

Alexander Hamilton

Alexander Hamilton, born in the West Indies in 1757, came to the colonies to go to school and, later, to attend King's College (Columbia University). At seventeen, he composed a series of persuasive letters to the editor on the principles involved in the colonial dispute against the mother country. When war broke out, Hamilton earned a commission as a captain in a New York artillery company. After serving a short time in Washington's army, Washington appointed him to be his aide and to think for him, as well as execute orders. After a time, Hamilton retired to study law and serve as receiver of Continental taxes for New York, a position which soon taught him the desirability of a strong national government capable of enforcing its will on adamant states' rights advocates. In 1786 at the poorly-attended Annapolis Convention, Hamilton introduced a resolution to call a convention of all thirteen states to consider revisions to the Articles of Confederation. At the resulting Philadelphia Convention in 1787, Hamilton used all of his influence to push for the strongest possible central government. He later helped to pen a series of "Federalist Papers," designed to build support for the new government. When the Constitution went into effect, Washington again chose Hamilton to do his thinking, this time in organizing the Department of the Treasury to put the nation on a sound financial footing. In the capacity, Hamilton, now married to the aristocratic Betsy Schuyler of New York, displayed his elitist tendencies and his lack of faith in the common people. Hamilton believed in the development of a strong central government and the development of a self-sufficient economy based on industry as well as agriculture. Although he had strongly supported the American Revolution, he favored the Tory government of Britain over the revolutionary government of France. In creating a financial policy for the new nation, Hamilton aimed, specifically, to establish the credit of the nation, build a strong central government, consolidate the support of the wealthy for the new government, and help to solve the currency shortage that threatened the development of industry in the United States.

Funding foreign, national, and state debts

Believed the national government should pay all debts to establish the credit of the new national government; payment of national and state debts would bind rich bondholders to the new government; state debts, also incurred in winning independence, should be the responsibility of all states; properly funded bonds would have a stable value and could serve to increase the supply of money in circulation.

Bank of United States

Favored a national bank modeled on the Bank of England; a joint venture between the general government and private banks would help the primitive private banks to exist and supply the necessary capital for business ventures; the national bank's issuance of paper currency would create a standard for currency of private banks; believed Constitution gave Congress an implied power to create a national bank; such a bank would set a precedent for a strong national government and would give rich investors a chance to make money and, again, establish a tie with the new government.

Whiskey excise

Advocated such a tax: expected a revolt from Western farmers who had largely ignored the Articles of Confederation; believed that the new government had to display its power to coerce people into compliance also approved a tax that would shift the burden of taxation to the poor.

Protective tariff

Favored a tax that would promote manufacturing and self-sufficiency; recognized need to protect infant industries during the early industrial revolution; did not persuade Congress of its urgency, and Congress passed a much lower revenue tariff instead.

Response to French Revolution

Favored Britain and admired British culture and institutions; pointed out that economic ties were stronger with Britain than France; 90 percent of United States imports were from Britain, and 75 percent of United States exports went to Britain; the bulk of money that went to pay off the national debt came from tariffs on imports from Britain.

Thomas Jefferson

Thomas Jefferson, the elder son of a prominent Virginia planter, inherited two farms in 1757 when he was fourteen. Jefferson, who had been educated by local tutors, developed an insatiable appetite for learning. Leaving his plantations in the hands of overseers, he moved to Williamsburg at seventeen to pursue professional training at the College of William and Mary. There, young Jefferson became acquainted with the ideas of the Enlightenment to solve problems of society. he agreed, too, with the English philosopher, John Locke, that man has certain natural rights that government has an obligation to protect if the government fails to protect those rights to life, liberty, and property, the people have a right to alter or abolish their government. This idea of the social contract became a major premise of the Declaration of Independence. Jefferson's reading ranged widely in politics, painting, the law, literature, and agriculture. Serving in the Virginia colonial legislature in the critical years beginning in 1769, Jefferson soon had ample evidence to convince him of the undesirability of an authoritarian government like that of Britain. He quickly concluded that government should be restricted to protecting the natural rights of all men. Jefferson's tenure as Minister to France just before the French Revolution reinforced that view. The same concern for human rights prompted Jefferson to withhold support for the new Constitution until the framers agreed to the addition of a Bill of Rights. While he was not a systematic thinker, Jefferson had clarified his thinking on the proper role of government by the time he agreed to serve as Secretary of State in the Washington administration. He wanted the states to retain as much authority as possible and the powers of the national government interpreted narrowly. He had seen enough of the manufacturing centers of Europe to be assured that an agricultural economy should avoid many of the undesirable consequences of industrialization and urbanization. Although he favored nonintervention in European affairs as a way of preserving peace, he, nonetheless, strongly favored the French against the British in foreign matters.

Funding foreign, national, and state debts

Agreed that credit with foreign nations depended upon payment of the foreign debt in full; protested repayment in full to national bondholders since many bonds had been resold at a fraction of their original worth to rich speculators when the American fortunes in the war seemed doubtful; protested scheme to permit such immense profits to northern speculators; also opposed national government's assumption of state debts since most Southern states had paid their debts.

Bank of United States

Opposed the Bank because it resembled the aristocratic Bank of England, favored the financial interests of the Northeast, and increased their influence in government; moreover, Constitution did not give Congress explicit power to create a bank.

Whiskey excise

Opposed a tax which penalized the small farmer and purposely provokes an opportunity to demonstrate the power of the new government at the expense of potential Jeffersonian supporters; such a tax would make the West anti-administration in future elections.

Protective tariff

Opposed a tax to promote industrialization; reflected this view and those of many others that farmers were the "chosen people of God"; accepted enactment of a law tariff for revenue purposes, but opposed a high protective tariff that would promote the growth of cities and factories with a dependent laboring class and a society that ran counter to the yeoman ideal.

Response to French Revolution

For the French; insisted that the French Revolution embodied the same principles for which the American Revolution had been fought; believed "the liberty of the whole earth" depended on the survival of the French Revolutionary Republic; some supporters recommended military aid to France, but most proclaimed neutrality.