contain ten millions of people; and from the center to the extremes is about 800 miles.

Before we do away the state governments, or adopt measures that will tend to abolish them, and to consolidate the states into one entire government, several principles should be considered and facts ascertained: — These, and my examination into the essential parts of the proposed plan, I shall pursue in my next.

Your's &c.
The Federal Farmer

B: From The Federalist Papers

No. 1 -- Hamilton

To the People of the State of New York:

AFTER an unequivocal experience of the inefficiency of the subsisting federal government, you are called upon to deliberate on a new Constitution for the United States of America. The subject speaks its own importance; comprehending in its consequences nothing less than the existence of the UNION, the safety and welfare of the parts of which it is composed, the fate of an empire in many respects the most
interesting in the world. It has been frequently remarked that it seems to have been reserved to the people of this country, by their conduct and example, to decide the important question, whether societies of men are really capable or not of establishing good government from reflection and choice, or whether they are forever destined to depend for their political constitutions on accident and force. If there be any truth in the remark, the crisis at which we are arrived may with propriety be regarded as the era in which that decision is to be made; and a wrong election of the part we shall act may, in this view, deserve to be considered as the general misfortune of mankind. This idea will add the inducements of philanthropy to those of patriotism, to heighten the solicitude which all considerate and good men must feel for the event. Happy will it be if our choice should be directed by a judicious estimate of our true interests, unperplexed and unbiased by considerations not connected with the public good. But this is a thing more ardently to be wished than seriously to be expected. The plan offered to our deliberations affects too many particular interests, innovates upon too many local institutions, not to involve in its discussion a variety of objects foreign to its merits, and of views, passions and prejudices little favorable to the discovery of truth.

Among the most formidable of the obstacles which the new Constitution will have to encounter may readily be distinguished the obvious interest of a certain class of men in every State to resist all changes which may hazard a diminution of the power, emolument, and consequence of the offices they hold under the State establishments; and the perverted ambition of another class of men, who will either hope to aggrandize themselves by the confusions of their country, or will flatter themselves with fairer prospects of elevation from the subdivision of the empire into several partial confederacies than from its union under one government.

It is not, however, my design to dwell upon observations of this nature. I am well aware that it would be disingenuous to resolve indiscriminately the opposition of any set of men (merely because their situations might subject them to suspicion) into interested or ambitious views. Candor will oblige us to admit that even such men may be actuated by upright intentions; and it cannot be doubted that much of the opposition which has made its appearance, or may hereafter make its appearance, will spring from sources, blameless at least, if not respectable—the honest errors of minds led astray by preconceived jealousies and fears. So numerous indeed and so powerful are the causes which serve to give a false bias to the judgment, that we, upon many occasions, see wise and good men on the wrong as well as on the right side of questions of the first magnitude to society. This circumstance, if duly attended to, would furnish a lesson of moderation to those who are ever so much persuaded of their being in the right in any controversy. And a further reason for caution, in this respect, might be drawn from the reflection that we are not always sure that those who advocate the truth are influenced by purer principles than their antagonists. Ambition, avarice, personal animosity, party opposition, and many other motives not more laudable than these, are apt to operate as well upon those who support as those who oppose the right side of a question. Were there not even these inducements to moderation, nothing could be more ill-judged than that intolerant spirit which has, at all times, characterized political parties. For in politics, as in religion, it is equally absurd to aim at making proselytes by fire and sword. Heresies in either can rarely be cured by persecution.

And yet, however just these sentiments will be allowed to be, we have already sufficient indications that it will happen in this as in all former cases of great national discussion. A torrent of angry and malignant passions will be let loose. To judge from the conduct of the opposite parties, we shall be led to conclude that they will mutually hope to evince the justness of their opinions, and to increase the number of their converts by the loudness of their declamations and the bitterness of their invectives. An enlightened zeal for the energy and efficiency of government will be stigmatized as the offspring of a temper fond of despotic power and hostile to the principles of liberty. An over-scrupulous jealousy of danger to the rights of the people, which is more commonly the fault of the head than of the heart, will be represented as mere pretense and artifice, the stale bait for popularity at the expense of the public good. It will be forgotten, on
the one hand, that jealousy is the usual concomitant of love, and that the noble enthusiasm of liberty is apt to be infected with a spirit of narrow and illiberal distrust. On the other hand, it will be equally forgotten that the vigor of government is essential to the security of liberty; that, in the contemplation of a sound and well-informed judgment, their interest can never be separated; and that a dangerous ambition more often lurks behind the specious mask of zeal for the rights of the people than under the forbidden appearance of zeal for the firmness and efficiency of government. History will teach us that the former has been found a much more certain road to the introduction of despotism than the latter, and that of those men who have overturned the liberties of republics, the greatest number have begun their career by paying an obsequious court to the people; commencing demagogues, and ending tyrants.

In the course of the preceding observations, I have had an eye, my fellow-citizens, to putting you upon your guard against all attempts, from whatever quarter, to influence your decision in a matter of the utmost moment to your welfare, by any impressions other than those which may result from the evidence of truth. You will, no doubt, at the same time, have collected from the general scope of them, that they proceed from a source not unfriendly to the new Constitution. Yes, my countrymen, I own to you that, after having given it an attentive consideration, I am clearly of opinion it is your interest to adopt it. I am convinced that this is the safest course for your liberty, your dignity, and your happiness. I affect not reserves which I do not feel. I will not amuse you with an appearance of deliberation when I have decided. I frankly acknowledge to you my convictions, and I will freely lay before you the reasons on which they are founded. The consciousness of good intentions disdains ambiguity. I shall not, however, multiply professions on this head. My motives must remain in the depository of my own breast. My arguments will be open to all, and may be judged of by all. They shall at least be offered in a spirit which will not disgrace the cause of truth.

I propose, in a series of papers, to discuss the following interesting particulars:

THE UTILITY OF THE UNION TO YOUR POLITICAL PROSPERITY THE INSUFFICIENCY OF THE PRESENT CONFEDERATION TO PRESERVE THAT UNION THE NECESSITY OF A GOVERNMENT AT LEAST EQUALLY ENERGETIC WITH THE ONE PROPOSED, TO THE ATTAINMENT OF THIS OBJECT THE CONFORMITY OF THE PROPOSED CONSTITUTION TO THE TRUE PRINCIPLES OF REPUBLICAN GOVERNMENT ITS ANALOGY TO YOUR OWN STATE CONSTITUTION and lastly, THE ADDITIONAL SECURITY WHICH ITS ADOPTION WILL AFFORD TO THE PRESERVATION OF THAT SPECIES OF GOVERNMENT, TO LIBERTY, AND TO PROPERTY.

In the progress of this discussion I shall endeavor to give a satisfactory answer to all the objections which shall have made their appearance, that may seem to have any claim to your attention.

It may perhaps be thought superfluous to offer arguments to prove the utility of the UNION, a point, no doubt, deeply engraved on the hearts of the great body of the people in every State, and one, which it may be imagined, has no adversaries. But the fact is, that we already hear it whispered in the private circles of those who oppose the new Constitution, that the thirteen States are of too great extent for any general system, and that we must of necessity resort to separate confederacies of distinct portions of the whole.1 This doctrine will, in all probability, be gradually propagated, till it has votaries enough to countenance an open avowal of it. For nothing can be more evident, to those who are able to take an enlarged view of the subject, than the alternative of an adoption of the new Constitution or a dismemberment of the Union. It will therefore be of use to begin by examining the advantages of that Union, the certain evils, and the probable dangers, to which every State will be exposed from its dissolution. This shall accordingly constitute the subject of my next address.
PUBLIUS. (Hamilton)

No. 10 -- Madison

To the People of the State of New York:

AMONG the numerous advantages promised by a well-constructed Union, none deserves to be more accurately developed than its tendency to break and control the violence of faction. The friend of popular governments never finds himself so much alarmed for their character and fate, as when he contemplates their propensity to this dangerous vice. He will not fail, therefore, to set a due value on any plan which, without violating the principles to which he is attached, provides a proper cure for it. The instability, injustice, and confusion introduced into the public councils, have, in truth, been the mortal diseases under which popular governments have everywhere perished; as they continue to be the favorite and fruitful topics from which the adversaries to liberty derive their most specious declamations. The valuable improvements made by the American constitutions on the popular models, both ancient and modern, cannot certainly be too much admired; but it would be an unwarrantable partiality, to contend that they have as effectually obviated the danger on this side, as was wished and expected. Complaints are everywhere heard from our most considerate and virtuous citizens, equally the friends of public and private faith, and of public and personal liberty, 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. However anxiously we may wish that these complaints had no foundation, the evidence, of known facts will not permit us to deny that they are in some degree true. It will be found, indeed, on a candid review of our situation, that some of the distresses under which we labor have been erroneously charged on the operation of our governments; but it will be found, at the same time, that other causes will not alone account for many of our heaviest misfortunes; and, particularly, for that prevailing and increasing distrust of public engagements, and alarm for private rights, which are echoed from one end of the continent to the other. These must be chiefly, if not wholly, effects of the unsteadiness and injustice with which a factious spirit has tainted our public administrations.

By a faction, I understand a number of citizens, whether amounting to a majority or a minority of the whole, who are united and actuated by some common impulse of passion, or of interest, adhered to the rights of other citizens, or to the permanent and aggregate interests of the community.

There are two methods of curing the mischiefs of faction: the one, by removing its causes; the other, by controlling its effects.

There are again two methods of removing the causes of faction: the one, by destroying the liberty which is essential to its existence; the other, by giving to every citizen the same opinions, the same passions, and the same interests.

It could never be more truly said than of the first remedy, that it was worse than the disease. Liberty is to faction what air is to fire, an aliment without which it instantly expires. But it could not be less folly to abolish liberty, which is essential to political life, because it nourishes faction, than it would be to wish the annihilation of air, which is essential to animal life, because it imparts to fire its destructive agency.

The second expedient is as impracticable as the first would be unwise. As long as the reason of man continues fallible, and he is at liberty to exercise it, different opinions will be formed. As long as the
connection subsists between his reason and his self-love, his opinions and his passions will have a reciprocal influence on each other; and the former will be objects to which the latter will attach themselves. The diversity in the faculties of men, from which the rights of property originate, is not less an insuperable obstacle to a uniformity of interests. The protection of these faculties is the first object of government. From the protection of different and unequal faculties of acquiring property, the possession of different degrees and kinds of property immediately results; and from the influence of these on the sentiments and views of the respective proprietors, ensues a division of the society into different interests and parties.

The latent causes of faction are thus sown in the nature of man; and we see them everywhere brought into different degrees of activity, according to the different circumstances of civil society. A zeal for different opinions concerning religion, concerning government, and many other points, as well of speculation as of practice; an attachment to different leaders ambitiously contending for pre-eminence and power; or to persons of other descriptions whose fortunes have been interesting to the human passions, have, in turn, divided mankind into parties, inflamed them with mutual animosity, and rendered them much more disposed to vex and oppress each other than to co-operate for their common good. So strong is this propensity of mankind to fall into mutual animosities, that where no substantial occasion presents itself, the most frivolous and fanciful distinctions have been sufficient to kindle their unfriendly passions and excite their most violent conflicts. But the most common and durable source of factions has been the various and unequal distribution of property. Those who hold and those who are without property have ever formed distinct interests in society. Those who are creditors, and those who are debtors, fall under a like discrimination. A 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. The regulation of these various and interfering interests forms the principal task of modern legislation, and involves the spirit of party and faction in the necessary and ordinary operations of the government.

No man is allowed to be a judge in his own cause, because his interest would certainly bias his judgment, and, not improbably, corrupt his integrity. With equal, nay with greater reason, a body of men are unfit to be both judges and parties at the same time; yet what are many of the most important acts of legislation, but so 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 they determine? Is a law proposed concerning private debts? It is a question to which the creditors are parties on one side and the debtors on the other. Justice ought to hold the balance between them. Yet the parties are, and must be, themselves the judges; and the most numerous party, or, in other words, the most powerful faction must be expected to prevail. Shall domestic manufactures be encouraged, and in what degree, by restrictions on foreign manufactures? are questions which would be differently decided by the landed and the manufacturing classes, and probably by neither with a sole regard to justice and the public good. The apportionment of taxes on the various descriptions of property is an act which seems to require the most exact impartiality; yet there is, perhaps, no legislative act in which greater opportunity and temptation are given to a predominant party to trample on the rules of justice. Every shilling with which they overburden the inferior number, is a shilling saved to their own pockets.

It is in vain to say that enlightened statesmen will be able to adjust these clashing interests, and render them all subservient to the public good. Enlightened statesmen will not always be at the helm. Nor, in many cases, can such an adjustment be made at all without taking into view indirect and remote considerations, which will rarely prevail over the immediate interest which one party may find in disregarding the rights of another or the good of the whole.
The inference to which we are brought is, that the **CAUSES** of faction cannot be removed, and that relief is only to be sought in the means of controlling its **EFFECTS**.

If a faction consists of less than a majority, relief is supplied by the republican principle, which enables the majority to defeat its sinister views by regular vote. It may clog the administration, it may convulse the society; but it will be unable to execute and mask its violence under the forms of the Constitution. When a majority is included in a faction, the form of popular government, on the other hand, enables it to sacrifice to its ruling passion or interest both the public good and the rights of other citizens. To secure the public good and private rights against the danger of such a faction, and at the same time to preserve the spirit and the form of popular government, is then the great object to which our inquiries are directed. Let me add that it is the great desideratum by which this form of government can be rescued from the opprobrium under which it has so long labored, and be recommended to the esteem and adoption of mankind.

By what means is this object attainable? Evidently by one of two only. Either the existence of the same passion or interest in a majority at the same time must be prevented, or the majority, having such coexistent passion or interest, must be rendered, by their number and local situation, unable to concert and carry into effect schemes of oppression. If the impulse and the opportunity be suffered to coincide, we well know that neither moral nor religious motives can be relied on as an adequate control. They are not found to be such on the injustice and violence of individuals, and lose their efficacy in proportion to the number combined together, that is, in proportion as their efficacy becomes needful.

From this view of the subject it may be concluded that a pure democracy, by which I mean a society consisting of a small number of citizens, who assemble and administer the government in person, can admit of no cure for the mischiefs of faction. A common passion or interest will, in almost every case, be felt by a majority of the whole; a communication and concert result from the form of government itself; and there is nothing to check the inducements to sacrifice the weaker party or an obnoxious individual. Hence it is that such democracies have ever been spectacles of turbulence and contention; have ever been found incompatible with personal security or the rights of property; and have in general been as short in their lives as they have been violent in their deaths. Theoretic politicians, who have patronized this species of government, have erroneously supposed that by reducing mankind to a perfect equality in their political rights, they would, at the same time, be perfectly equalized and assimilated in their possessions, their opinions, and their passions.

A republic, by which I mean a government in which the scheme of representation takes place, opens a different prospect, and promises the cure for which we are seeking. Let us examine the points in which it varies from pure democracy, and we shall comprehend both the nature of the cure and the efficacy which it must derive from the Union.

The two great points of difference between a democracy and a republic are: first, the delegation of the government, in the latter, to a small number of citizens elected by the rest; secondly, the greater number of citizens, and greater sphere of country, over which the latter may be extended.

The effect of the first difference is, on the one hand, to refine and enlarge the public views, by passing them through the medium of a chosen body of citizens, whose wisdom may best discern the true interest of their country, and whose patriotism and love of justice will be least likely to sacrifice it to temporary or partial considerations. Under such a regulation, it may well happen that the public voice, pronounced by the representatives of the people, will be more consonant to the public good than if pronounced by the people themselves, convened for the purpose. On the other hand, the effect may be inverted. Men of factious tempers, of local prejudices, or of sinister designs, may, by intrigue, by corruption, or by other
means, first obtain the suffrages, and then betray the interests, of the people. The question resulting is, whether small or extensive republics are more favorable to the election of proper guardians of the public weal; and it is clearly decided in favor of the latter by two obvious considerations:

In the first place, it is to be remarked that, however small the republic may be, the representatives must be raised to a certain number, in order to guard against the cabals of a few; and that, however large it may be, they must be limited to a certain number, in order to guard against the confusion of a multitude. Hence, the number of representatives in the two cases not being in proportion to that of the two constituents, and being proportionally greater in the small republic, it follows that, if the proportion of fit characters be not less in the large than in the small republic, the former will present a greater option, and consequently a greater probability of a fit choice.

In the next place, as each representative will be chosen by a greater number of citizens in the large than in the small republic, it will be more difficult for unworthy candidates to practice with success the vicious arts by which elections are too often carried; and the suffrages of the people being more free, will be more likely to centre in men who possess the most attractive merit and the most diffusive and established characters.

It must be confessed that in this, as in most other cases, there is a mean, on both sides of which inconveniences will be found to lie. By enlarging too much the number of electors, you render the representatives too little acquainted with all their local circumstances and lesser interests; as by reducing it too much, you render him unduly attached to these, and too little fit to comprehend and pursue great and national objects. The federal Constitution forms a happy combination in this respect; the great and aggregate interests being referred to the national, the local and particular to the State legislatures.

The other point of difference is, the greater number of citizens and extent of territory which may be brought within the compass of republican than of democratic government; and it is this circumstance principally which renders factious combinations less to be dreaded in the former than in the latter. The smaller the society, the fewer probably will be the distinct parties and interests composing it; the fewer the distinct parties and interests, the more frequently will a majority be found of the same party; and the smaller the number of individuals composing a majority, and the smaller the compass within which they are placed, the more easily will they concert and execute their plans of oppression. Extend the sphere, and you take in a greater variety of parties and interests; you make it less probable that a majority of the whole will have a common motive to invade the rights of other citizens; or if such a common motive exists, it will be more difficult for all who feel it to discover their own strength, and to act in unison with each other. Besides other impediments, it may be remarked that, where there is a consciousness of unjust or dishonorable purposes, communication is always checked by distrust in proportion to the number whose concurrence is necessary.

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. Does the advantage consist in the substitution of representatives whose enlightened views and virtuous sentiments render them superior to local prejudices and schemes of injustice? It will not be denied that the representation of the Union will be most likely to possess these requisite endowments. Does it consist in the greater security afforded by a greater variety of parties, against the event of any one party being able to outnumber and oppress the rest? In an equal degree does the increased variety of parties comprised within the Union, increase this security. Does it, in fine, consist in the greater obstacles opposed to the concert and accomplishment of the secret wishes of an unjust and interested majority? Here, again, the extent of the Union gives it the most palpable advantage.
The influence of factious leaders may kindle a flame within their particular States, but will be unable to spread a general conflagration through the other States. A religious sect may degenerate into a political faction in a part of the Confederacy; but the variety of sects dispersed over the entire face of it must secure the national councils against any danger from that source. A rage for paper money, for an abolition of debts, for an equal division of property, or for any other improper or wicked project, will be less apt to pervade the whole body of the Union than a particular member of it; in the same proportion as such a malady is more likely to taint a particular county or district, than an entire State.

In the extent and proper structure of the Union, therefore, we behold a republican remedy for the diseases most incident to republican government. 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.

PUBLIUS. (Madison)

C. The Antifederalists of Pennsylvania

“An Address of the Subscribers Members of the late House of Representatives of the Commonwealth of Pennsylvania

GENTLEMEN,

WHEN in consequence of your suffrages at the last election we were chosen to represent you in the General Assembly of this Commonwealth, we accepted of the important trust, with a determination to execute it in the best manner we were able, and we flatter ourselves we acted in such a manner as to convince you, that your interests with that of the good of the state has been the object of our measures.

During the fall and spring sessions of the Legislature, on the recommendations of the Congress of the United States, your representatives proceeded to the appointment of delegates to attend a Convention to be held in the city of Philadelphia, for the purposes of revising and amending the present articles of confederation, and to report their proceedings to Congress, and when adopted by them, and ratified by the several states to become binding on them as part of the confederation of the United States. We lamented at the time, that a majority of our Legislature appointed men to represent this state who were all citizens of Philadelphia, none of them calculated to represent the landed interest of Pennsylvania, and almost all of them of one political party, men who have been uniformly opposed to that constitution for which you have on every occasion manifested your attachment. We were apprehensive at the time, of the ill
consequences of so partial a representation, but all opposition
was in vain. When the Convention met, members from twelve states
attended, and after deliberating upwards of four months on the
subject, agreed on a plan of government which was sent forward by
them to Congress, and which was reported to the house by the
delegates of Pennsylvania as mere matter of information, and
printed in the News_papers of the city of Philadelphia; but the
house had not received it officially from Congress, nor had we
the least idea, that as the annual election was so near, we
should be called upon to deliberate, much less to act on so
momentous a business; a business of the utmost importance to you
and your posterity. We conceived it required the most minute
examination and mature consideration, and that it ought to be
taken up by the next house. Judge then of our surprize on finding
the last day but one in the sessions, a member of the House who
had been a delegate in the Convention, without any previous
notice or any intimation of his intentions to the House, offer a
resolution recommending the calling a Convention to consider of
the proposed constitution, and to direct the electing members for
the same, at so early a period as the day of your annual
election, thus attempting to surprise you into a choice of
members__to approve or disapprove of a constitution, which, is to
entail happiness or misery forever without giving time to the
greatest part of the state even to see, much less to examine the
plan of government.

Our duty to ourselves and our regard for your dearest
interests induced us to oppose the measure by every possible
argument that we could suggest at the time; but all our efforts
were insufficient even to produce a postponement until the
afternoon. We urged and urged in vain the constant practice of
the House when any important business was to be brought on, of
giving previous notice and making it the order of the day
 sometime before hand; that no bill however trifling was passed
without three readings, and without this formality which gave the
members time and opportunity to think on the subject; that the
rules were adhered to so strictly that even the building of a
bridge, or the laying out a road, could not be determined on
without this form; but this the most important of all matters was
to be done by surprize, and as we conceived with design to
preclude you from having it in your power to deliberate on the
subject. Our anxiety for your interests was great, but
notwithstanding the firmest and most determined opposition, no
respite could be obtained, and the first revolution was adopted
by a majority of the house, when they adjourned till the afternoon to complete the business. In these circumstances we had no alternative, we were under a necessity of either returning to the house, and by our presence enabling them to call a convention before our constituents could have the means of information, or time to deliberate on the subject, or by absenting ourselves from the house, prevent the measure taking place. Our regard for you induced us to prefer the latter, and we determined not to attend in the afternoon. We conceived that at the time we were chosen you had no view to this business, and we could see no inconvenience nor loss of time from deferring a matter of such importance and which would in its consequences affect, or perhaps, annihilate our own constitution, as well as that of every constitution in the union to a house chosen after the people had some knowledge of the plan, especially as the next house will meet at so early a period, and a convention could be called by them time enough to meet in a few months, which, would be as early as any state in the Union, and would be allowing you time to make up your minds on a matter which appeared to us to require so much deliberation. Thus circumstanced and thus influenced, we determined the next morning, again to absent ourselves from the house, when James M'Calmont, Esq. a member from Franklin, and Jacob Miley, Esq. a member from Dauphin, were seized by a number of citizens of Philadelphia, who had collected together for that purpose, their lodgings were violently broken open, their cloaths torn, and after much abuse and insult, they were forcibly dragged through the streets of Philadelphia to the State_house, and there detained by force, and in the presence of the majority, who had, the day before, voted for the first of the proposed resolutions, treated with the most insulting language; while the House so formed proceeded to finish their resolutions, which they mean to offer to you as the doings of the Legislature of Pennsylvania. On this outrageous proceeding we make no comment. The inhabitants of Franklin and Dauphin have been grossly insulted by the treatment of their members. We know the feelings of the people of these counties are sufficiently keen; it becomes us, not to add to them by dwelling longer on the subject; but as our conduct may, and we have no doubt, will be misrepresented, we thought it our duty to lay before our constituents, to whom alone we are accountable, a real state of facts; that they may judge for themselves. We need not tell you, that we could have no interested motive to influence our conduct. A sense of that duty which we owed to you and to ourselves, could have alone induced us to submit to the variety of abuse and insults which many of us have experienced
for not consenting to a measure that might probably have
surprized you into a surrender of your dearest rights. Our
conduct has at least had the good effect to lengthen out the time
of election, and induced them to postpone the election for
members of the Convention until the first Tuesday in November
next; whereas the resolution first proposed, directed it to be
holden for all the counties east of Bedford, on the day of the
annual election, nine days from the time of proposing the
measure.

We cannot conclude without requesting you to turn your serious attention to the government
now offered to your consideration;

We are pers
uaded that a free and candid discussion of any subject tends greatly to the
improvement of knowledge, and that a matter in which the public are so deeply
interested cannot be too well understood." A good constitution and government is a blessing
from heaven, and the right of posterity and mankind; suffer then we intreat you, no interested
motive, sinister view or improper influence to direct your determinations or biass your
Judgments. Provide yourselves with the new constitution offered to you by the Convention,
look it over with attention that you be enabled to think for
yourselves. We confess when the Legislature appointed delegates
to attend the Convention, our ideas extended no farther than a
revision of amendment of the present consideration, nor were our
delegates, by the acts of assembly appointing them, authorized to
do more as will appear by referring to the said act, the second
section of which describes their powers in the following words, viz.

......... 2. Be it enacted, and it is hereby enacted by the Representatives of the Freemen of the
Commonwealth of Pennsylvania in General Assembly met, and by the authority of the same,
That Thomas Mifflin, Robert Morris, George Clymer, Jared Ingersoll, Thomas Fitzsimons, James
Wilson and Governour Morris, Esquires, are hereby appointed deputies from this state to meet
in the Convention of the deputies of the respective states of North_America, to be held at the
city of Philadelphia, on the second day of the month of May next. And the said Thomas Mifflin,
Robert Morris, George Clymer, Jared Ingersoll, Thomas Fitzsimons, James Wilson and
Governor Morris, Esquires, or any four of them are hereby constituted and appointed deputies
from this state, with powers to meet such deputies as may be appointed and authorised by the
other states to assemble in the said convention at the city aforesaid, and to join with them in
devising, deliberating on, and discussing all such alterations and further provisions as may be
necessary to render the federal constitution fully adequate to the exigencies of the Union; and
in reporting such act or acts for that purpose, to the United States in Congress assembled, as
when agreed to by them, and duly confirmed by the several states, will effectually provide for
the same.

You will therefore perceive that they had no authority whatever from the Legislature, to
annihilate the present confederation and form a constitution entirely new, and in doing
which they have acted as mere individuals, not as the official deputies of this commonwealth. If however, after mature deliberation you are of opinion that the plan of government which they have offered for your consideration is best calculated to promote your political happiness and preserve those invaluable privileges you at present enjoy, you will no doubt chose men to represent you in Convention who will adopt it; if you think otherwise you will, with your usual firmness, determine accordingly.

You have a right, and we have no doubt you will consider whether or not you are in a situation to support the expence of such a government as is now offered to you, as well as the expence of your state government? or whether a Legislature consisting of three branches, neither of them chosen annually, and that the Senate, the most powerful, the members of which are for six years, are likely to lessen your burthens or encrease your taxes? or whether in case your state government should be annihilated, which will probably be the case, or dwindle into a mere corporation, the continental government will be competent to attend to your local concerns? You can also best determine whether the power of levying and imposing internal taxes at pleasure, will be of real use to you or not? or whether a continental collector assisted by a few faithful soldiers will be more eligible than your present collectors of taxes? You will also in your deliberations on this important business judge, whether the liberty of the press may be considered as a blessing or a curse in a free government, and whether a declaration for the preservation of it is necessary? or whether in a plan of government any declaration of rights should be prefixed or inserted? You will be able likewise to determine, whether in a free government there ought or ought not to be any provision against a standing army in time of peace? or whether the trial by jury in civil causes is become dangerous and ought to be abolished? and whether the judiciary of the United States is not so constructed as to absorb and destroy the judiciaries of the several states? you will also be able to judge whether such inconveniences have been experienced by the present mode of tryal between citizen and citizen, of different states as to render a continental court necessary for that purpose? or whether there can be any real use in the appellate jurisdiction with respect to fact as well as law? we shall not dwell longer on the subject; one thing however, it is proper you should be informed of; the convention were not unanimous with respect to men though they were as states, several of those who have signed did not fully approve of the plan of government, and three of the members viz. Governor Randolph and Col George Mason of Virginia, and Eldredge Gerry, Esq. of Massachusets, whose characters are very respectable, had such strong objections as to
refuse signing. The confederation no doubt is defective and requires amendment and revision, and had the convention extended their plan to the enabling the United States to regulate commerce, equalize the impost, collect it throughout the United States and have the entire jurisdiction over maritime affairs, leaving the exercise of internal taxation to the separate states, we apprehend there would have been no objection to the plan of government.

The matter will be before you, and you will be able to judge for yourselves. Shew that you seek not yourselves, but the good of your country, and may He who alone has dominion over the passions and understandings of men enlighten and direct you aright, that posterity may bless God for the Wisdom of their ancestors.

James M'Calmont, .......... John Gilchrist,
Robert Clark, .......... Abraham Smith,
Jacob Miley, .......... Robert Whitehill,
Alexander Wright, .......... David Mitchel,
John M'Dowell, .......... John Piper,
John Flenniken, .......... Samuel Dale,
James Allison, .......... William Findley,
Theophilus Philips, .......... James Barr,
SATURDAY Sept. 29th, 1787. “

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2. Hamilton and Jefferson

6.1: Alexander Hamilton's Economic Reports (1790–1791)

In 1790–1791 Secretary of Treasury Alexander Hamilton, at Congress’s bidding, prepared a series of reports recommending legislation to deal with pressing national economic issues. There were three major reports, two of which (excerpted here), the First and Second Reports on Public Credit,1 formed the bases for immediate path-breaking legislation: the Funding Act of 1790 and the act establishing the Bank of the United States. A third, the Report on Manufactures, did not produce a quick legislative response, but it expressed even more clearly than the other two documents the Hamiltonian attitude toward America’s future economic and social course. In it Hamilton casts himself in the role of the first modern economic planner. This report became an arsenal of arguments for those determined to encourage the growth

1“The Second Report on Public Credit” is also often called “The Report on a National Bank.”
of domestic manufactures in the United States. Eventually, its protectionist philosophy was also incorporated into specific legislation, although long after Hamilton was dead.

The First Report on Public Credit dealt with the unpaid debts of the Revolution. These were of three kinds: debts owed by the United States to foreign countries, debts owed by the United States to its own citizens, and debts owed by the thirteen states to American creditors. Some states had taxed their own citizens to pay their debts; others had not. All the debts of the national government, those owed both at home and abroad, had fallen into arrears, and many of the debt certificates had been sold by the original possessors to speculators for whatever they would bring.

Hamilton, in the first report, starts by making a case for the prompt and full payment of all the new nation’s public debts. He then seeks to deal with the controversies over how to pay the domestic debt, both state and national. In his arguments are embedded certain attitudes toward creditors and debtors, toward the role of government in the economy, toward the business community, and toward America’s future. What are these? The Secretary of the Treasury strongly favored the federal “assumption” of the unpaid debts of the states. Why does he argue for this position? What would taxpayers in states that had already paid their debts probably feel about such an assumption plan?

The first report already hinted at Hamilton’s view of the larger economic role of a “funded” debt, that is, a consolidated federal debt, backed by provisions to pay interest and principle, into which the old debts could be converted. In his second report he more explicitly links this new funded debt with certain larger economic goals through a federally chartered central bank that would accept the new securities as paid-in capital. The bank would then issue paper money backed by these securities. What hopes does Hamilton have for this paper money? What are his larger economic goals? How would the new national bank further them? In what ways would the national bank help the government itself as contrasted to the economy in general?

Given Hamilton’s bias toward commerce and industry, how do you explain his tribute in his Report on Manufactures to agriculture? Was he being realistic in his hope that sectional differences over manufactures need not be disruptive? Is his vision of a transformed American economic future an attractive one? Could America have avoided the outcome he anticipated? Which of the eleven methods to encourage manufactures he suggests did Americans ultimately use most widely?
In the opinion of the Secretary [Hamilton] . . . [we must consider certain] plain and undeniable truths.

That exigencies are to be expected to occur, in the affairs of nations, in which there will be a necessity for borrowing.

That loans in times of public danger, especially from foreign war, are found [to be] an indispensable resource even to the wealthiest of them.

And that in a country which, like this, is possessed of little active wealth, or in other words, little monied capital, the necessity for that resource, must, in such emergencies, be proportionately urgent. . . .

And as . . . the necessity for borrowing in particular emergencies cannot be doubtful, so, . . . it is equally evident that to be able to borrow upon good terms, it is essential that the credit of a nation should be well established.

For, when the credit of a country is in any degree questionable, it will never fail to give an extravagant premium . . . upon all the loans it has occasion to make. . . .

If the maintenance of public credit, then, be truly so important, the next inquiry which suggests itself is: By what means is it to be effected? The ready answer to which question is, by good faith; by a punctual performance of contracts. . . .

To justify and preserve their confidence; to promote the increasing respectability of the American name; to answer the calls of justice; to restore landed property to its due value; to furnish new resources, both to agriculture and commerce; to cement more closely the union of the states; to add to their security against foreign attack; to establish public order on the basis of an upright and liberal policy;—these are the great and invaluable ends to be secured by a proper and adequate provision . . . for the support of the public credit. . . .

The advantage to the public creditors, from the increased value of that part of their property which constitutes the public debt, needs no explanation.

But there is a consequence of this, less obvious, though not less true, in which every citizen is interested. It is a well-known fact, that, in countries in which the national debt is properly funded, and an object of established confidence, it answers most of the purposes of money. Transfers of stock or public debt are there equivalent to payments in specie [i.e., gold and silver]. The same thing would, in all probability, happen here under the like circumstances.

The benefits of this are various and obvious:

First.—Trade is extended by it. . . .
Secondly.—Agriculture and manufactures are also promoted by it. . . .
Thirdly.—The interest of money will be lowered by it. . . .

And from a combination of these effects, additional aids will be furnished to labor, to industry, and to arts of every kind. . . .

Having now taken a concise view of the inducements to a proper provision of the public debt, the next inquiry which presents itself is: What ought to be the nature of such a provision . . . ?

It is agreed on all hands, that that part of the debt which . . . is denominated the reign debt, ought to be provided for, according to the precise terms of the contracts relating to it. The discussions, which can arise, therefore, will have reference essentially to the domestic part of it . . .

[The question has arisen] whether a discrimination ought not to be made between original holders of the public securities, and present possessors by purchase. Those who advocate a discrimination are for making a full provision for the securities of the former, at their nominal [i.e., face] value; but contend, that the latter ought to receive no more than the cost to them and the interest . . .

In favor of this scheme, it is alleged, that it would be unreasonable to pay twenty shillings in the pound [i.e., full face value] to one who had not given more for it than three or four. And it is added, that it would be hard to aggravate the misfortune of the first owner, who, probably through necessity, parted with his property at so great a loss, by obliging him to contribute to the profit of the person, who has speculated on his distresses.

The Secretary . . . is induced to reject the doctrine [this argument] contains, as equally unjust and impolitic, as highly injurious, even to the original holders of public securities; as ruinous to public credit.

It is inconsistent with justice, because in the first place, it is a breach of contract; violation of the rights of a fair purchaser.

The nature of the contract in its origin, is, that the public will pay the sum expressed in the security, to the first holder, or his assignee. The intent in making the security assignable, is, that the proprietor may be able to make use of his property, selling it for as much as it may be worth in the market, and that the buyer be safe the purchase.

Every buyer therefor stands exactly in the place of the seller, has the same right with him in the identical sum expressed in the security . . .

That he is to be considered as a fair purchaser, results from this: Whatever necessity the seller may have been under, was occasioned by the government in not making proper provision for its debts. The buyer had no agency in it and therefore ought not to suffer. He is not even chargeable with having taken an undue advantage. He did what the commodity was worth on the market and took the risks of reimbursement upon himself . . .

That the case of those, who parted with their securities from necessity, is a hard one, cannot be denied. But . . . they knew, that by the terms of the contract . . . the public were bound to pay those to whom they should convey their title, the sums pululated to be paid to them; and that as citizens of the United States, they were to bear their proportion of the contribution to that purpose. This, by the act of assignment, they tacitly agreed to do . . .

The impolicy of discrimination [between original holder and later speculative purchaser] results from two considerations; one, that it proceeds upon a principle destructive of the quality of the public debt . . . which is essential to the capacity for answering
the purpose of money—that is the security of transfer; the other, as because it includes a breach of faith, it renders property in the funds [i.e., in the public securities] less valuable; consequently induces lenders to demand a higher premium [i.e., interest] for what they lend and produces every other inconvenience of a bad state of public credit.

But there is still a point in view in which it will appear perhaps even more exceptionable than in either of the former. It would be repugnant to an express provision of the Constitution of the United States. This provision is that “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,” which amounts to a constitutional ratification of the contract respecting the debt, in the state in which they existed under the confederation. And resorting to that standard, there can be no doubt, that the rights of assignees and original holders, must be considered equal.

The Secretary . . . proceeds to examine whether a difference ought to be permitted [between United States creditors and] . . . those of the states.

The Secretary . . . entertains a full conviction, that assumption of the debts of the particular states by the union, will be a measure of sound policy and substantial justice.

It would . . . contribute . . . to an orderly, stable and satisfactory arrangement of the national finances.

If all the public creditors receive their dues from one source, distributed with an equal hand, their interest will be the same. And having the same interests, they will unite in support of the fiscal arrangements of the government.

If on the contrary there are distinct provisions [for paying the federal and the state debts], there will be distinct interests, drawing different ways. That union and concert of views, among the [public] creditors, which in every government is of great importance to their security, and to that of the public credit, will not only not exist, but will likely give place to mutual jealousy and opposition. And from this cause, the operation of the system which may be adopted, both by the particular states, and by the union in relation to their respective debts, will be in danger of being counteracted.

Persuaded, as the Secretary is, that the proper funding of the present debt, will render it a national blessing: Yet he is so far from acceding to the position . . . that “public debts are public benefits”—a position inviting to prodigality, and liable to dangerous abuse—that he ardently wishes to see it incorporated as a fundamental maxim . . . that the creation of debt should always be accompanied by the means of extinguishment. This he regards as the true secret for rendering public credit immortal.

The Second Report on Public Credit, December 13, 1790

ALEXANDER HAMILTON

The . . . Secretary further . . . reports that . . . a National Bank is an institution of primary importance to the proper administration of the finances, and would be of the greatest utility in the operations connected with the support of the public credit . . .
The following are among the principal advantages of a bank.

First. The augmentation of the active or productive capital of a country. Gold and silver, when they are employed merely as the instruments of exchange . . . have not been improperly denoted dead stock [i.e., unproductive]: but when deposited in banks, to become the basis of a paper circulation, . . . they then acquire life, or, in other words, an active and productive quality . . . . It is evident, for instance, that the money, which a merchant keeps in his chest, waiting for a favorable opportunity to employ it, produces nothing 'till that opportunity arrives. But if . . . he either deposits it in a bank or invests it in the stock of a bank, it yields a profit, during the interval . . . . His money thus deposited or invested is a fund, upon which himself and others can borrow to a much larger amount. It is a well established fact, that banks in good credit can circulate a far greater sum than the actual quantum of their capital in gold and silver. The extent of the possible excess seems indeterminate; though it has been conjecturally stated at the proportions of three to one . . . .

Secondly. Greater facility to the government in obtaining pecuniary aids, especially in sudden emergencies. . . . The capitals of a great number of individuals are [through banks], collected to a point, and placed under one direction. . . . [T]his mass is always ready, and can at once be put in motion, in aid of the government . . . .

Thirdly. The facilitating of the payment of taxes. This advantage is produced in two ways. Those who are in a situation to have access to the bank can have the assistance of loans to answer with punctuality the public calls upon them. . . . The other way . . . is the increasing of the quantity of circulating medium and the quickening of circulation. . . . And it is evident, that, whatever enhances the quantity of circulating money adds to the ease with which every industrious member of the community may acquire that portion of it of which he stands in need; and enables him to better pay his taxes, as well as supply his other wants. Even where the circulation of the bank paper [i.e., paper money issued by the banks] is not general, it must still have the same effect, though in a less degree, for whatever furnishes additional supplies to the channels of circulation, in one quarter, naturally contributes to keep the streams fuller elsewhere. . . . Banks tend to facilitate the payment of taxes, and to exemplify their utility to business of every kind, in which money is an agent . . . .

The combination of a portion of the public debt in the formation of capital, is the principal thing, of which an explanation is requisite. The chief object of this is, to enable the creation of a capital sufficiently large to be the basis of an extensive circulation, and an adequate security for it . . . [T]he original plan of the Bank of North America1 contemplated a capital of ten millions of dollars . . . . But to collect such a sum in this country in gold and silver, into one depository, may, without hesitation, be pronounced impracticable. Hence the necessity of an auxiliary which the public debt at once presents.

This part of the fund will be always ready to come in aid of the specie. It will more and more command a ready sale; and can therefore expeditiously be turned into coin if an exigency of the bank should at any time require it. This quality of

1The Bank of North America, the first private commercial bank in the United States, was chartered by the Confederation Congress in 1781 to help with the financing of the Revolution. It accomplished less than its organizers hoped—ed.
prompt convertibility into coin, renders it an equivalent for that necessary agent of bank circulation; and distinguishes it from a fund in land.²

**The Report on Manufactures, December 5, 1791**

ALEXANDER HAMILTON

The expediency of encouraging manufactures in the United States ... appears at this time to be pretty generally admitted. ... [T]he restrictive regulations which in foreign markets abridge the vent [i.e., export] 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. ... There ... are ... respectable patrons of opinions unfriendly to the encouragement of manufactures. The following are ... the arguments by which these opinions are defended. [Hamilton summarizes the views of those opposed to encouraging manufactures, which are as follows: (1) especially in a country like the United States, with “immense tracts of fertile territory,” no other occupation is as productive as agriculture; (2) for government to encourage manufactures is “to transfer the natural current of industry from a more to a less beneficial channel”; (3) America’s abundant land relative to its small population makes it difficult to recruit workers for manufactures, since people will prefer the independence of farming to the “less independent condition of an artisan”; and (4) is somehow, despite these facts, government can by “heavy duties, prohibitions, bounties, or by other forced expedi ents” give a “premature spring” to manufactures, it “will only sacrifice the interests of the community to those of particular classes.” He then resumes his own arguments.]

It ought readily to be conceded that the cultivation of the earth, as the primary and most certain source of national supply; as the immediate and chief source of sustenance to man; as the principal source of those materials which constitute the nutriment of other kinds of labor; as including a state most favourable to the freedom and independence of the human mind—one, perhaps, most conducive to the multiplication of the human species; has intrinsically a strong claim to pre-eminence over every other kind of industry.

But, that it has a title to any thing like an exclusive predilection, in any country, ought to be admitted with great caution. That it is even more productive than every other branch of Industry requires more evidence, than has yet been given in support of the position. ... It is now proper to ... enumerate 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 that they contribute essentially

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²The reference here is to the controversial land banks established in several colonies before 1776 to provide a circulating medium. These were generally not successful—Ed.

to rendering them greater than they could possibly be, without such establishments. These circumstances are:

1. The division of labor.
2. An extension of the use of machinery.
3. Additional employment to classes of the community not ordinarily engaged in the business.
4. The promotion of emigration from foreign countries.
5. The furnishing greater scope for the diversity of talents and dispositions, which discriminate men from each other.
6. The affording a more ample and variable field for enterprise.
7. The creating, in some instances, a new, and securing, in all, a more certain and steady demand for the surplus produce of the soil. . . .

Not only the wealth; but the independence and security of a country, appear to be materially connected with the prosperity of manufactures. Every nation, with a view to those great objects, ought to endeavor to possess within itself all the essentials of national supply. These comprise the means of subsistence, habitation, clothing, and defence. . . .

It is not uncommon to meet with an opinion, that, though the promoting of manufactures may be the interest of a part of the Union, it is contrary to that of another part. The Northern and Southern regions are sometimes represented as having adverse interests in this respect. Those are called manufacturing, these agricultural States: and a species of opposition is imagined to subsist between the manufacturing and agricultural interests. . . .

Ideas of a contrariety of interests between the Northern and Southern regions of the Union are, in the main, as unfounded as they are mischievous. The diversity of circumstances on which such a contrariety is usually predicated, authorizes a directly contrary conclusion. Mutual wants constitute one of the strongest links of political connexion. . . .

If the Northern and Middle States should be the principal scenes of such [manufacturing] establishments, they would immediately benefit the more Southern, by creating a demand for productions. . . . These productions . . . are timber, flax, hemp, cotton, wool, raw silk, indigo, iron, lead, fur, hides, skins and coals. . . .

The extensive cultivation of cotton, can, perhaps, hardly be expected but from the previous establishment of domestic manufactories [i.e., workshops] of the article. . . .

A full view having now been taken of the inducements to the promotion of manufactures in the United States, . . . it is proper . . . to consider the means by which it may be effected. . . .

1. Protecting duties—or duties on those foreign articles which are the rivals of the domestic ones intended to be encouraged. . . .
2. Prohibitions of rival articles, or duties equivalent to prohibitions. . . .
3. Prohibitions of the exportation of the materials of manufactures. . . .
4. Pecuniary Bounties. . . .
5. Premiums. . . .
8. The encouragement of new inventions and discoveries at home, and of the introduction into the United States of such as may have been made in other countries; particularly, those which relate to machinery. . . .
9. Judicious regulations for the inspection of manufactured commodities. . . .
10. The facilitating of pecuniary remittances from place to place. . . .
11. The facilitating of the transportation of commodities. . . .

In countries where there is great private wealth, much may be effected by the voluntary contributions of patriotic individuals; but in a community situated like that of the United States, the public purse must apply the deficiency of private resource. In what can it be so useful, as in prompting and improving the efforts of industry?

6.2: Thomas Jefferson and the American Arcadia (1784)

Thomas Jefferson himself never expressed his views of America’s social and economic future as comprehensively as did Hamilton, his chief rival. But the following selection from his only full-length book, Notes on the State of Virginia, written in 1784, captures his attitudes as expressed shortly after the peace with Britain confirming America’s independence.

Considering his origins and background, why might Jefferson, more than Hamilton, be a defender of agriculture over manufactures? Why does Jefferson oppose manufactures? Why does he seem fearful of cities? As president, did any of his major policies reinforce the vision of America’s future he expressed here? Is Jefferson’s view of human nature implicit in the document?

Query XIX: Manufactures

THOMAS JEFFERSON

The Present State of Manufactures, Commerce, Interior and Exterior Trade?

We never had an interior trade of any importance. Our exterior commerce has suffered very much from the beginning of the present contest. During this time we have manufactured within our families the most necessary articles of cloathing. Those of cotton will bear some comparison with the same kinds of manufacture in Europe; but those of wool, flax and hemp are very coarse, unsightly, and unpleasant: and such is our attachment to agriculture, and such our preference for foreign


Footnotes deleted.
manufacturers, that be it wise or unwise, our people will certainly return as soon as they can, to the raising raw materials, and exchanging them for finer manufactures than they are able to execute themselves.

The political economists of Europe have established it as a principle that every state should endeavour to manufacture for itself: and this principle, like many others, we transfer to America, without calculating the difference of circumstance which should often produce a difference of result. In Europe the lands are either cultivated, or locked up against the cultivator. Manufacture must therefore be resorted to of necessity not of choice, to support the surplus of their people. But we have an immensity of land courting the industry of the husbandman. Is it best then that all our citizens should be employed in its improvement, or that one half should be called off from that to exercise manufactures and handicraft arts for the other? Those who labour in the earth are the chosen people of God, if ever he had a chosen people, whose breasts he has made his peculiar deposit for substantial and genuine virtue. It is the focus in which he keeps alive that sacred fire, which otherwise might escape from the face of the earth. Corruption of morals in the mass of cultivators is a phenomenon of which no age nor nation has furnished an example. It is the mark set on those, who not looking up to heaven, to their own soil and industry, as does the husbandman, for their subsistence [sic], depend for it on the casualties and caprice of customers. Dependance begets subservience and venality, suffocates the germ of virtue, and prepares fit tools for the designs of ambition. This, the natural progress and consequence of the arts, has sometimes perhaps been retarded by accidental circumstances: but, generally speaking, the proportion which the aggregate of the other classes of citizens bears in any state to that of its husbandmen, is the proportion of its unsound to its healthy parts, and is a good-enough barometer whereby to measure its degree of corruption. While we have land to labour then, let us never wish to see our citizens occupied at a work-bench, or twirling a distaff. Carpenters, masons, smiths, are wanting in husbandry: but, for the general operations of manufacture, let our workshops remain in Europe. It is better to carry provisions and materials to workmen there, than bring them to the provisions and materials, and with them their manners and principles. The loss by the transportation of commodities across the Atlantic will be made up in happiness and permanence of government. The mobs of great cities add just so much to the support of pure government, as sores do to the strength of the human body. It is the manners and spirit of a people which preserve a republic in vigour. A degeneracy in these is a canker which soon eats to the heart of its laws and constitution.

6.3: Thomas Jefferson Attacks the Hamiltonian System (1790)

During the years 1785–1789 Jefferson served as American minister to France. Appointed while abroad by Washington as the first Secretary of State, he returned home in 1789 to find himself in the middle of the
debate over the Hamiltonian program. The following document is an excerpt from “The Anas,” a journal Jefferson kept at the time and later revised, in which he fiercely attacks the Hamiltonian system and the party, the Federalists, that coalesced around it.

One part of the indictment was that the Hamiltonians were “monarchs.” In what sense could the funding system be considered monarchist? Another charge was that the Hamiltonians were corrupt men motivated largely by their lust for personal gain. How does this conflict with the arguments of Hamilton for his financial programs? Were Jefferson’s claims of corruption valid, or were they primarily the charges of a political partisan unhappy at the successes of an opponent?

The Vile Hamiltonian System

THOMAS JEFFERSON

I returned from that mission [to France] in the 1st. year of the new government, having landed in Virginia in Dec. [1789] & proceeded to N. York [the nation’s first capital] in March [1790] to enter on the office of Secretary of State. Here certainly I found a state of things which, of all I had ever contemplated, I the least expected. I had left France in the first year of its revolution, in the fervor of natural rights, and zeal for reformation. My conscientious devotion to these rights could not be heightened, but it had been aroused and excited by daily exercise. The president [George Washington] received me cordially, and my Colleagues & the circle of principal citizens, apparently, with welcome. The courtesies of dinner parties given me as a stranger newly arrived among them placed me at once in their familiar society. But I cannot describe the wonder and mortification with which the table conversations filled me. Politics were the chief topic, and a preference for kingly, over republican, government, was evidently the favorite sentiment. An apostate I could not be; nor yet a hypocrite: and I found myself, for the most part, the only advocate on the republican side of the question, unless, among the guests, there chanced to be some member of that party from the legislative Houses [i.e., Congress]. Hamilton’s financial system had then passed. It had two objects: 1st as a puzzle, to exclude popular understanding & inquiry. 2dly, as a machine for the corruption of the legislature; for he avowed the opinion that man could be governed by one of two motives only, force or interest: force he observed, in this country, was out of the question; and the interests therefore of the members must be laid hold of, to keep the legislature in unison with the Executive [i.e., the president]. And with grief and shame it must be acknowledged that his machine was not without effect. That even in this, the birth of our government,
some members were found sordid enough to bend their duty to their interests, and to look after personal, rather than public good.

It is well-known that, during the [Revolutionary] war, the greatest difficulty we encountered was the want of money or means, to pay our soldiers who fought, or our farmers, manufacturers & merchants who furnished the necessary supplies of food & clothing for them. After the expedient of paper money had exhausted itself, certificates of debt were given to the individual creditors, with the assurance of payment, so soon as the U.S. be able. But the distresses of these people 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 never be paid. In the bill for funding & paying these, Hamilton made no difference between the original holders & the fraudulent purchasers of this paper. Great & just repugnance arose in putting these two classes of creditors on the same footing, and great exertions were used to pay to the former the full value, and to the latter the price only which he had paid, with interest.

But this would have prevented the game which was to be played, & for which the minds of greedy members were already tutored and prepared. When the trial of strength . . . had indicated the form in which the bill would finally 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. Couriers & relay horses by land and swift sailing pilot boats by sea, were flying in all directions. Active partners & agents were associated & employed in every state, town, and country neighborhood, and this paper was bought up at 5 [shillings] and even low 2 [shillings] in the pound [i.e., from one-fourth to one-tenth of face value] before the holder knew that Congress had already provided for its redemption at par. Immense sums were thus filched from the poor & ignorant, and fortunes accumulated by those who had themselves been poor enough before.

[Jefferson attacks the assumption of state debts by the federal government as another example of the perfidy of the Hamiltonian funding program. He excuses his own role in inducing the southern states to accept assumption by claiming that he was new to the issue, having been abroad when it was first discussed and having yielded out of ignorance to Hamilton’s plea that unless the assumption passed the union would be dissolved. His explanation downplays the deal he helped arrange between the Hamiltonians and the southern states to locate the future national capital on the Potomac River in exchange for accepting assumption.]

...[And so the assumption was passed, and 20 millions of stock divided among favored states and thrown in as pabulum [i.e., food] to the stock-jobbing herd. This added to the number of votaries [i.e., supporters] to the treasury and made its Chief [Hamilton] the master of every vote in the legislature that might give the government the direction suited to his political views. I know well... that nothing like a majority in Congress had yielded to this corruption. Far from it. But a division, not very unequal, had already taken place in the honest part of that body, between the parties styled republican and federal. The latter being monarchists in principle, ad-
phalanx added to them ensured always a majority in both houses: so that the whole action of the legislature was now under the direction of the treasury. Still the machine was not compleat. The effect of the funding system, & of the assumption would be temporary. It would be lost with the loss of the individual members whom it had enriched, and some engine of influence more permanent must be contrived. while those myrmidons [i.e., henchmen] were yet in place to carry it thro’ all opposition. This engine was the Bank of the U.S. . . . While the government remained at Philadelphia, a selection of members of both houses were constantly kept as Directors, who, on every question interesting to that institution, or to the views of the federal head, voted at the will of the head; and, together with the stockholding members, could always make the federal [Federalist] vote that of the majority. By this combination, legislative expositions [i.e., interpretations] were given to the constitution, and all the administrative laws were shaped on the model of England & so passed. . . .

Here then was the real ground of the [Republican] opposition which was made to the course of the [Federalist] administration. Its object was to preserve the legislature pure and independent of the executive, to restrain the administration to republican forms and principles, and not permit the constitution to be construed into a monarchy, and to be warped in practice into all the principles and pollutions of their favorite English model. Nor was this an opposition to Gen’l Washington. He was true to the republican charge confided to him; & has solemnly and repeatedly protested to me, in our private conversations, that he would lose the last drop of blood in support of it, and he did this the oftener, and with the more earnestness because he knew my suspicions of Hamilton’s designs against it; & wished to quiet them. For he was not aware of the drift, or of the effect of Hamilton’s schemes. Unversed in financial projects & calculations, & budgets, his approbation of them was bottomed on his confidence in the man. But Hamilton was not only a monarchist, but for a monarchy bottomed on corruption. . . . Hamilton was indeed a singular character. Of acute understanding, disinterested, honest, and honorable in all private transactions, amiable in society, and duly valuing virtue in private life, yet so bewitched & perverted by the British example, as to be under thoro’ conviction that corruption was essential to the government of a nation.